Overview

- The labor market in New England remains steady but with performance mixed across states and sectors.

- Inflation has risen, primarily due to shelter and energy costs.

- House prices have increased in the region compared to one year ago, approaching the national trend.

- Consumers appear less confident about the economic outlook.
Non-Agricultural Employment

 Indexed to Pre-recession Peaks

 Source: Bureau of Labor Statistics, NBER, Haver Analytics
### Employment Growth Rates

<table>
<thead>
<tr>
<th>Region</th>
<th>Annual Long-term Trend</th>
<th>Last 12 months</th>
<th>Since Peak</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percent</td>
<td>Percent</td>
<td>Number</td>
</tr>
<tr>
<td>United States</td>
<td>1.4</td>
<td>1.6</td>
<td>2,242,000</td>
</tr>
<tr>
<td>New England</td>
<td>0.9</td>
<td>1.2</td>
<td>90,400</td>
</tr>
<tr>
<td>Connecticut</td>
<td>0.5</td>
<td>-0.1</td>
<td>-2,000</td>
</tr>
<tr>
<td>Maine</td>
<td>1.1</td>
<td>0.0</td>
<td>0</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>0.9</td>
<td>2.1</td>
<td>75,000</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>1.5</td>
<td>1.7</td>
<td>11,500</td>
</tr>
<tr>
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<td>0.7</td>
<td>0.7</td>
<td>3,600</td>
</tr>
<tr>
<td>Vermont</td>
<td>1.3</td>
<td>0.7</td>
<td>2,300</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics, Haver Analytics
Employment Growth by Industry

Percent Change, December 2015 - December 2016

- Construction: NE 1.8, US 2.5
- Leisure & Hospitality: NE 2.1, US 2.4
- Education & Health: NE 2.0, US 2.4
- Professional & Business Services: NE 1.9, US 2.7
- Finance: NE 1.3, US 2.1
- Transportation, Warehousing, and Utilities: NE 0.9, US 1.9
- Wholesale Trade: NE 0.6, US 0.5
- Manufacturing: NE 0.3, US -0.2
- Information: NE 0.3, US 0.3
- Other Services: NE 0.2, US 0.8
- Government: NE 0.1, US 0.8
- Retail Trade: NE 0.0, US 1.0

Source: Bureau of Labor Statistics, Haver Analytics
Unemployment Rates

Source: Bureau of Labor Statistics, NBER, Haver Analytics

<table>
<thead>
<tr>
<th></th>
<th>Dec-15</th>
<th>Dec-16</th>
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<tbody>
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<td>United States</td>
<td>5.0</td>
<td>4.7</td>
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<tr>
<td>New England</td>
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<td>Connecticut</td>
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<tr>
<td>Vermont</td>
<td>3.5</td>
<td>3.1</td>
</tr>
</tbody>
</table>
Consumer Price Index

Source: Bureau of Labor Statistics, NBER, Haver Analytics
Components of the Consumer Price Index

Source: Bureau of Labor Statistics, Haver Analytics
Foreclosures Started

Source: Mortgage Bankers Association, NBER, Haver Analytics
Repeat-Sales Home Price Index

Source: FHFA, NBER, Haver Analytics
House Price Changes

Percent Change, Q4 2015 - Q4 2016

- United States: 5.9%
- New England: 4.7%
- Connecticut: 1.0%
- Maine: 7.2%
- Massachusetts: 6.3%
- New Hampshire: 4.4%
- Rhode Island: 5.8%
- Vermont: 1.9%

Source: FHFA, Haver Analytics
Consumer Confidence

Source: The Conference Board, Haver Analytics
Concluding Observations

- New England’s labor market still exhibits growth in employment and declines in unemployment.

- Continued rise in overall inflation.

- Housing price growth persists, with an increase in the growth rate.

- Consumer sentiment is fairly positive about the present economy but shows concern about the future.