Federal Reserve Bank of Boston®

New England Public Policy Center
at the Federal Reserve Bank of Boston

REGIONAL ECONOMIC CONDITIONS IN NEW ENGLAND

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Disclaimer: The views expressed here are those of the speaker and do not necessarily represent the views of the Federal Reserve Bank of Boston or the Federal Reserve System.

Overview of Presentation

- Labor Market Conditions
- Inflation Rate and Housing Prices
- Consumer Economic Sentiment

About the Federal Reserve Bank of Boston

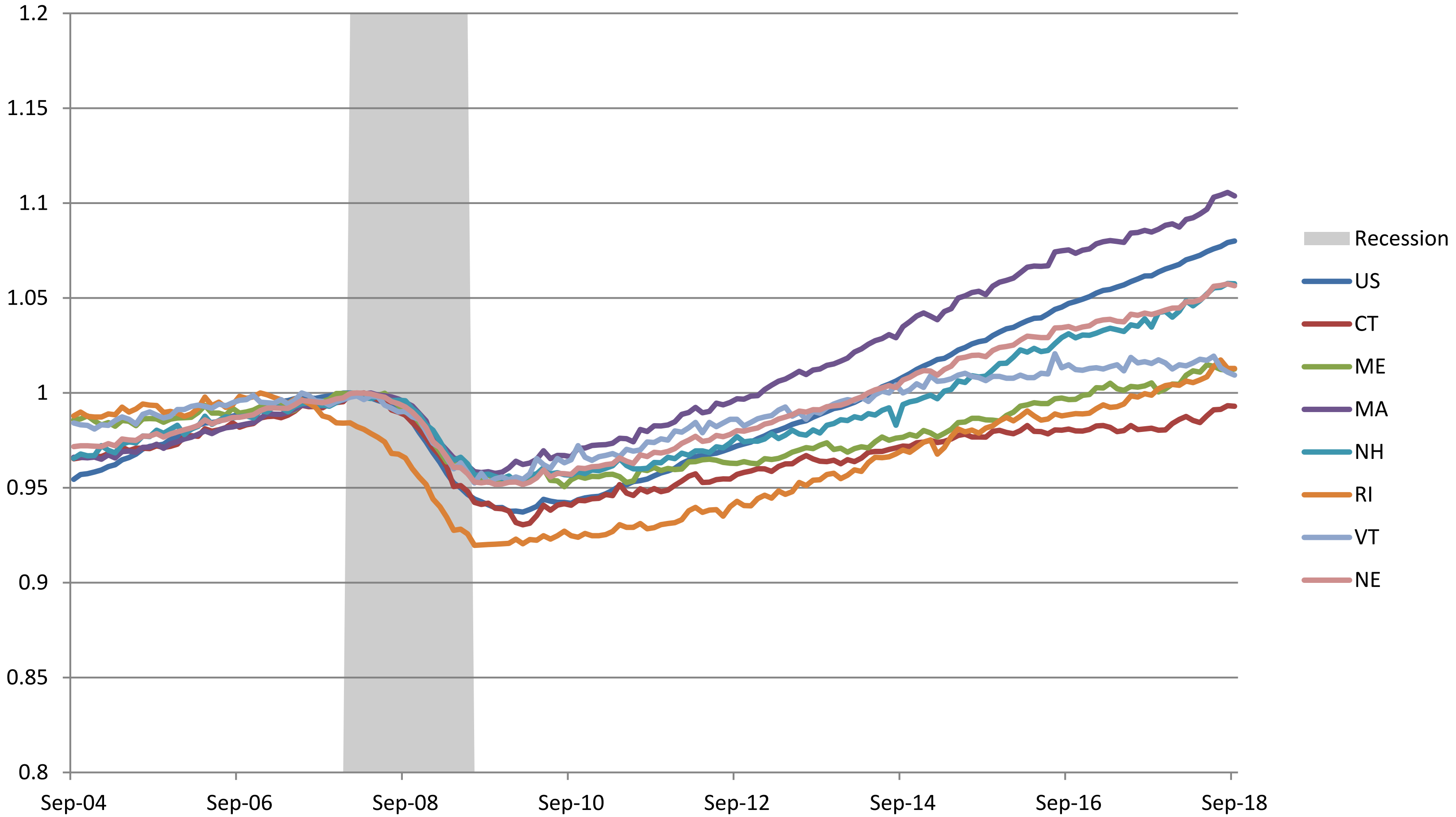
Federal Reserve System

- Board of Governors (Washington, DC)
- Regional Fed banks (12, including Boston)
- Conducts monetary policy, bank supervision

New England Public Policy Center (NEPPC)

- Part of Boston Fed Research Department
- Produces research that informs public policy in New England
- Recent issues: opioid epidemic, affordable housing, criminal records reform

Non-Agricultural Employment



Source: Bureau of Labor Statistics, NBER, Haver Analytics

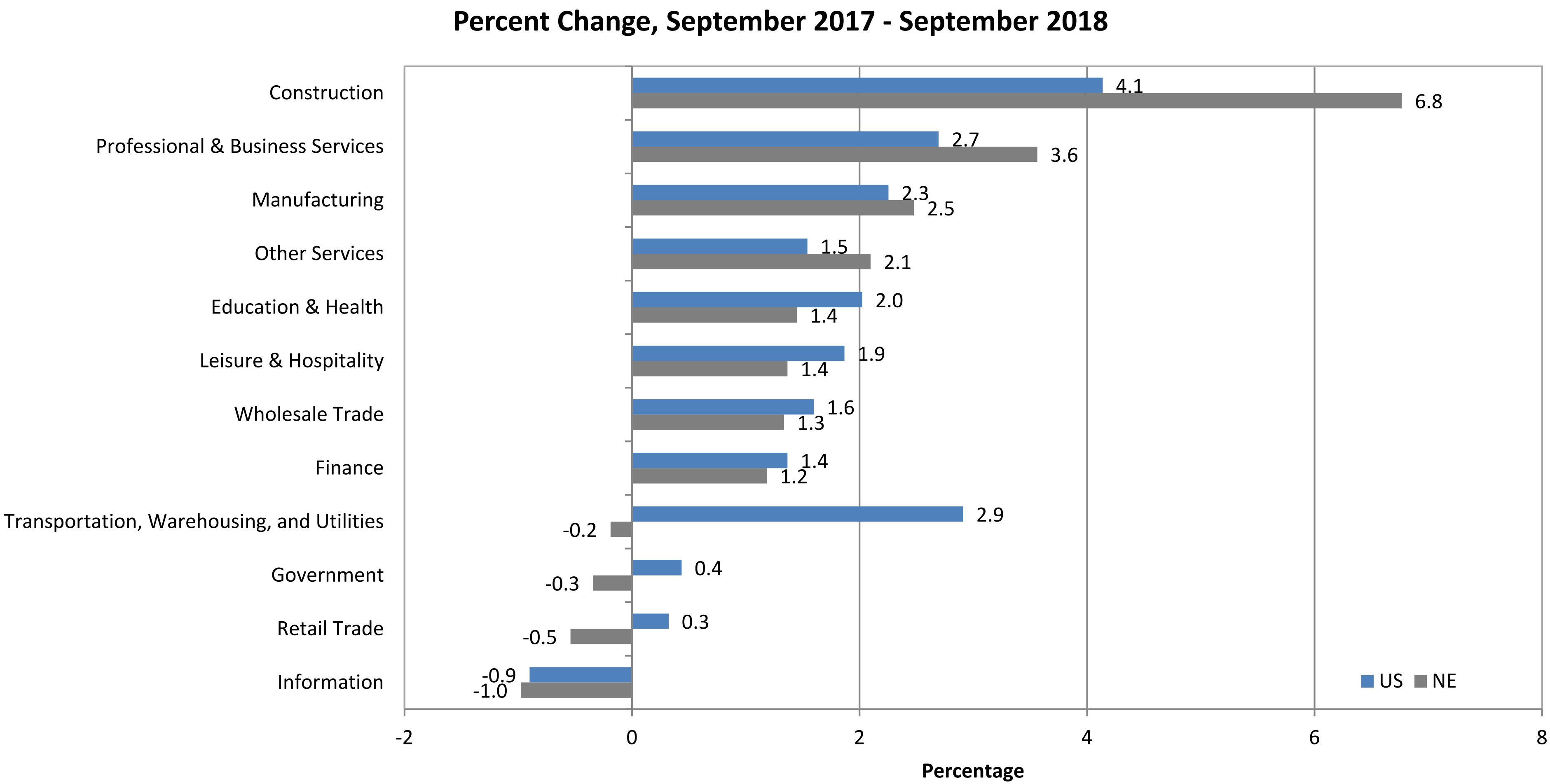
Employment Growth Rates

	Annual Long-term Trend	Last 12 months		Since Peak	
	Percent	Percent	Number	Percent	Number
United States	1.4	1.7	2,537,000	8.0	11,081,000
New England	0.9	1.5	107,800	5.7	401,700
Connecticut	0.5	1.2	19,900	-0.7	-12,000
Maine	1.1	0.7	4,500	1.3	7,800
Massachusetts	0.9	1.8	63,400	10.4	345,700
New Hampshire	1.5	2.2	14,900	5.8	37,500
Rhode Island	0.7	1.4	7,000	1.3	6,400
Vermont	1.3	-0.6	-1,900	0.9	2,900

Note: "Last 12 months" refers to year-over-year growth through September 2018. "Annual Long-term trend" refers to average year-over-year growth for the period 1984-2017. "Since Peak" refers to employment change from each area's pre-recession peak employment level.

Source: Bureau of Labor Statistics, Haver Analytics

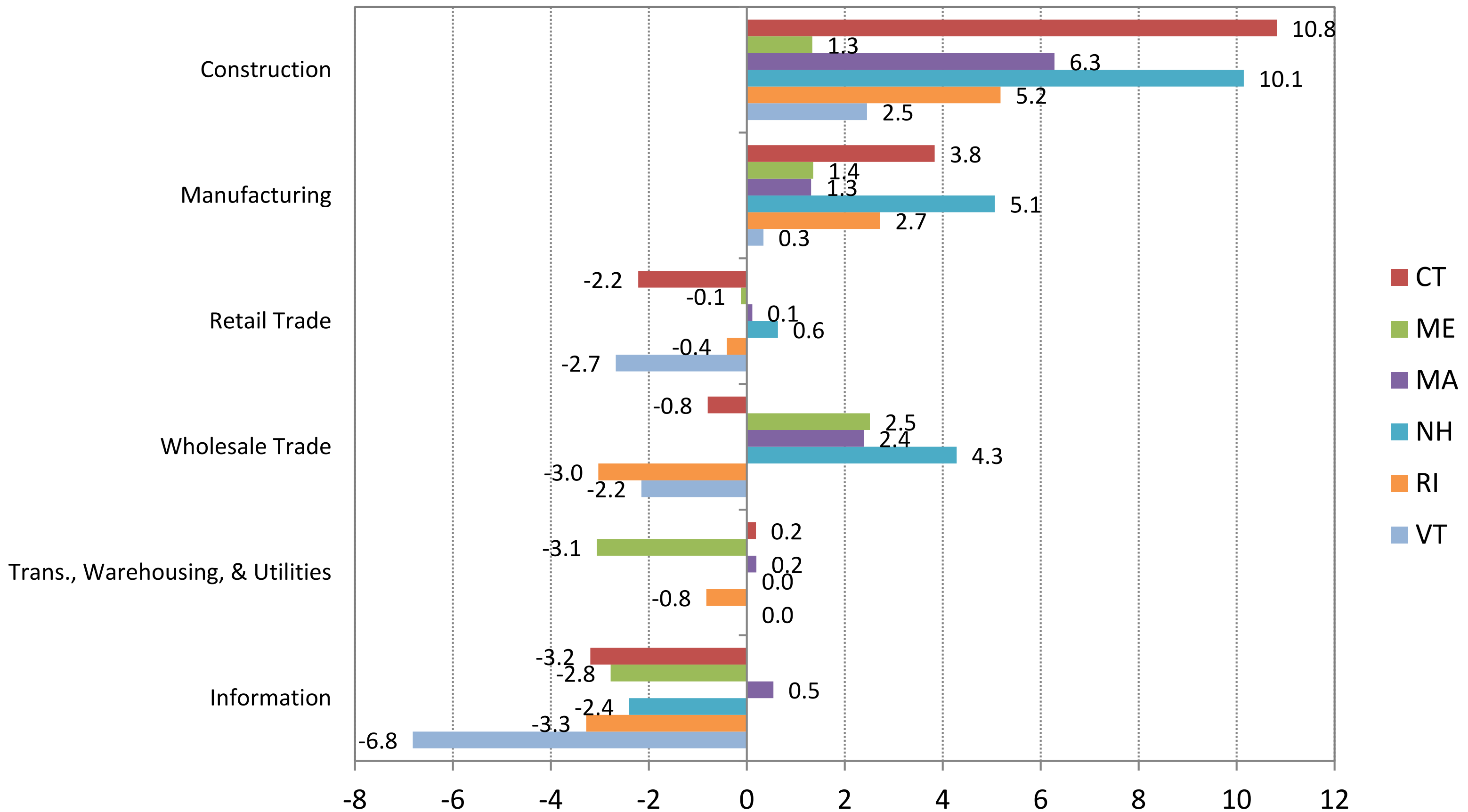
Employment Growth by Industry



Source: Bureau of Labor Statistics, Haver Analytics

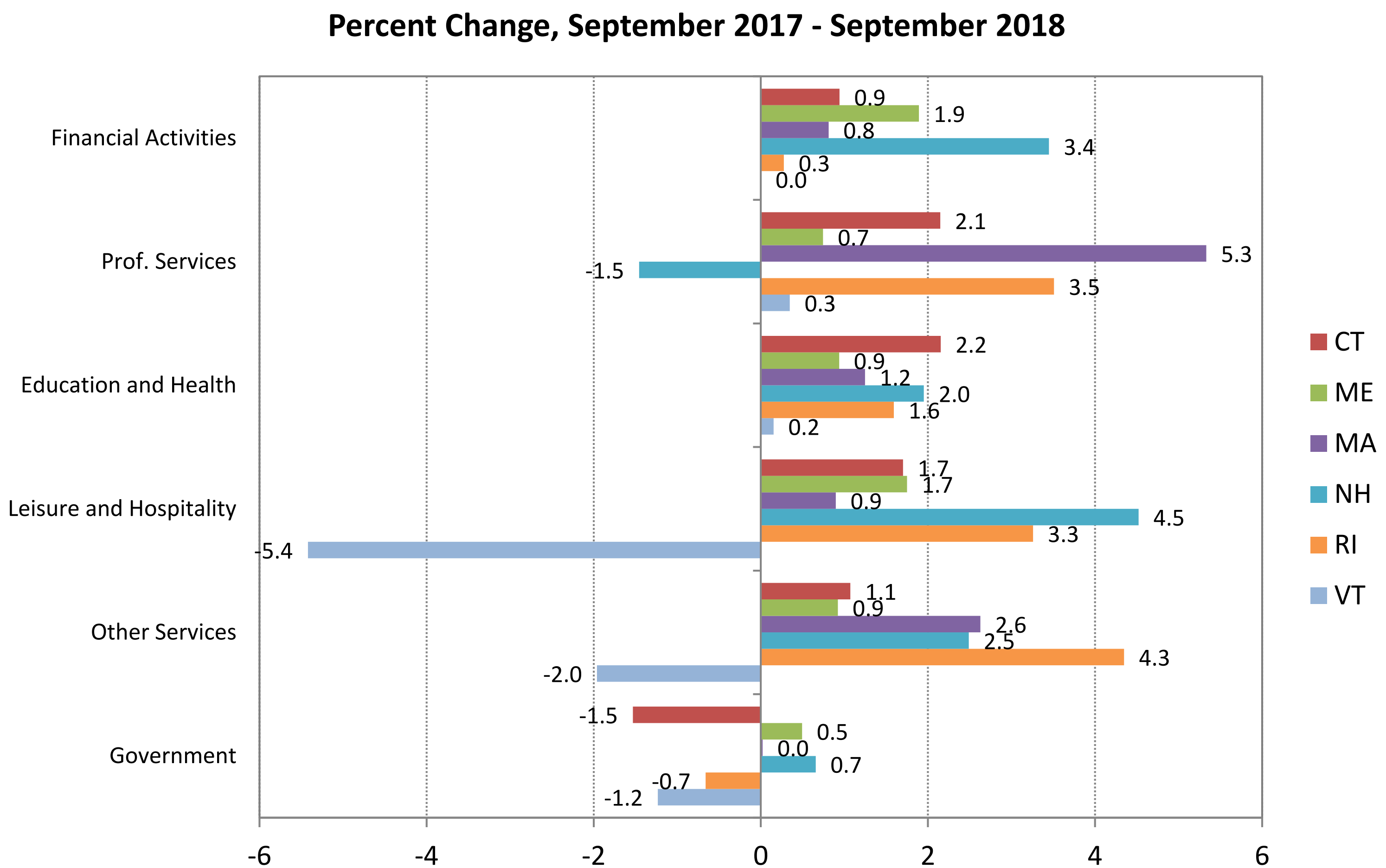
State Employment Growth by Industry

Percent Change, September 2017 - September 2018



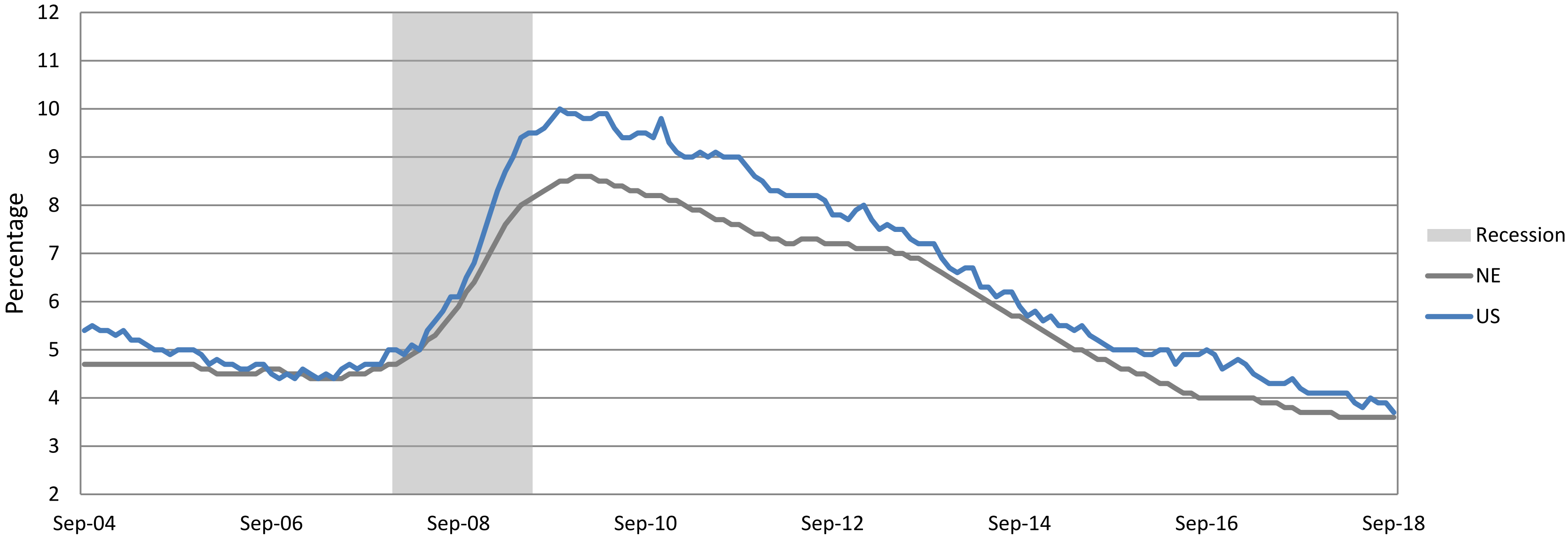
Source: Bureau of Labor Statistics, Haver Analytics

State Employment Growth by Industry



Source: Bureau of Labor Statistics, Haver Analytics

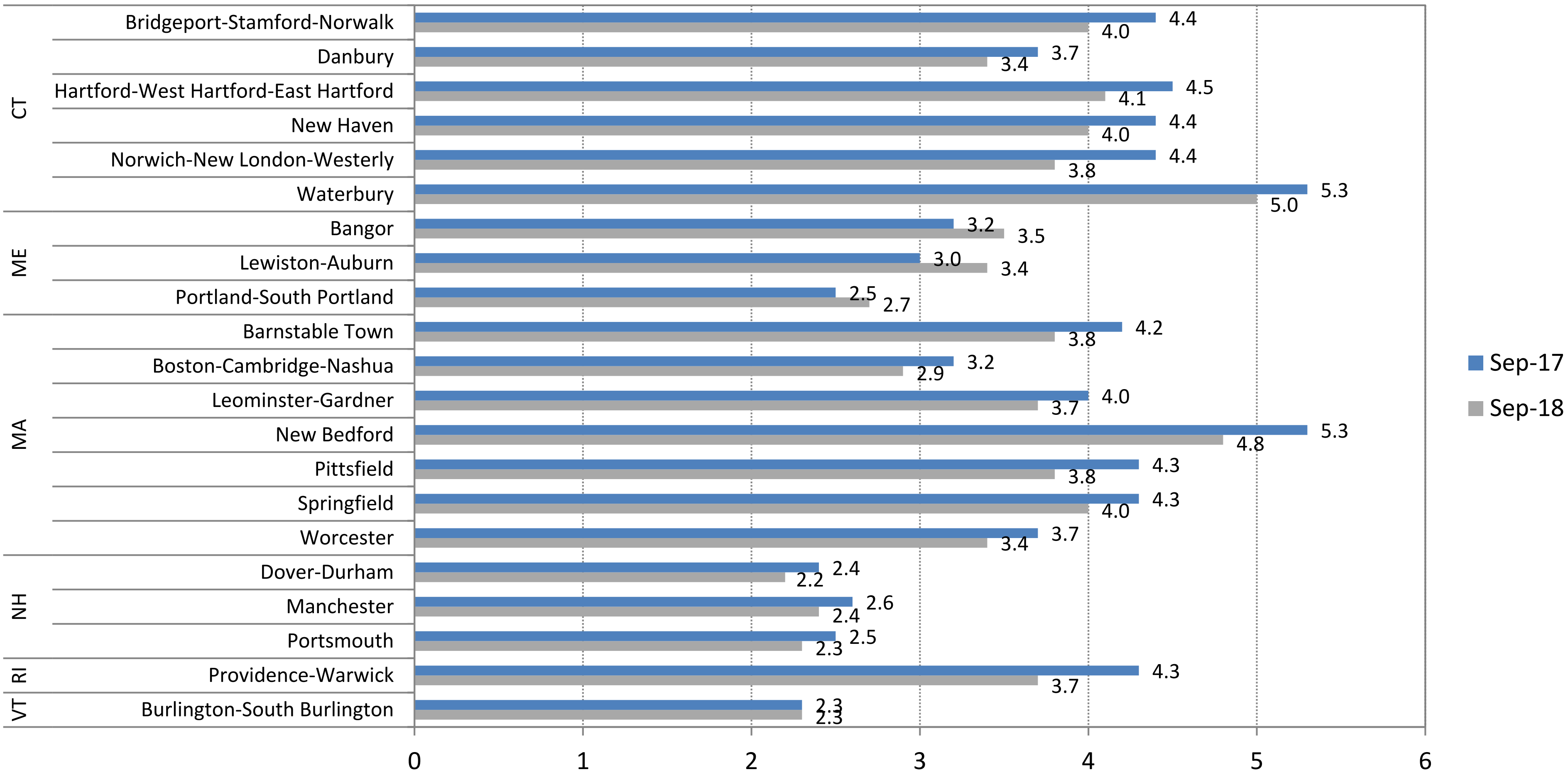
Unemployment Rates



	Sep-17	Sep-18
United States	4.2	3.7
New England	3.7	3.6
Connecticut	4.5	4.2
Maine	3.3	3.3
Massachusetts	3.6	3.6
New Hampshire	2.6	2.7
Rhode Island	4.5	3.9
Vermont	2.9	2.9

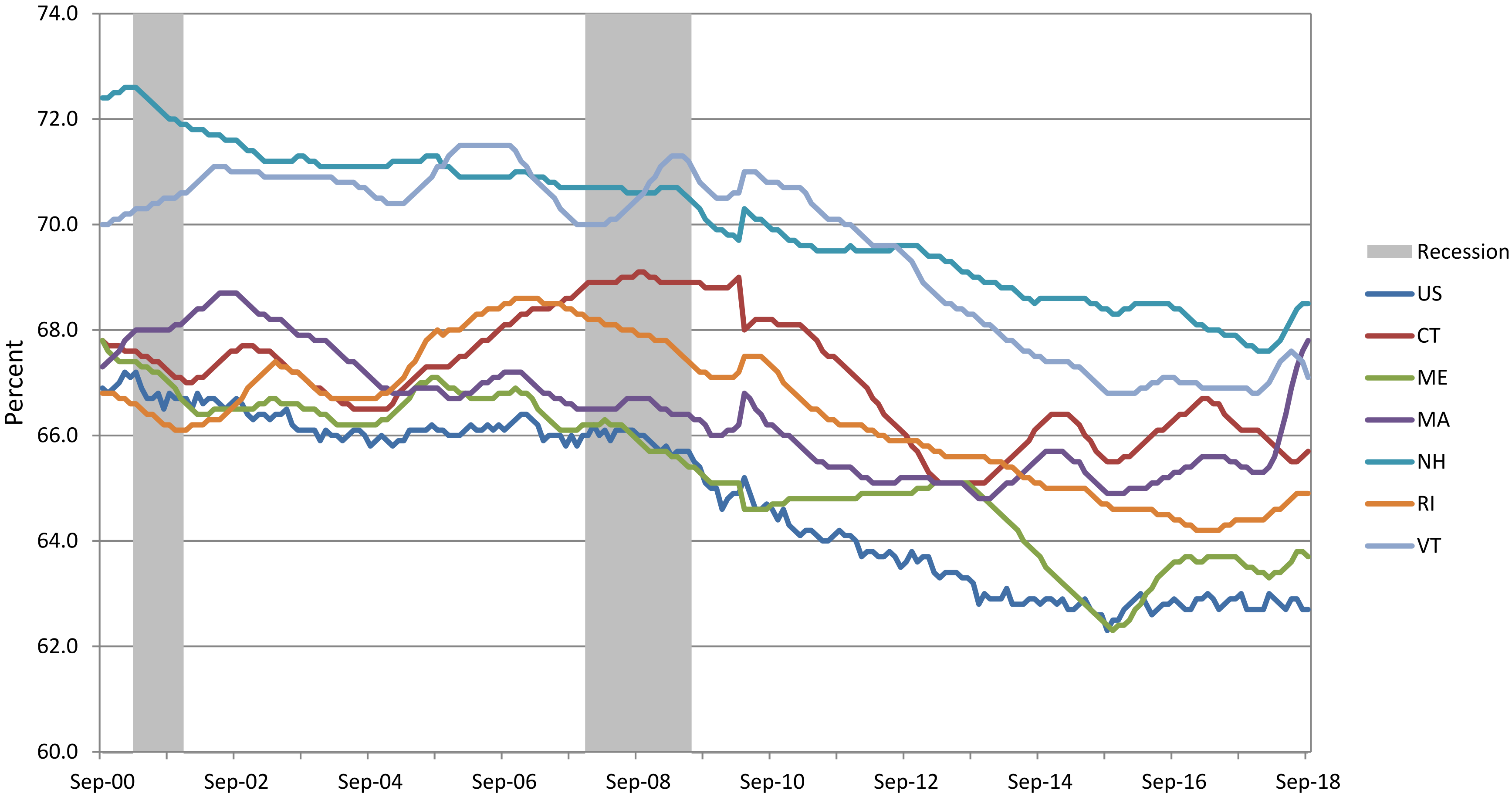
Source: Bureau of Labor Statistics, NBER, Haver Analytics

Unemployment Rates in New England by Metropolitan Areas



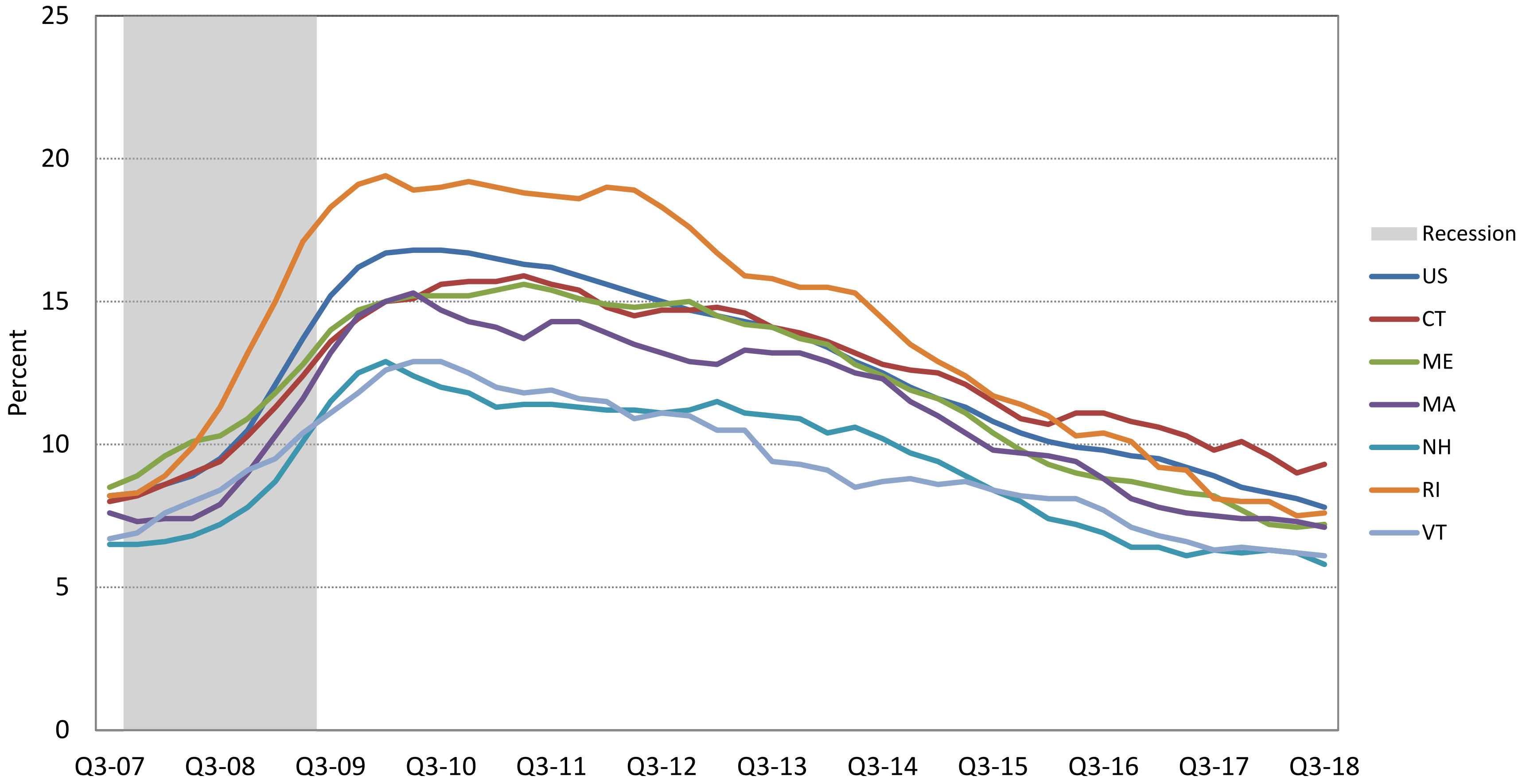
Source: Source: Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Boston

Labor Force Participation Rates



Source: Bureau of Labor Statistics, NBER, Haver Analytics

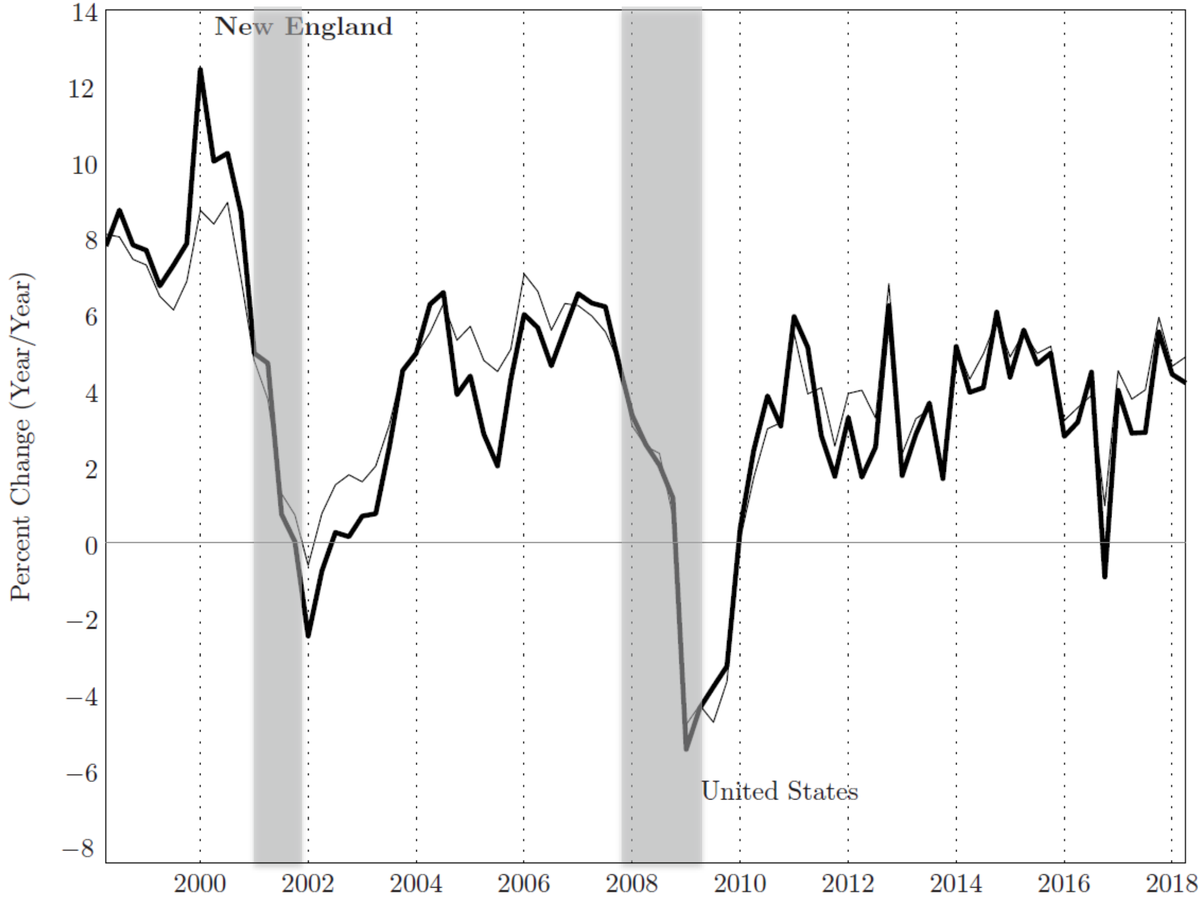
U-6 Rates



Note: U-6 includes total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers.

Source: Bureau of Labor Statistics, NBER, Haver Analytics

Wage and Salary Disbursements



Note: Data are seasonally adjusted. Tick marks correspond to Q1 of the given year.

Source: U.S. Bureau of Economic Analysis, Federal Reserve Bank of Boston

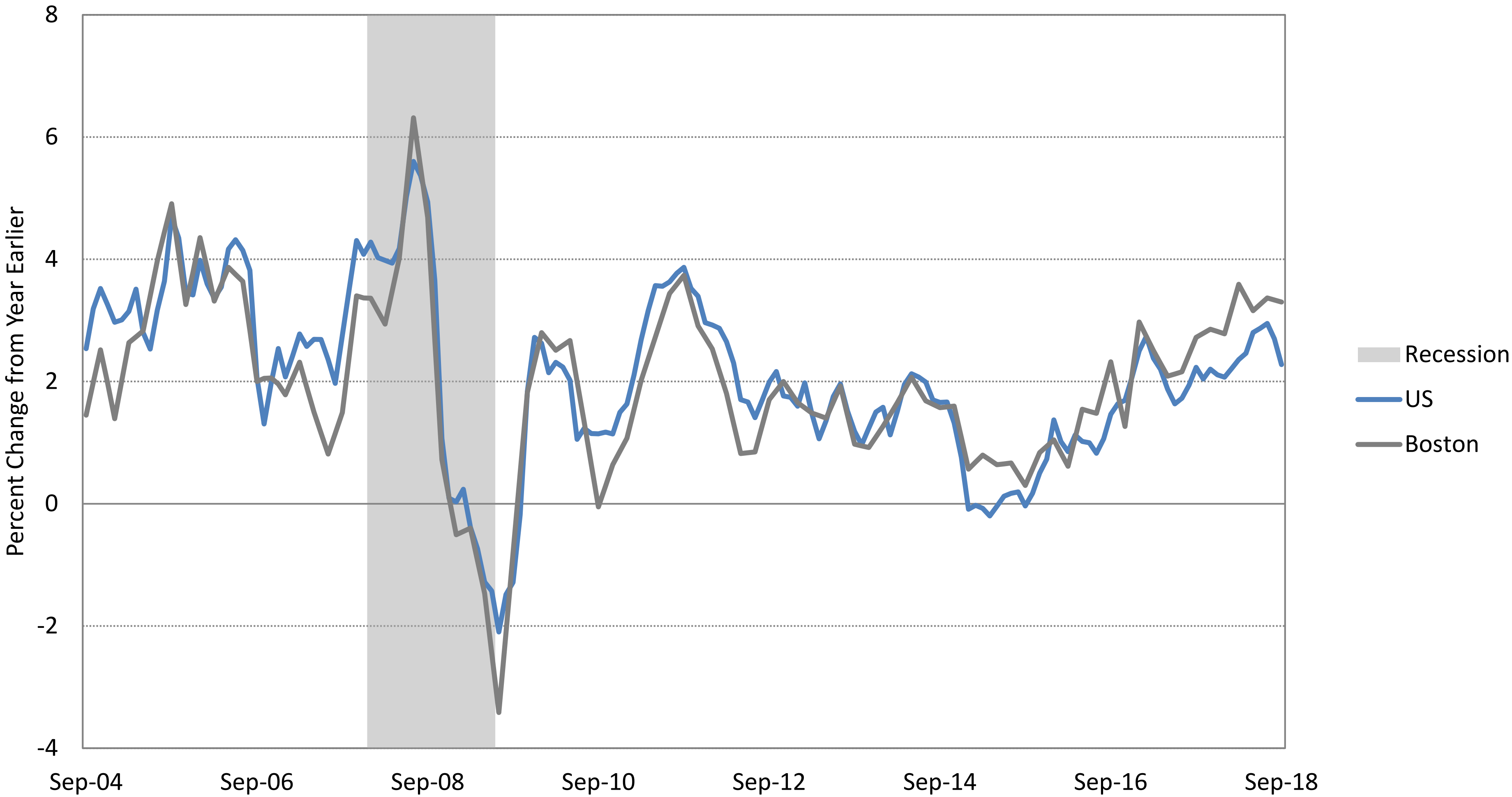
Wage and Salary Disbursements by State

	Wage and Salary Disbursements		
	Jun-2018	1-Qtr. Chg.	1-Yr. Chg.
United States	8,799,710	*1.1%*	*4.9%*
New England	494,364	*0.5%*	*4.2%*
Connecticut	117,067	*0.9%*	*2.1%*
Maine	29,828	*1.2%*	*4.7%*
Massachusetts	265,866	*0.3%*	*5.1%*
New Hampshire	38,652	*0.4%*	*5.7%*
Rhode Island	27,647	*0.3%*	*2.6%*
Vermont	15,303	*1.1%*	*3.6%*

Note: Data represent millions of dollars and are seasonally adjusted.

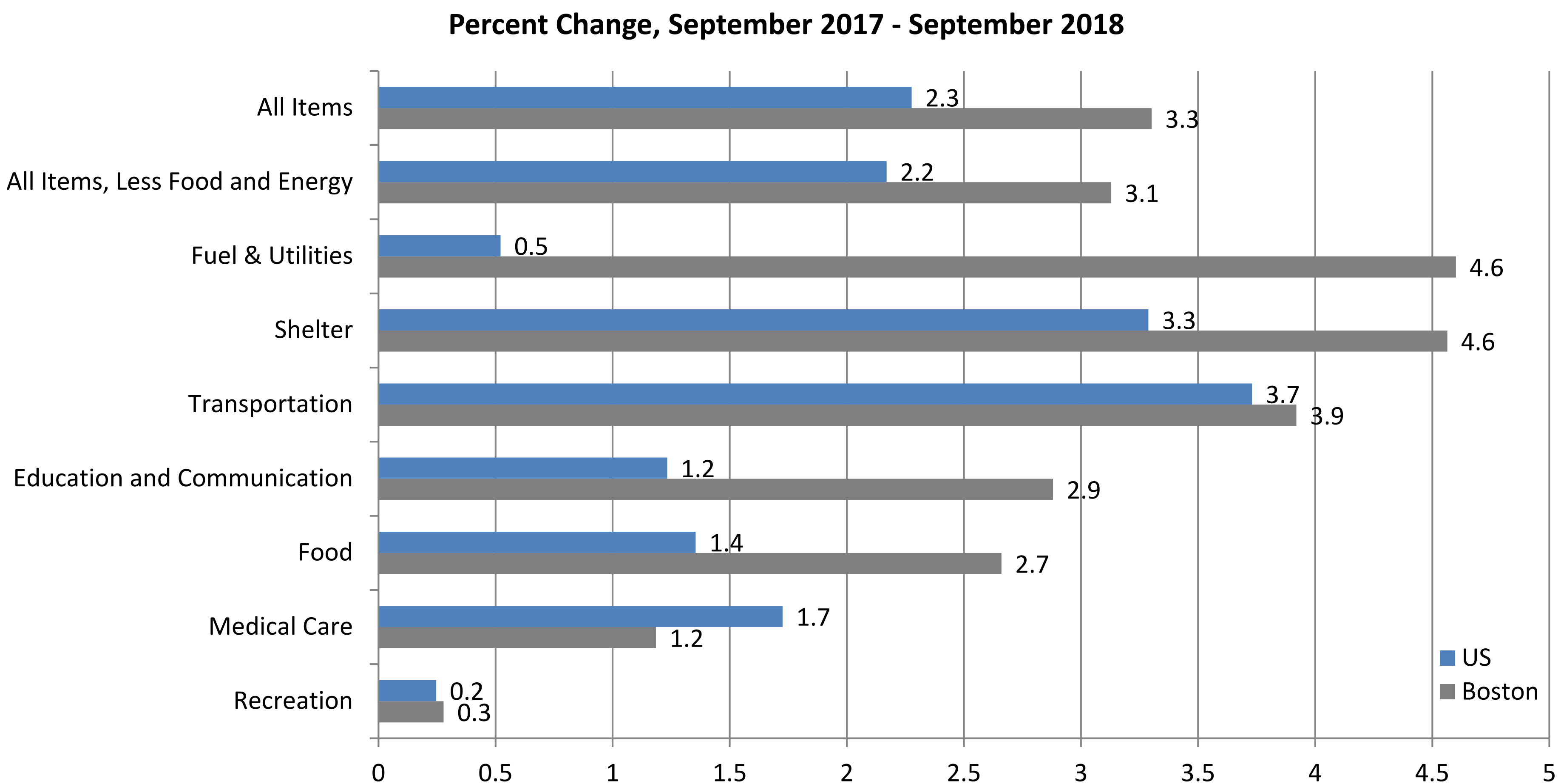
Source: U.S. Bureau of Economic Analysis, Federal Reserve Bank of Boston

Consumer Price Index



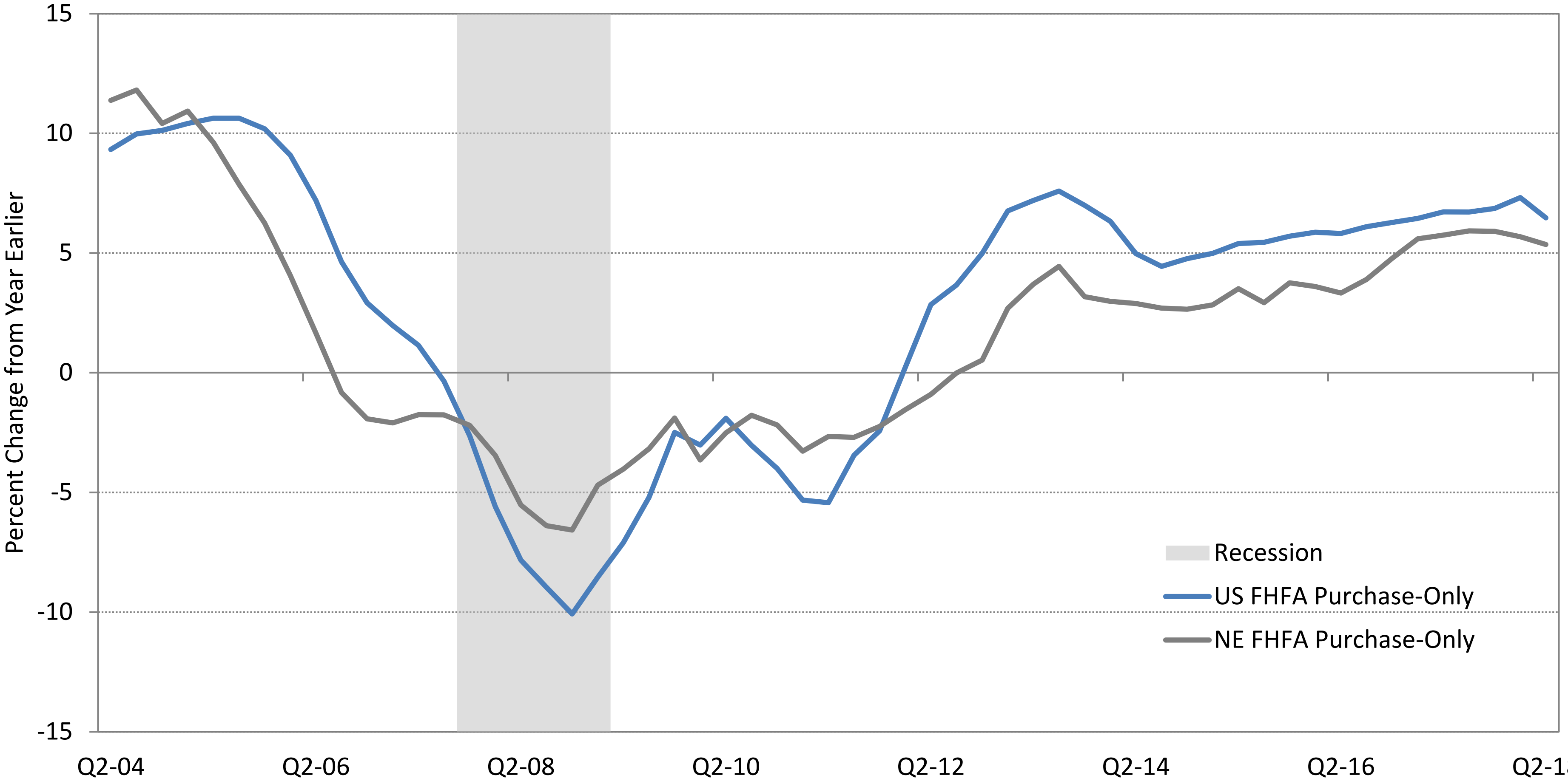
Source: Bureau of Labor Statistics, NBER, Haver Analytics

Components of the Consumer Price Index



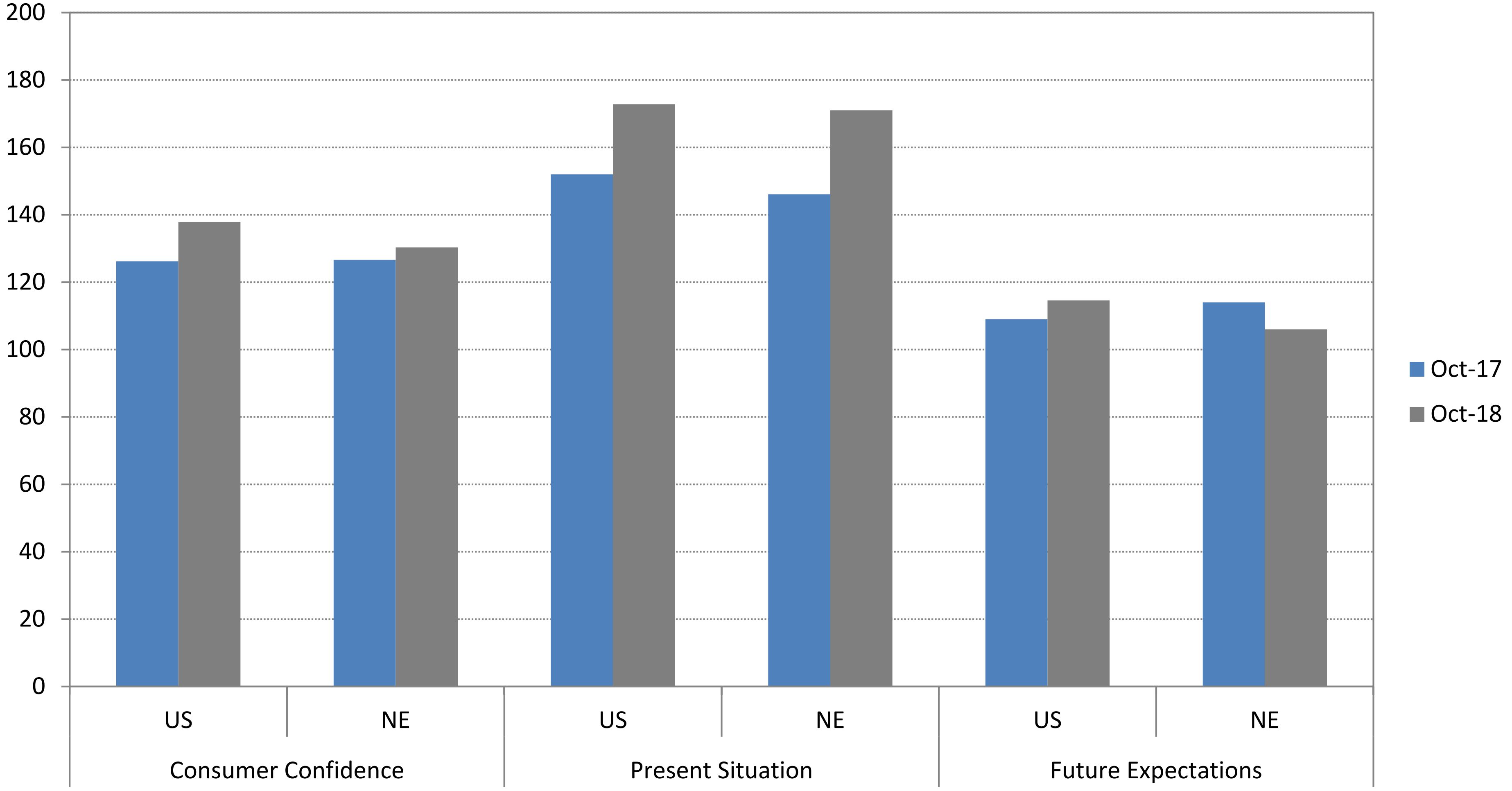
Source: Bureau of Labor Statistics, Haver Analytics

Repeat-Sales Home Price Index



Source: FHFA, NBER, S&P/Case-Shiller, Haver Analytics

Consumer Confidence



Source: The Conference Board, Haver Analytics

Concluding Observations

- Labor markets in New England continue to be tight, with growth in employment and low unemployment.
- Core inflation, which excludes food and energy prices, remains above 2 percent; housing price growth also persists.
- Consumer sentiment about the present economy is fairly positive, but expectations about the future are more modest.