

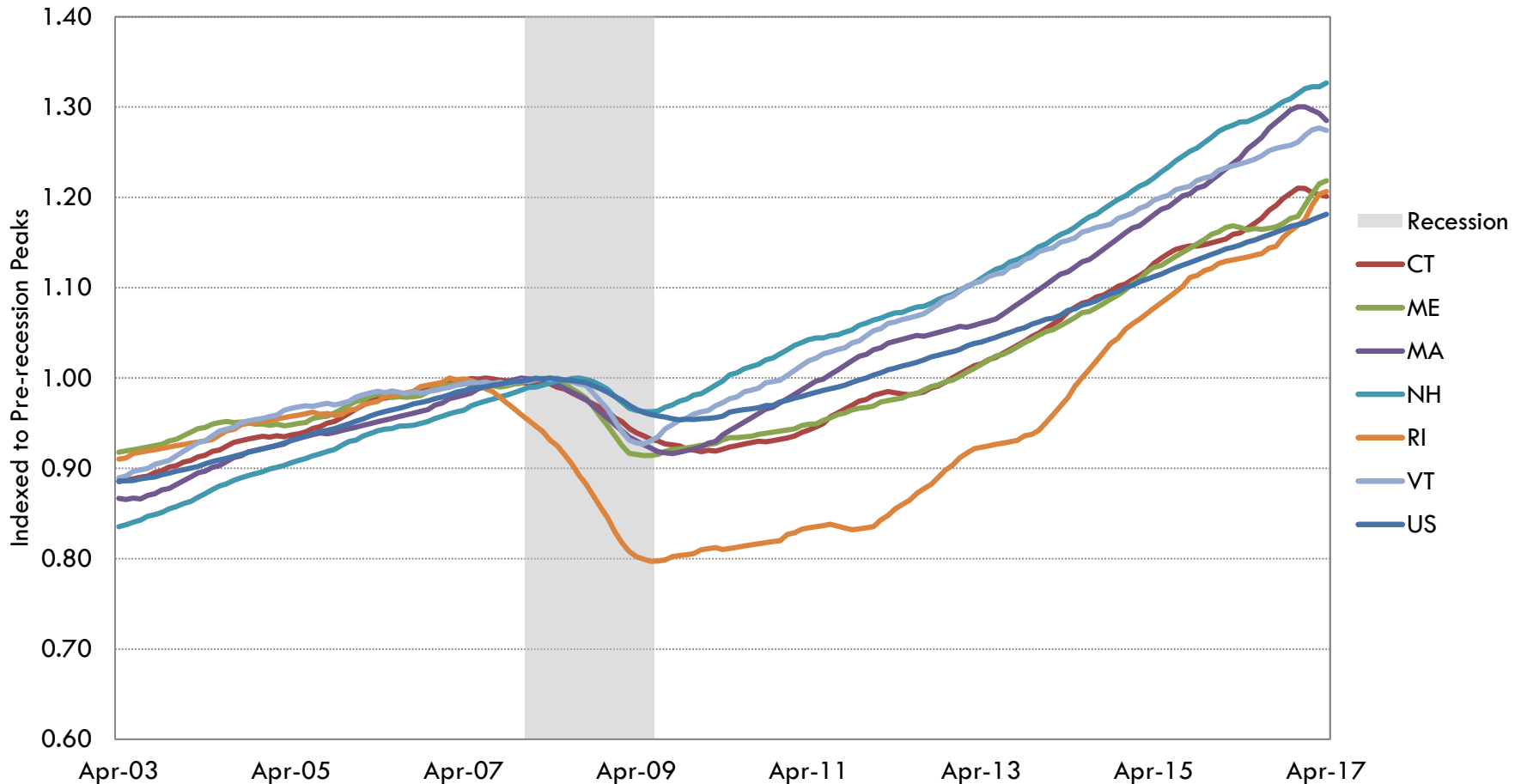
# NEW ENGLAND ECONOMIC UPDATE

Mary A. Burke  
Senior Economist

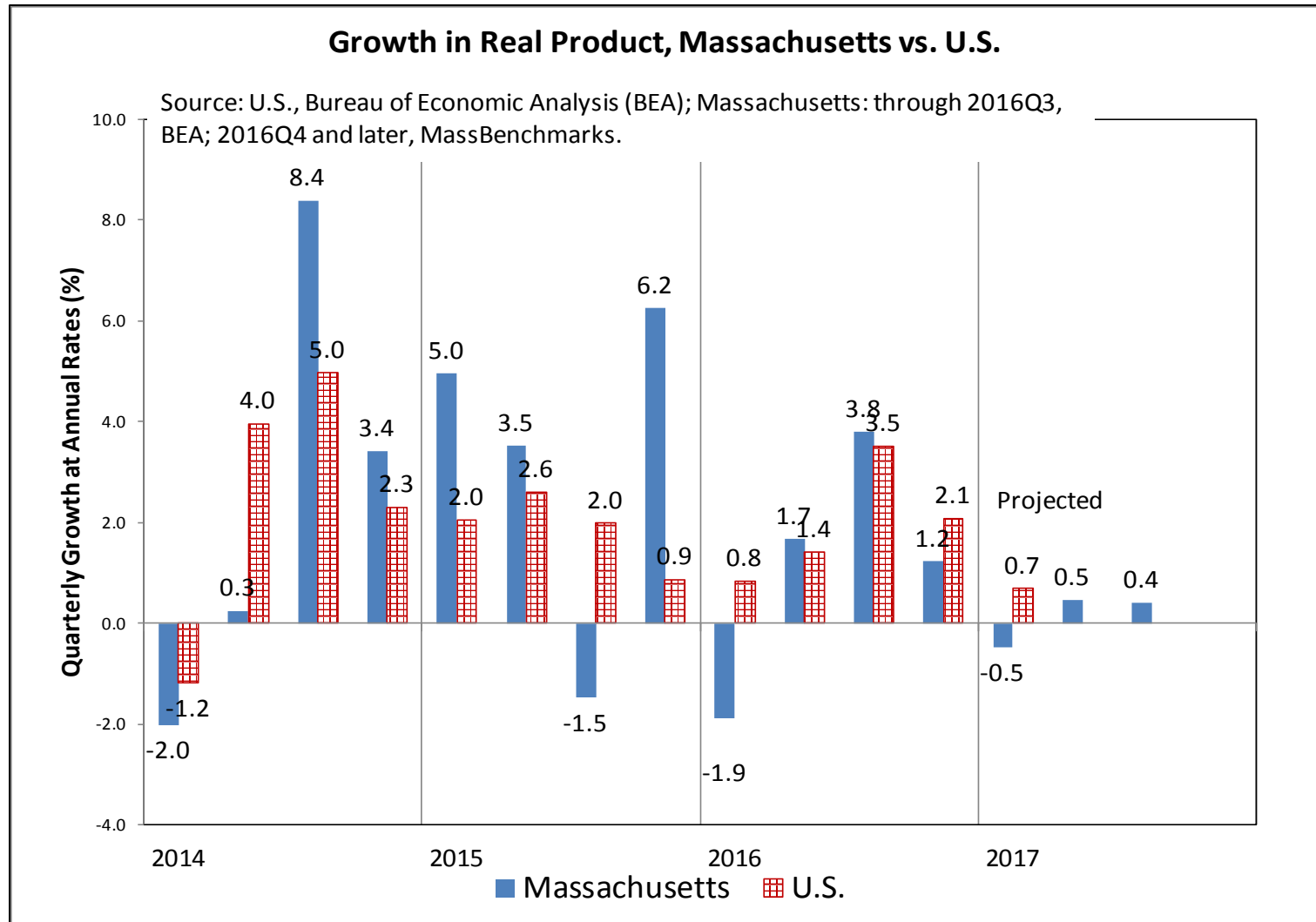
Presented to the New England Advisory Council  
June 5, 2017

Federal Reserve Bank of Boston

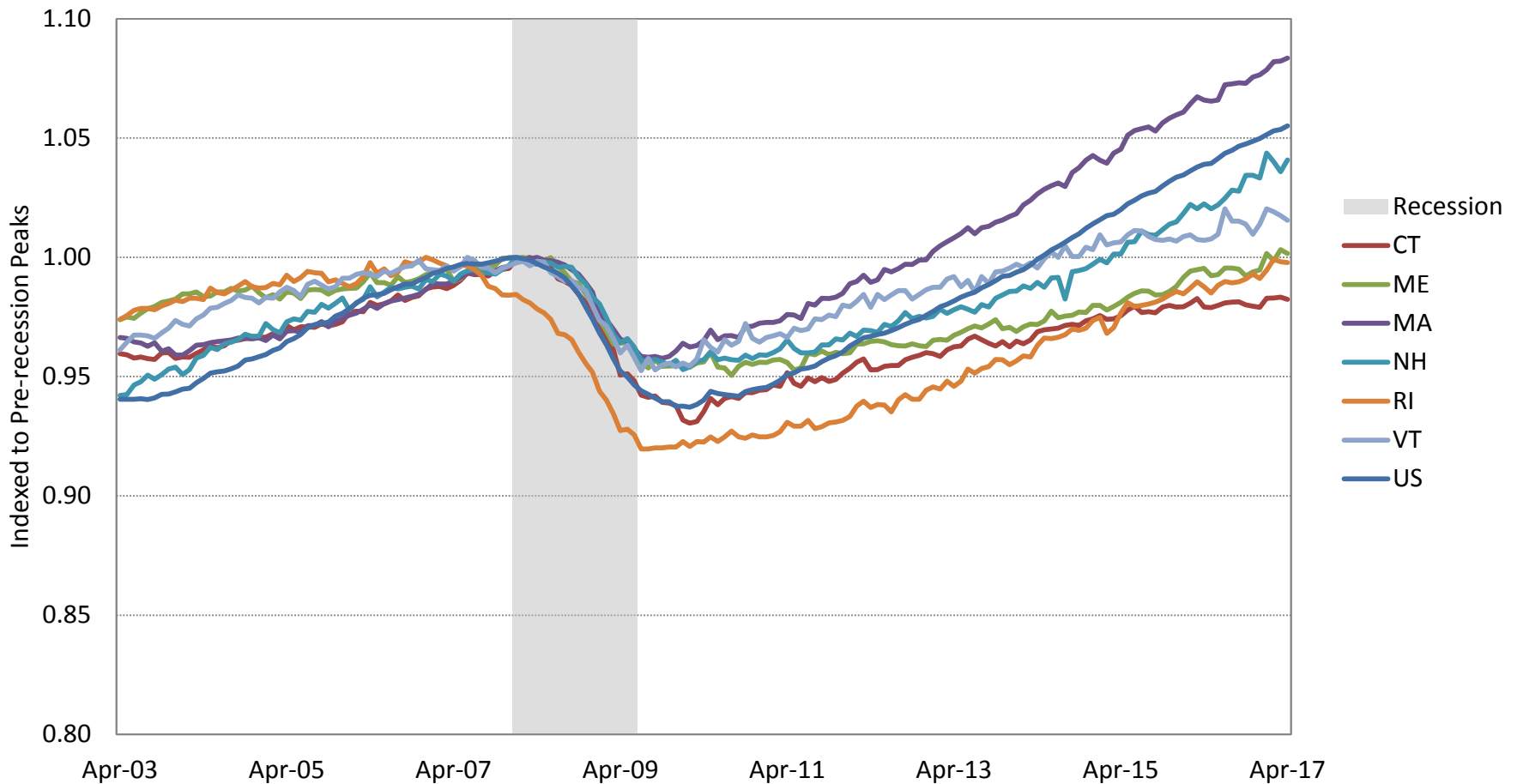
# Economic Activity Slightly Lower Since January in MA and CT



# MassBenchmarks Also Says MA Economy Contracted in 2017Q1



# Payroll Employment in CT Stalled Since Mid-2015



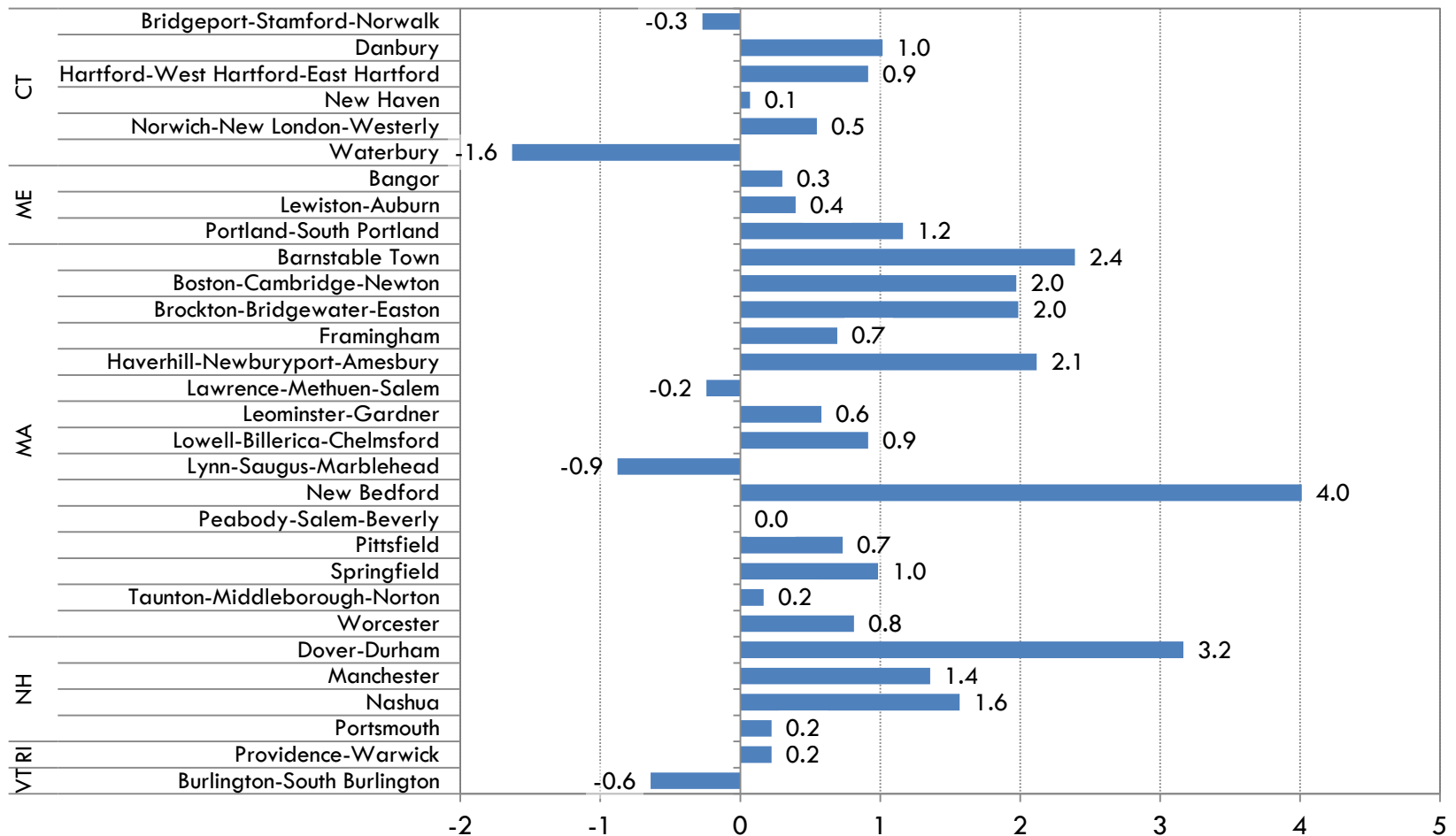
# NH and MA Boosted Employment Growth in Region (since April 2016)

	Annual Long-term Trend	Last 12 months		Since Peak	
	Percent	Percent	Number	Percent	Number
<b>United States</b>	1.4	1.6	2,237,000	5.5	7,633,000
<b>New England</b>	0.9	1.2	87,600	4.1	293,000
<b>Connecticut</b>	0.5	0.3	5,500	-1.8	-30,100
<b>Maine</b>	1.2	0.6	3,900	0.2	1,000
<b>Massachusetts</b>	0.9	1.7	58,600	8.3	278,100
<b>New Hampshire</b>	1.5	1.8	12,000	4.1	26,600
<b>Rhode Island</b>	0.7	1.0	5,000	-0.2	-1,100
<b>Vermont</b>	1.3	0.8	2,600	1.6	4,800

- Long-Term Trend: average emp. growth rate 1985-2015
- Last 12 Months: emp. growth rate April 2016-April 2017
- Since Peak: net change to April 2017 from pre-recession peak

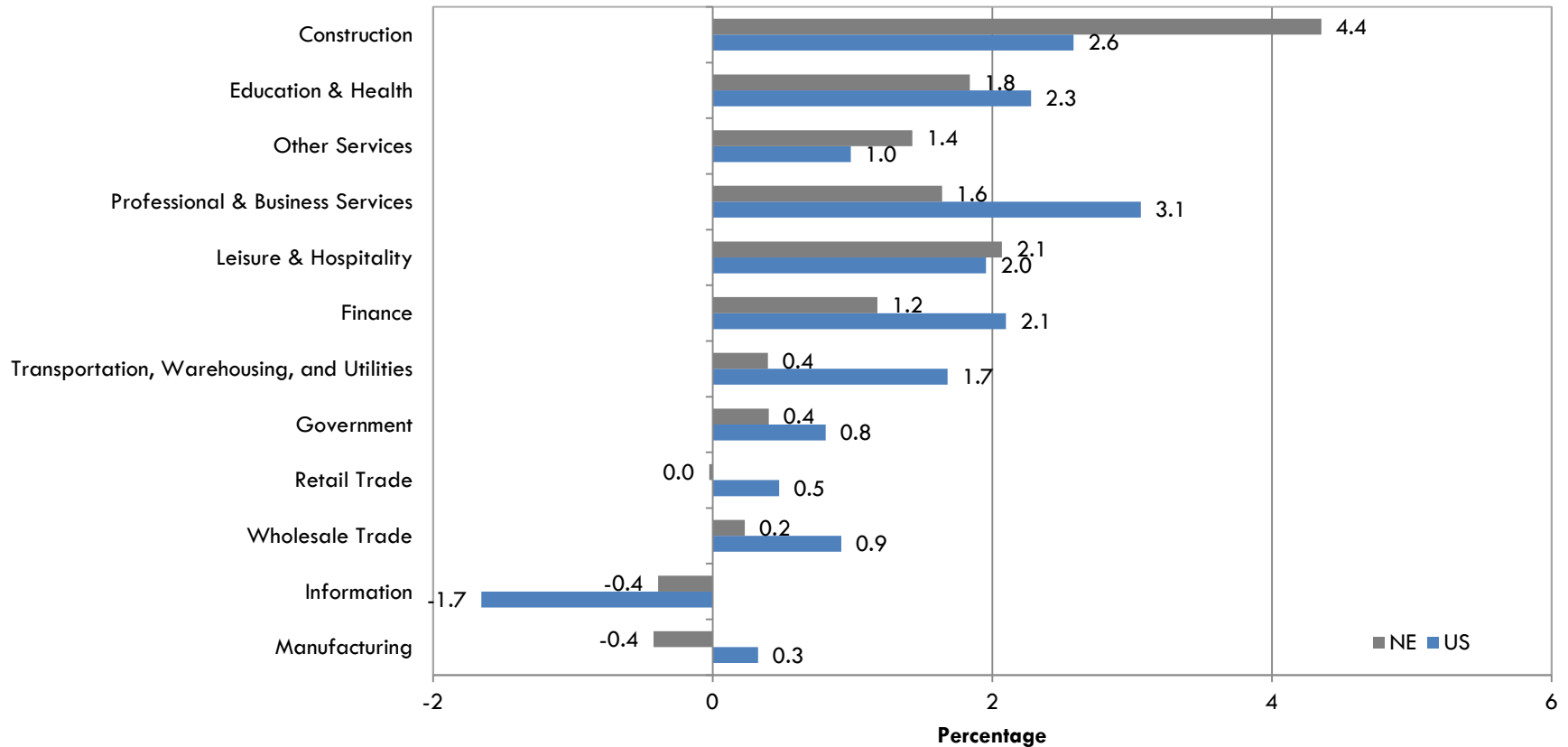
# Employment Growth Mixed Across Metropolitan Areas

Percent Change, April 2016 - April 2017



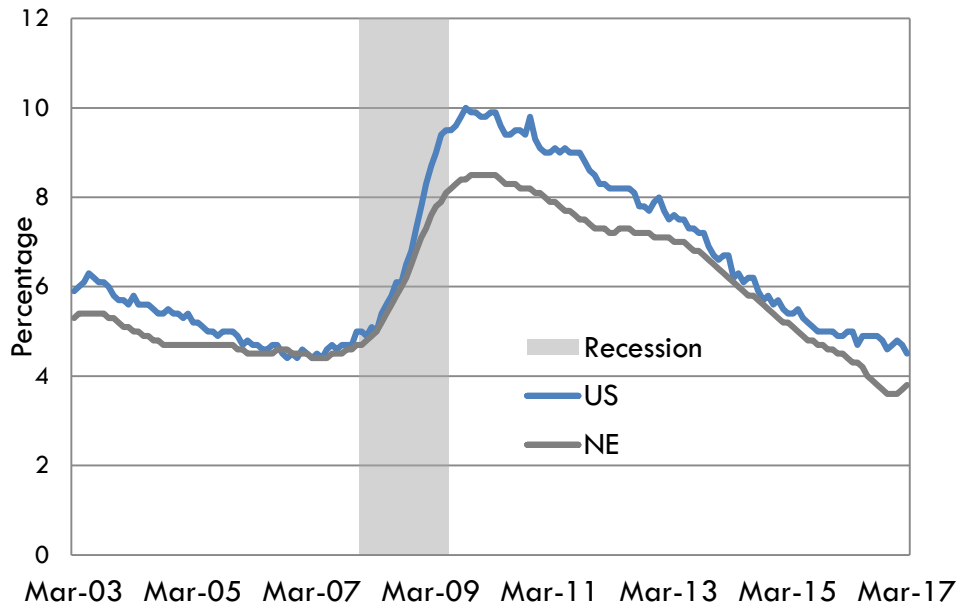
# Construction Jobs on the Rebound in the Region; Manufacturing Jobs Down

## Percent Change, April 2016 - April 2017



Source: Bureau of Labor Statistics, Haver Analytics  
Note: Information category for NE is not seasonally adjusted.

# New England's Unemployment Rate Ticked Up Recently; Still Below Pre-Recession Minimum

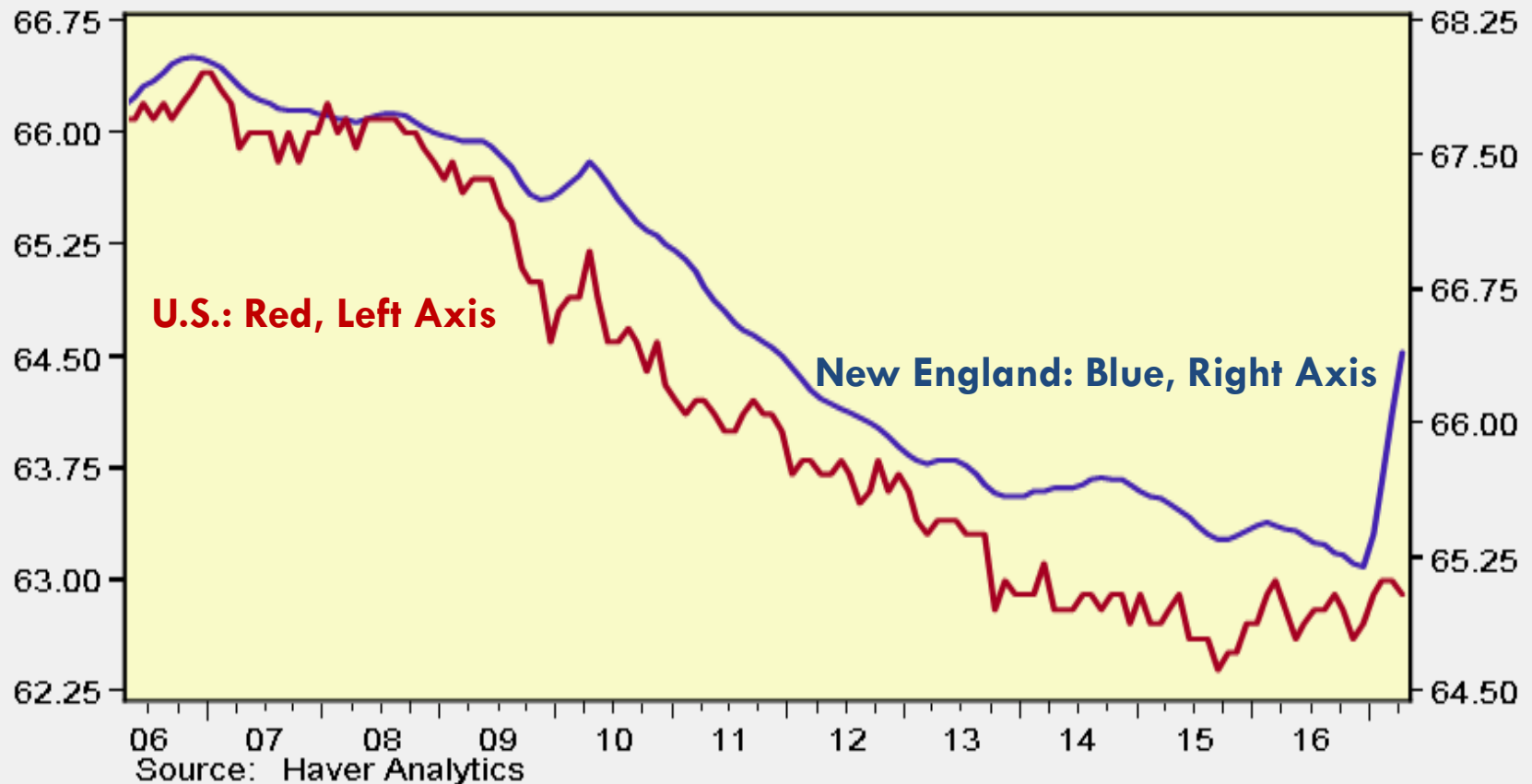


	Apr-16	Apr-17
United States	5.0	4.4
New England	4.3	3.9
Connecticut	5.4	4.9
Maine	3.8	3.0
Massachusetts	4.0	3.9
New Hampshire	2.8	2.8
Rhode Island	5.4	4.3
Vermont	3.3	3.1

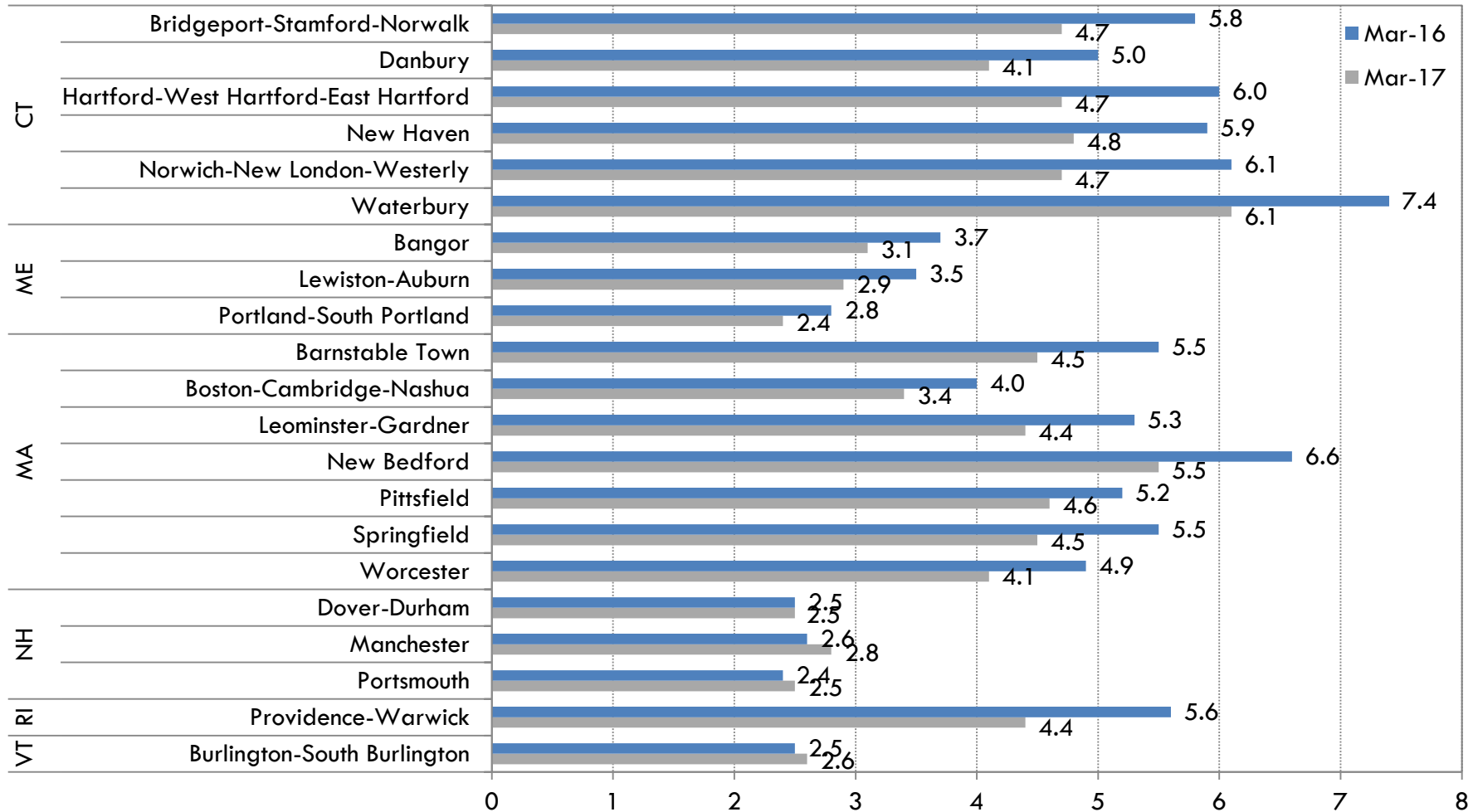


# Labor Force Participation Surging in Region; Helps Account for Unemployment Increase

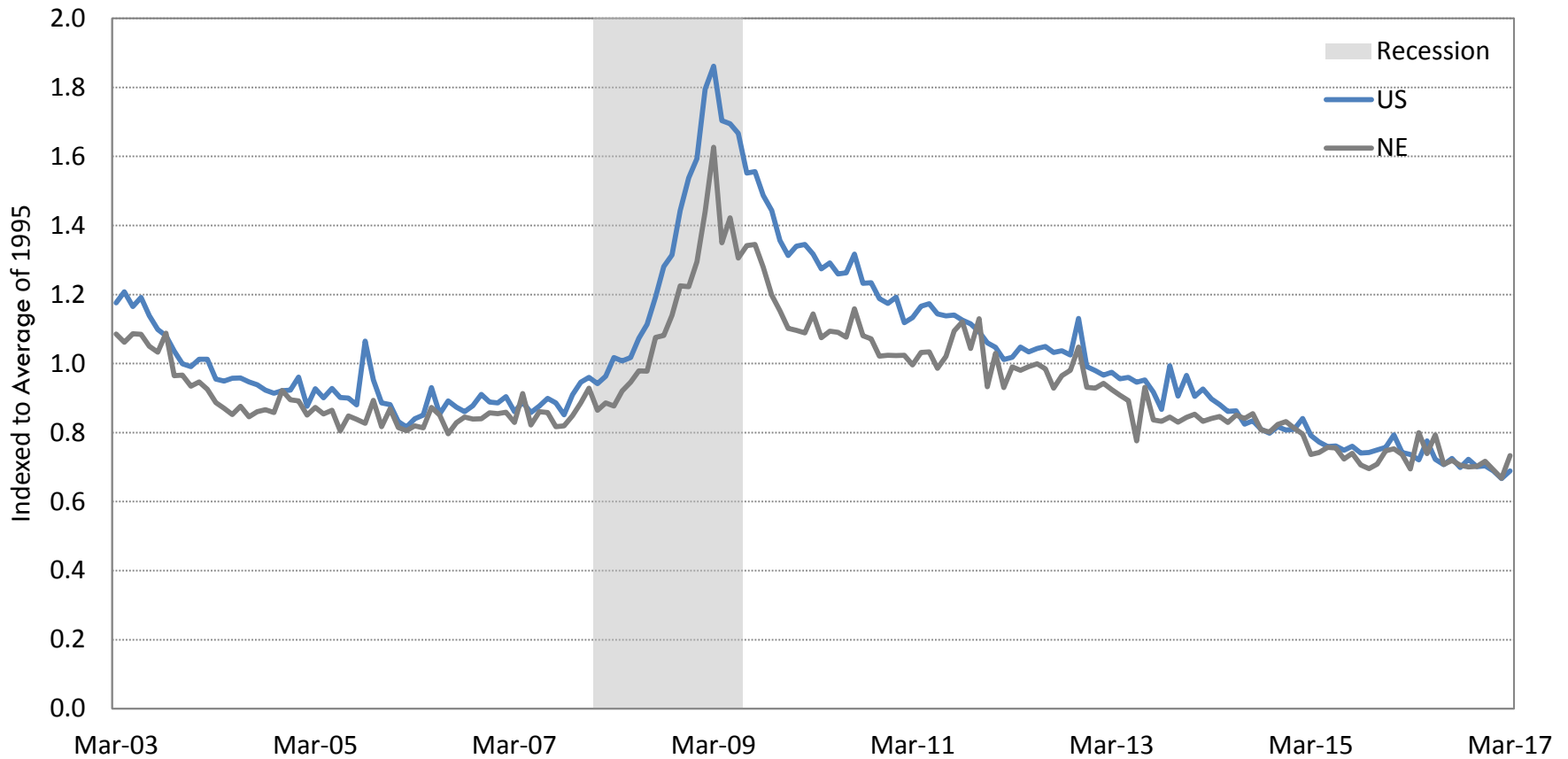
Percent of Population Ages 16+ in Labor Force (employed or actively looking for work)



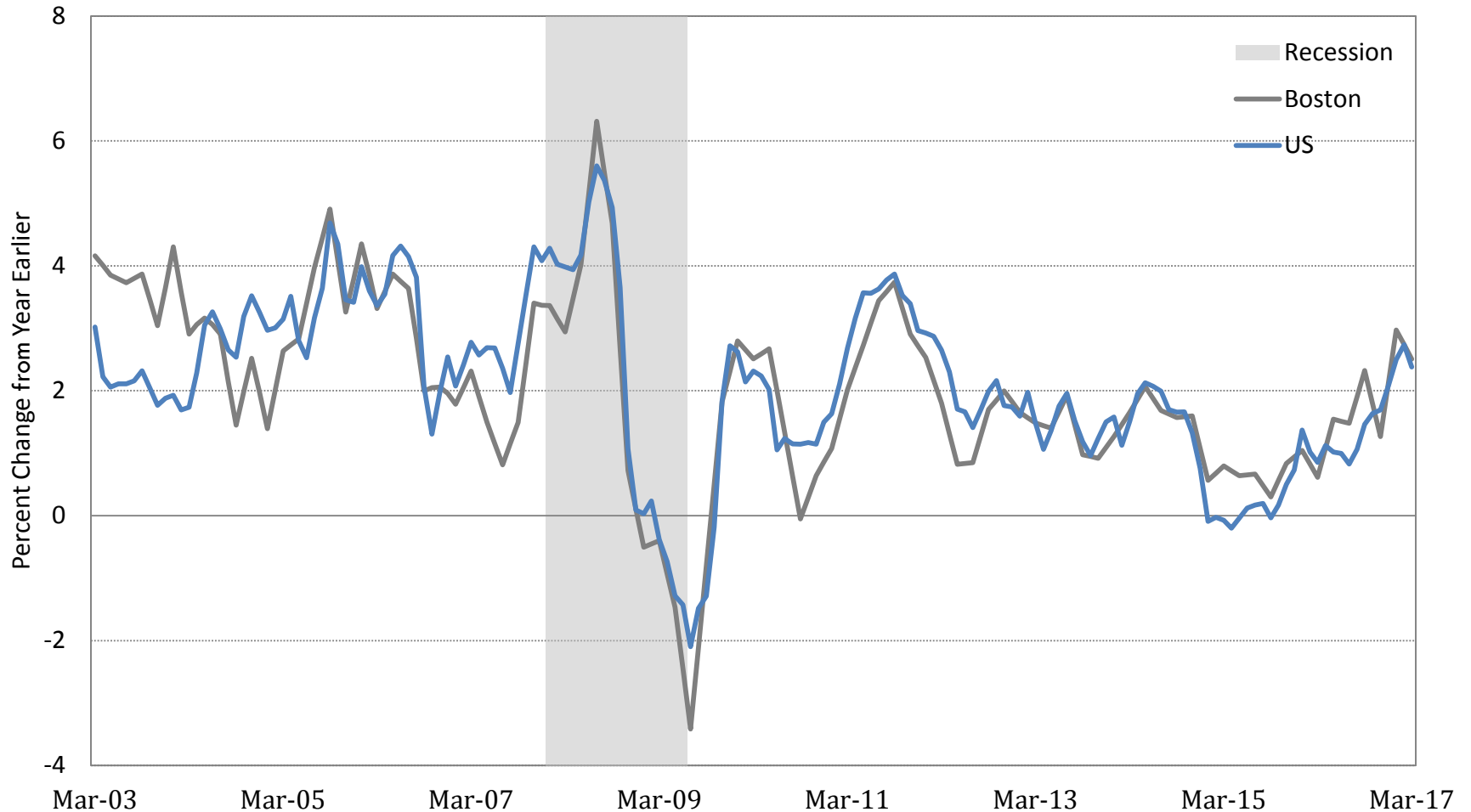
# Unemployment Rates in New England by Metropolitan Areas



# Initial Claims for Unemployment Insurance Below Pre-Recession Levels

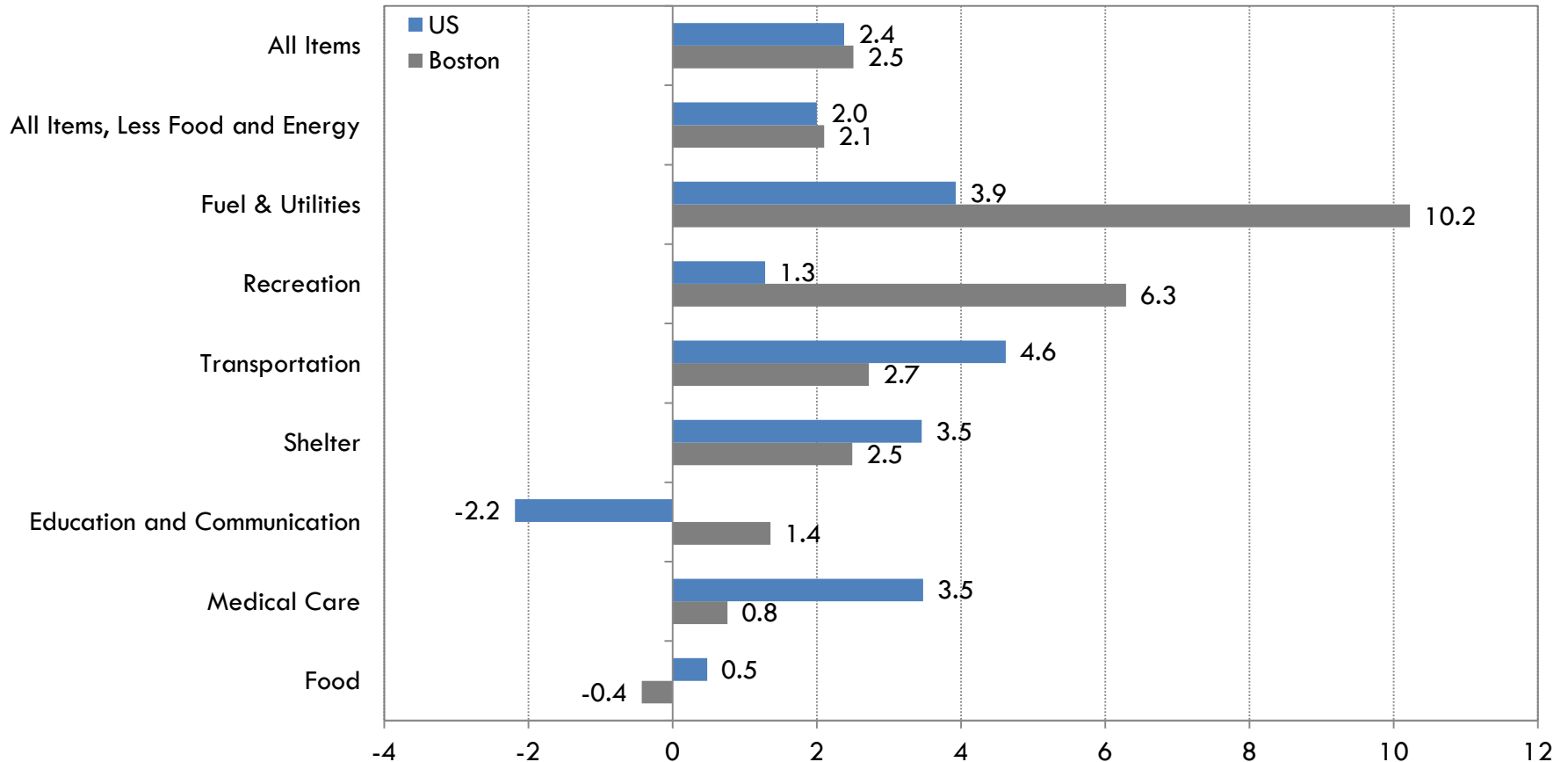


# Consumer Price Inflation Up Since 2015, But Still Moderate



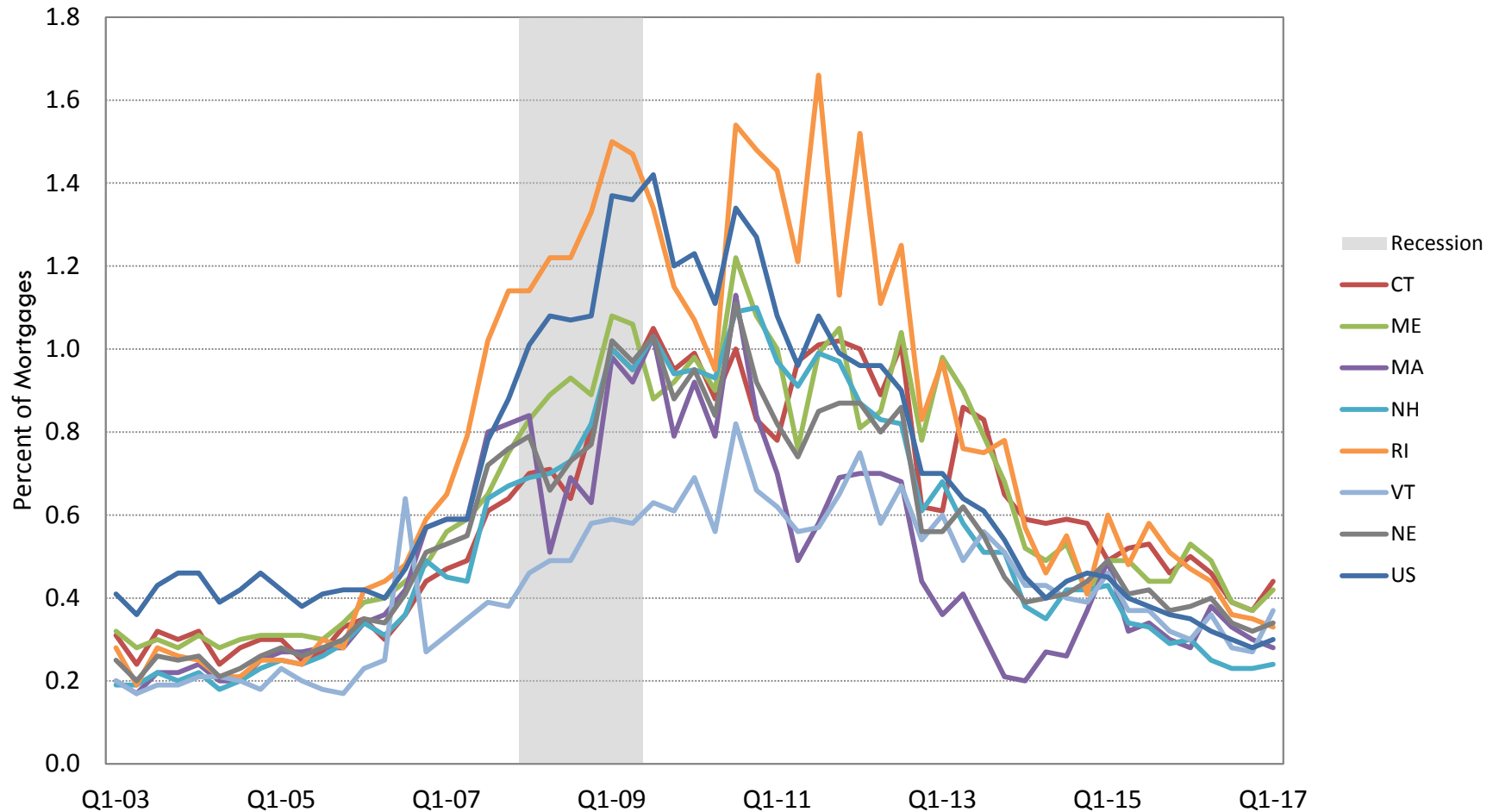
# Fuel & Utilities Prices Still Rising Rapidly in Boston Area

Percent Change, March 2016 - March 2017

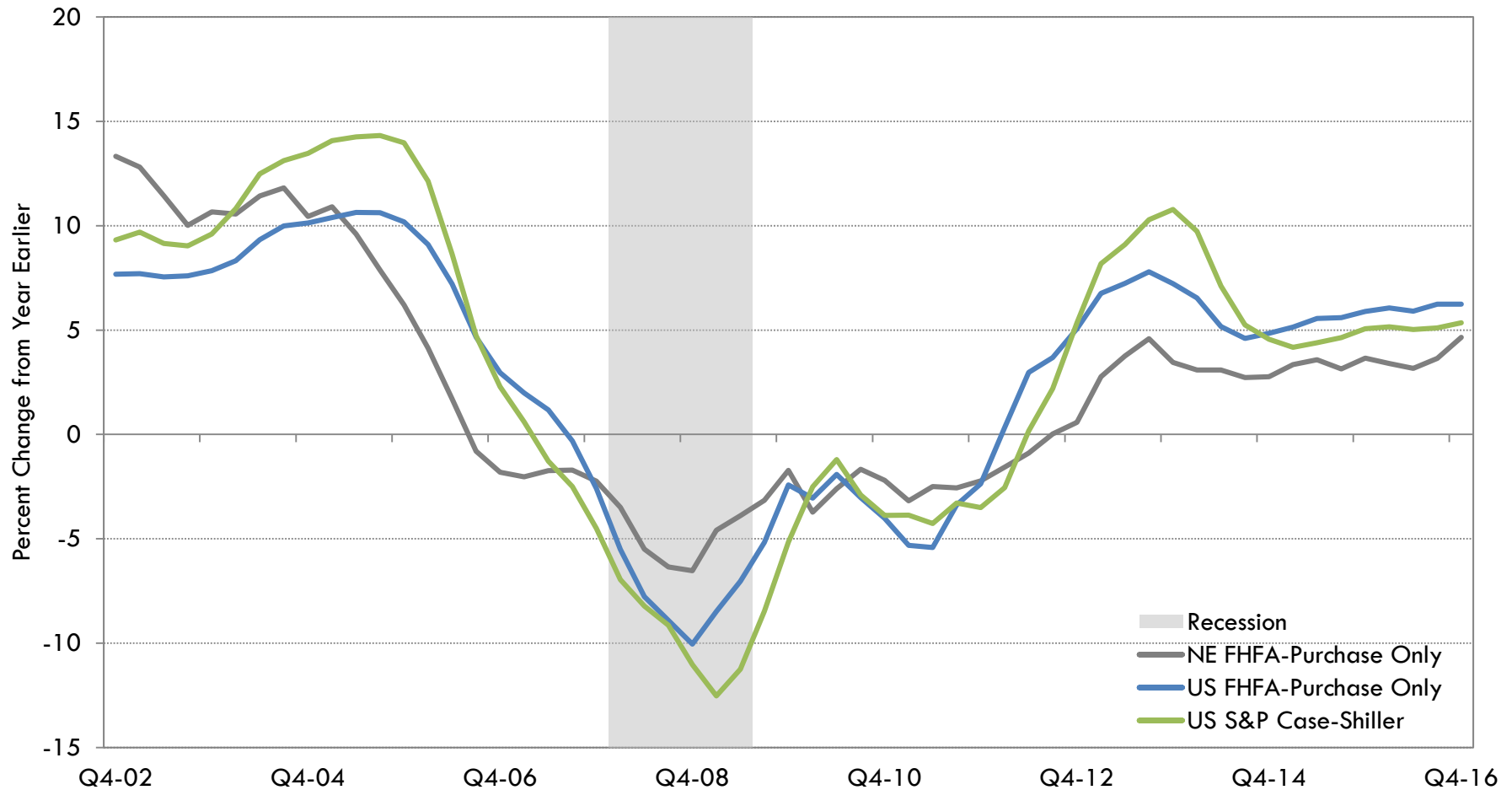


# Started Foreclosures Close to Pre-Crisis Lows

All Loans



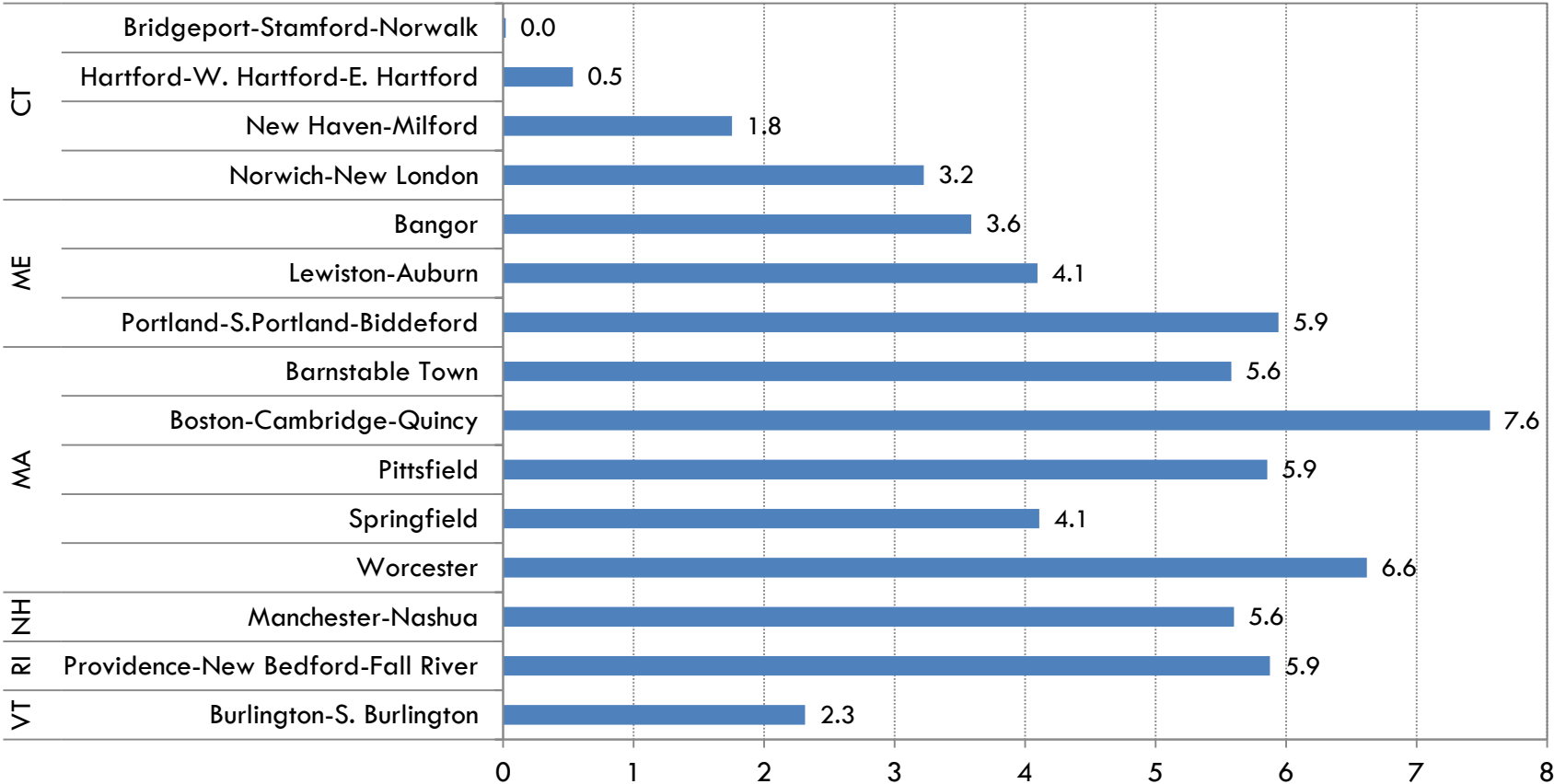
# House Price Increases in Region Accelerated in Late 2016



# CT is Exception to Solid House Price Gains

(Single Family Homes)

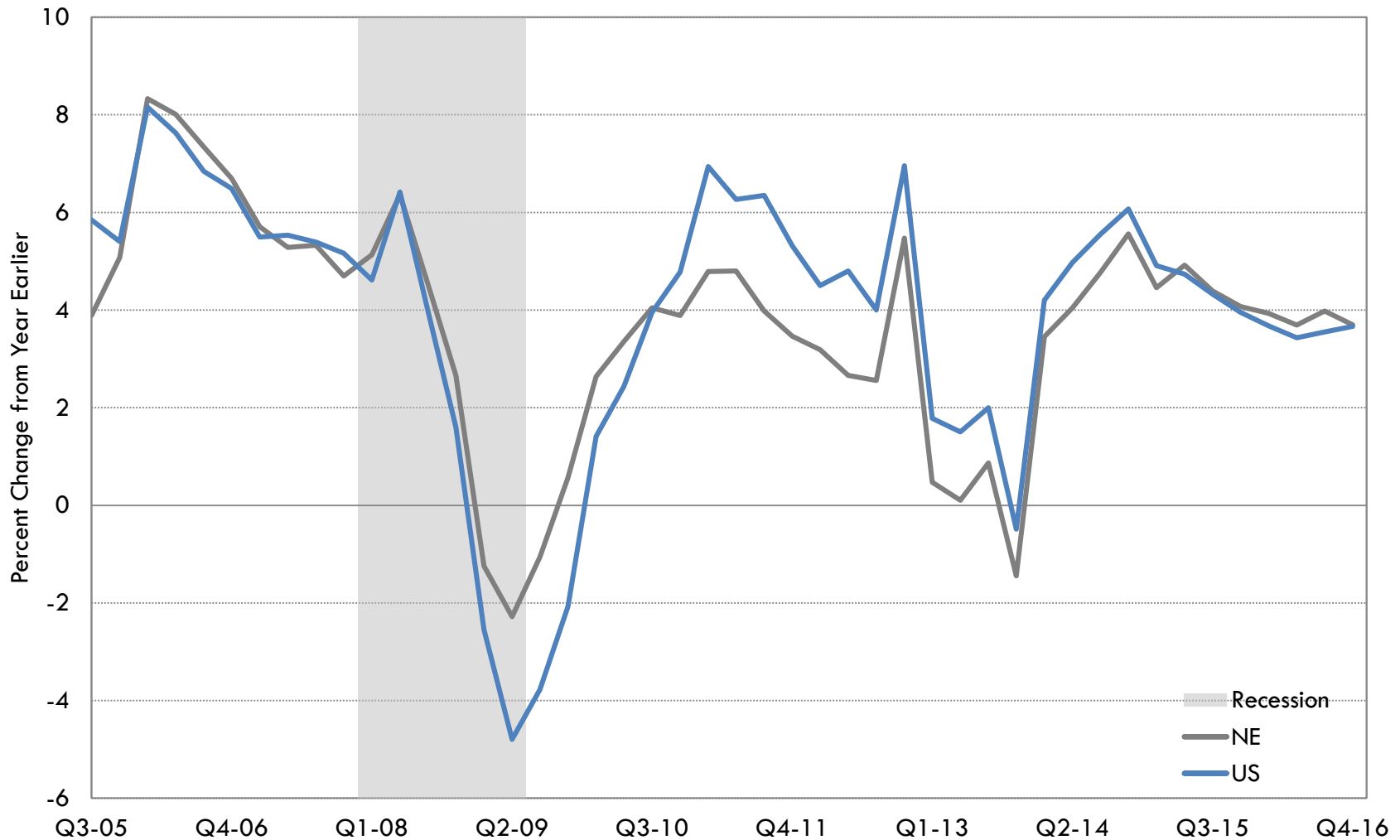
### Percent Change, Q1 2016 - Q1 2017



Source: Freddie Mac Home Loan Mortgage Corporation, Haver Analytics

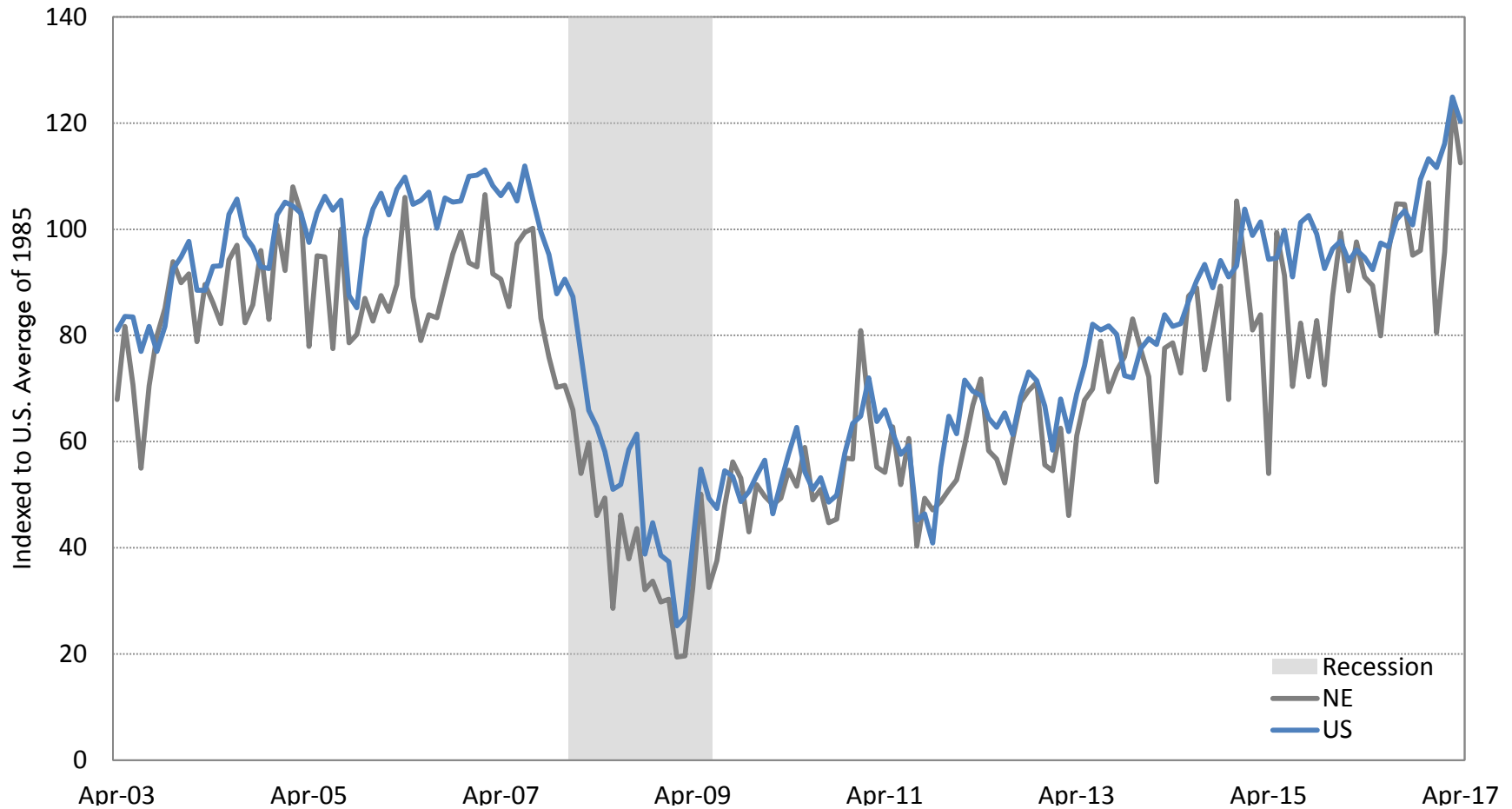


# Growth of Personal Income Down Since Late 2014

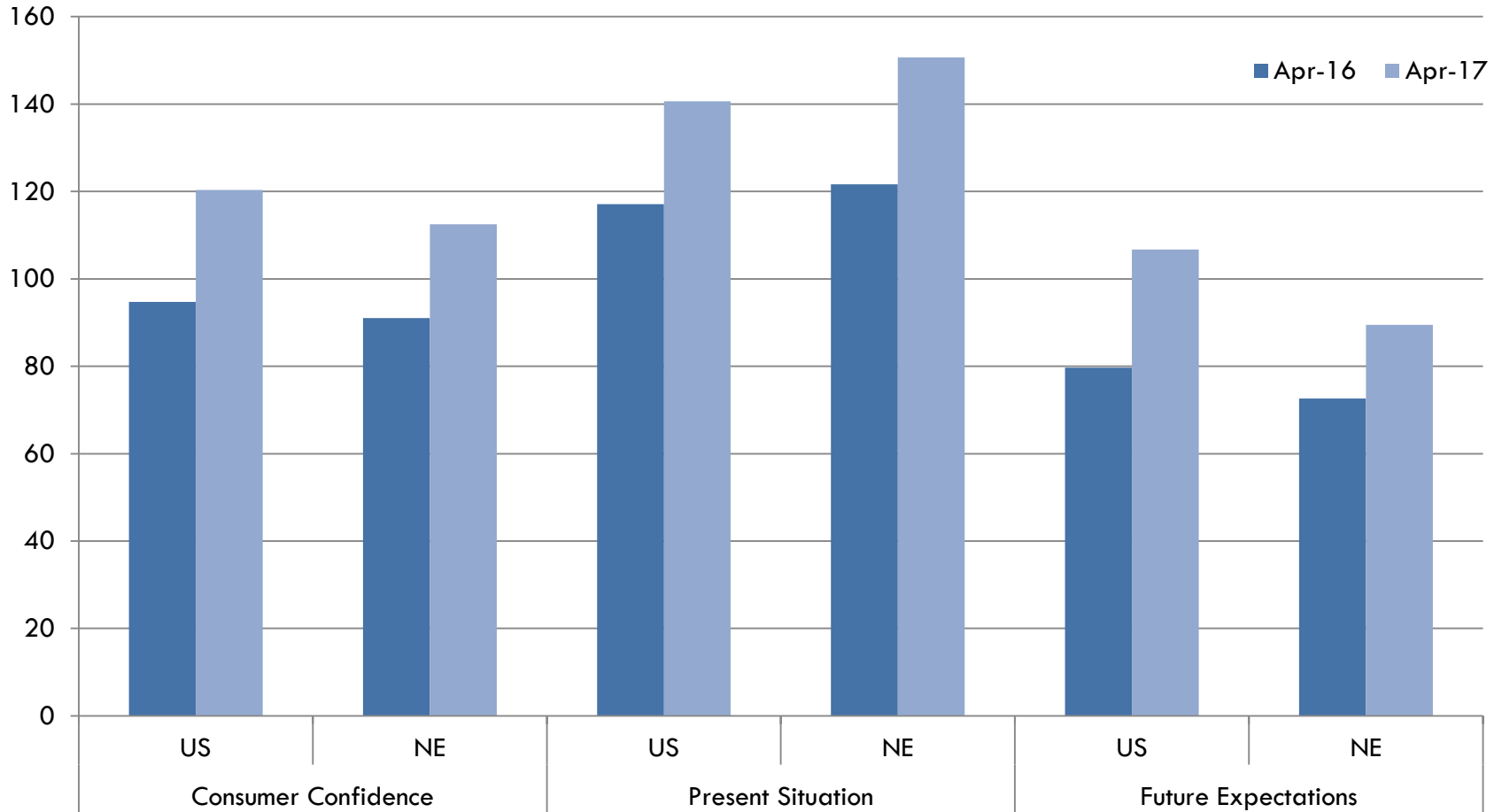


Source: Bureau of Economic Analysis, NBER, Haver Analytics

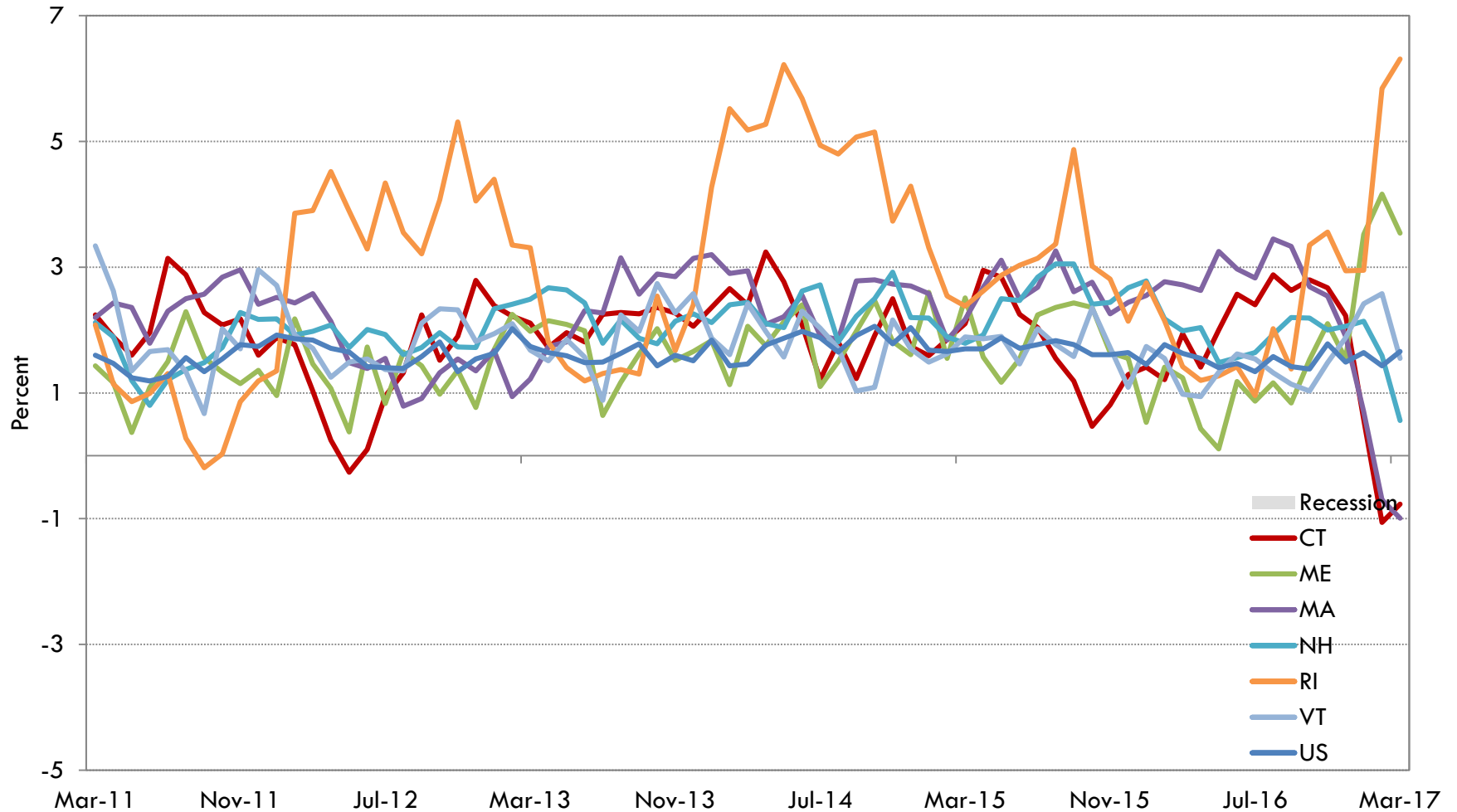
# Consumer Confidence Above Pre-Recession Highs



# Both Components of Confidence Improved Over Last Year



# Leading Indexes Point to Slower Growth or Contraction (Except RI)



# Final thoughts

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- Regional economy strong along many indicators
- Recovery still incomplete in parts of the region
- Forward-looking indicators point to slower growth
  - Tight labor market is one restraining factor
  - Higher participation rate is a welcome sign