

# REGIONAL ECONOMIC CONDITIONS IN NEW ENGLAND

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Osborne Jackson  
Senior Economist  
New England Public Policy Center  
Federal Reserve Bank of Boston

# Overview of Presentation

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

# About the Federal Reserve Bank of Boston

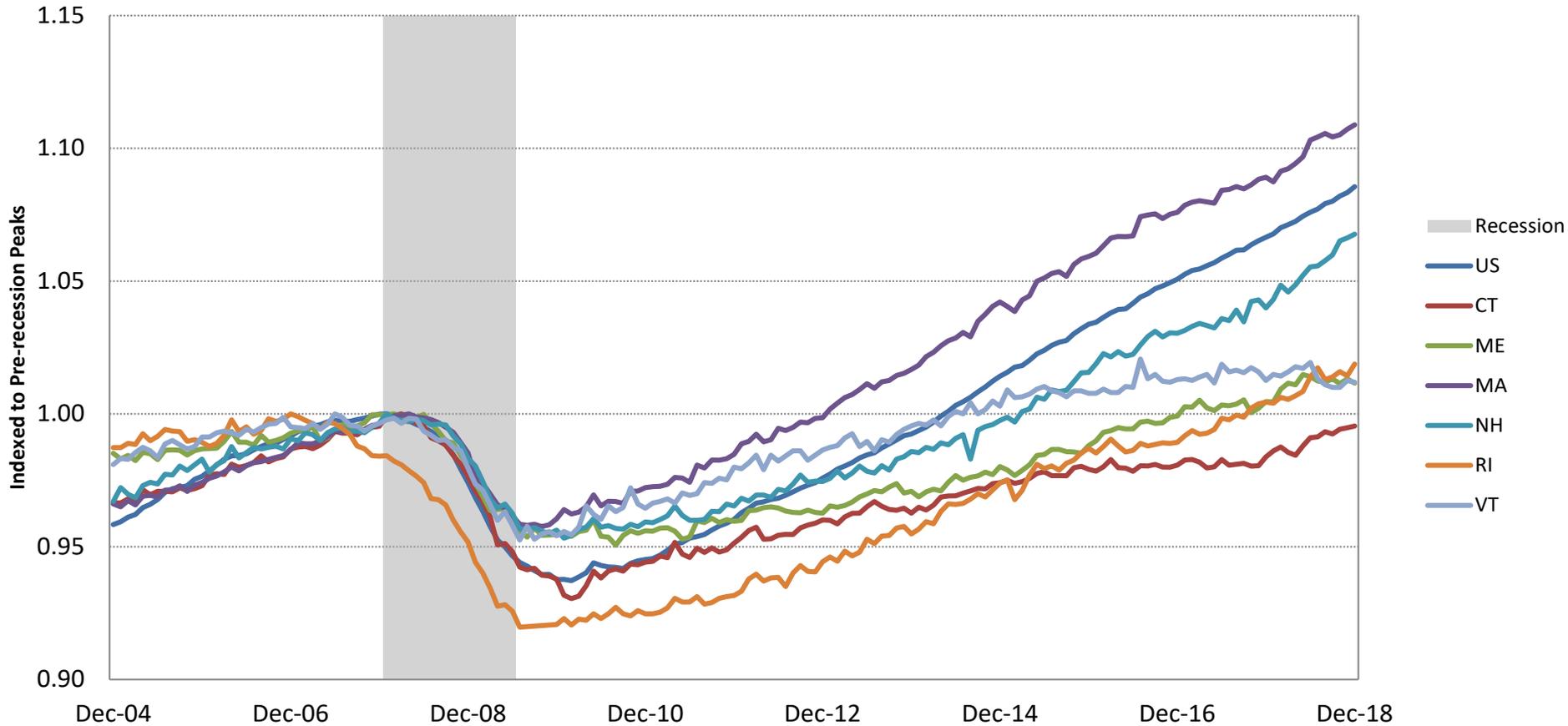
## Federal Reserve System

- 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

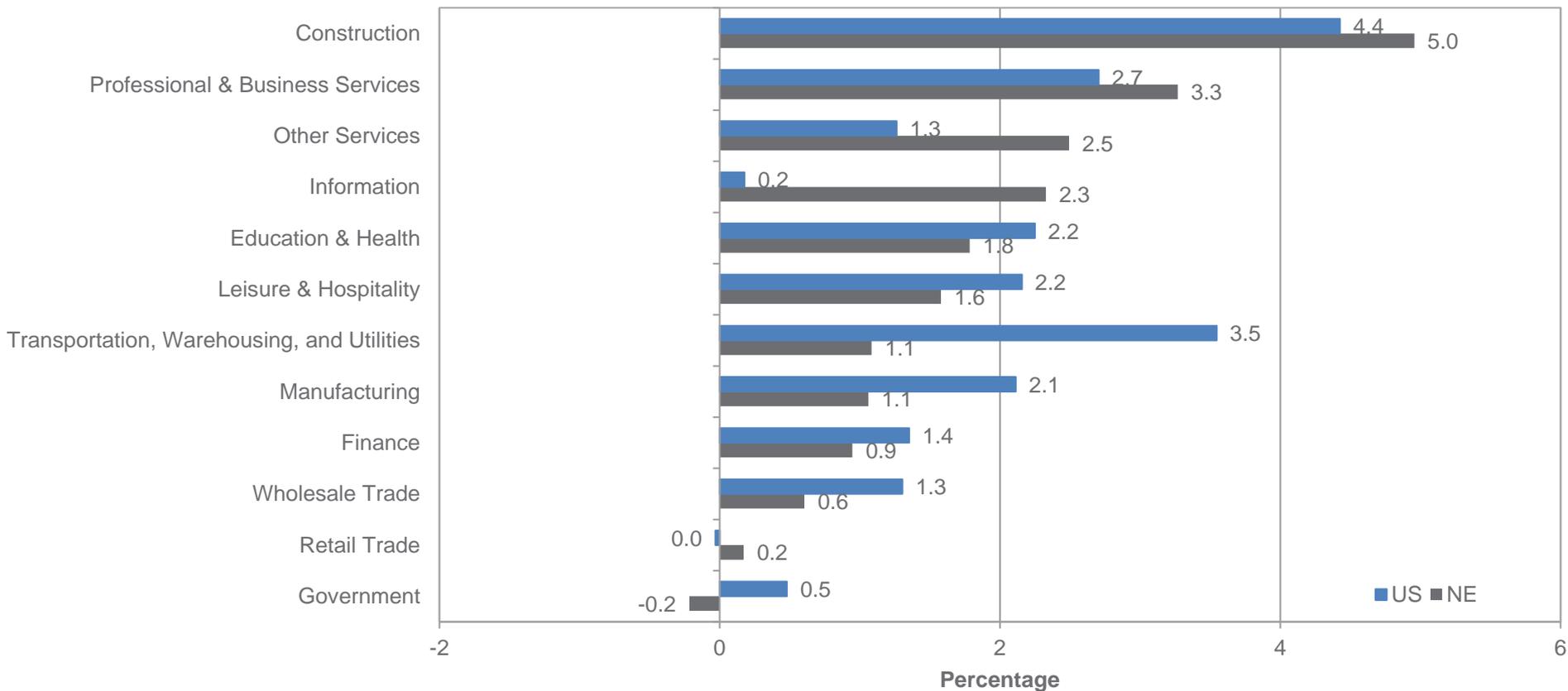
	Annual Long-term Trend	Last 12 months		Since Peak	
	Percent	Percent	Number	Percent	Number
<b>United States</b>	1.5	1.8	2,638,000	8.6	11,844,000
<b>New England</b>	0.9	1.5	115,000	6.1	432,600
<b>Connecticut</b>	0.5	1.2	19,900	-0.5	-7,800
<b>Maine</b>	1.1	0.7	4,300	1.2	7,200
<b>Massachusetts</b>	0.9	1.8	65,800	10.9	362,700
<b>New Hampshire</b>	1.5	2.7	18,100	6.8	44,100
<b>Rhode Island</b>	0.7	1.4	7,100	1.9	9,300
<b>Vermont</b>	1.2	-0.1	-200	1.2	3,700

*Note: “Last 12 months” refers to year-over-year growth through December 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

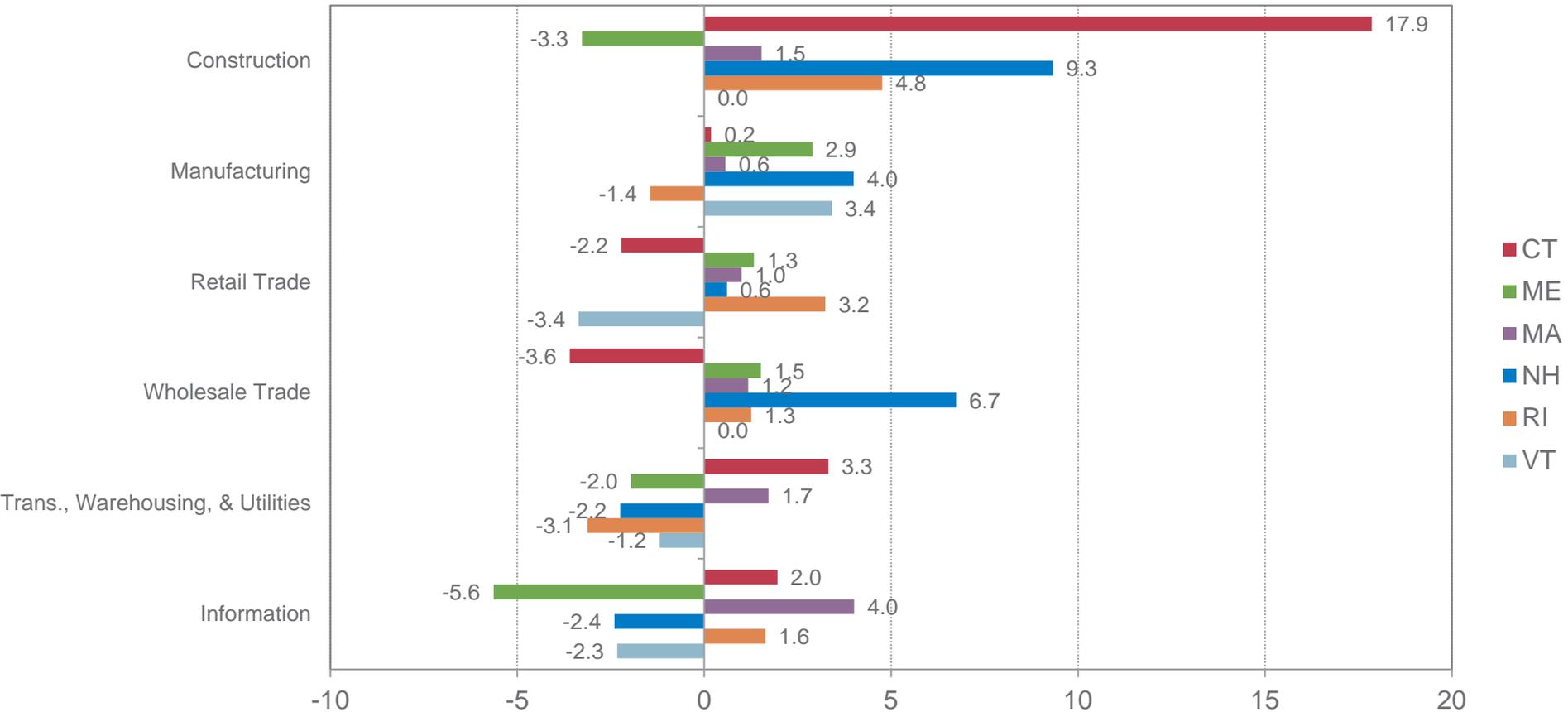
Percent Change, December 2017 - December 2018



Source: Bureau of Labor Statistics, Haver Analytics

# State Employment Growth by Industry

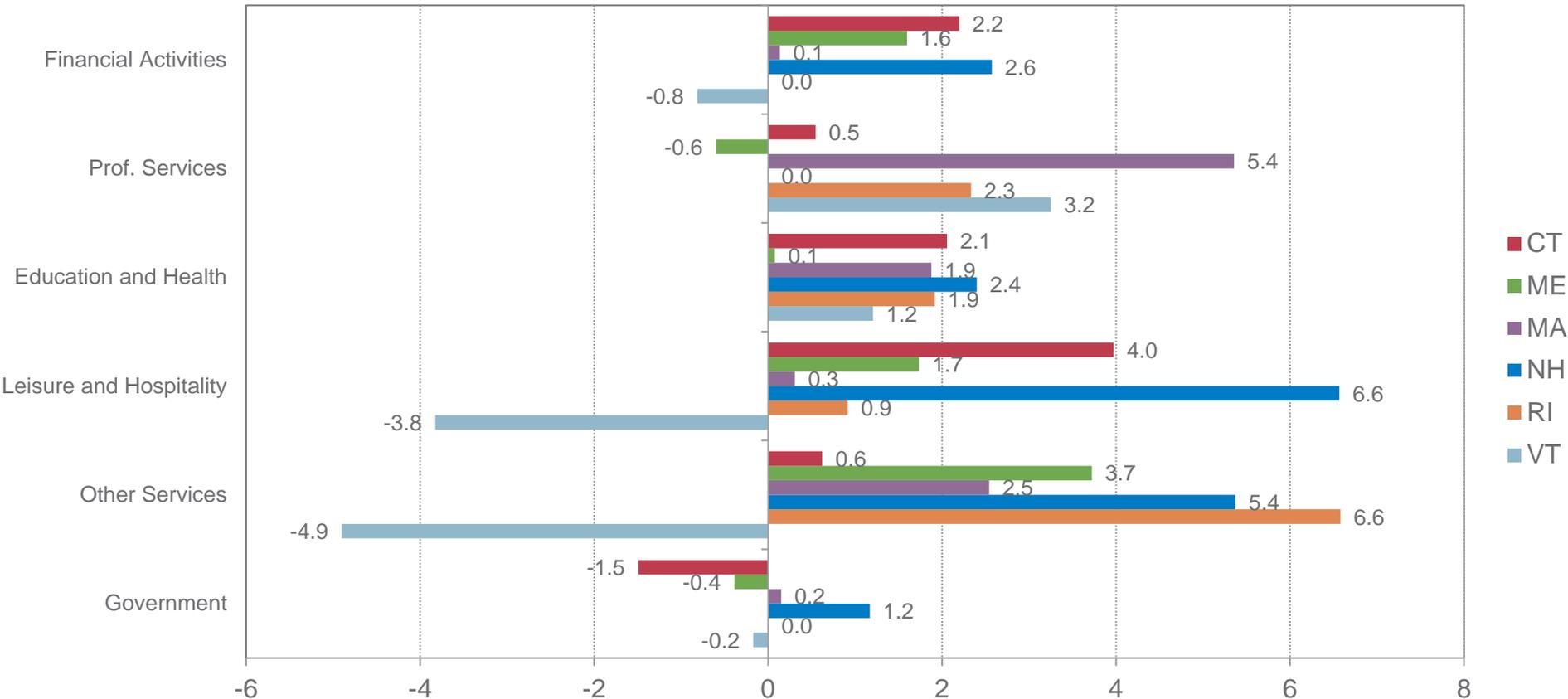
Percent Change, December 2017 - December 2018



Source: Bureau of Labor Statistics, Haver Analytics

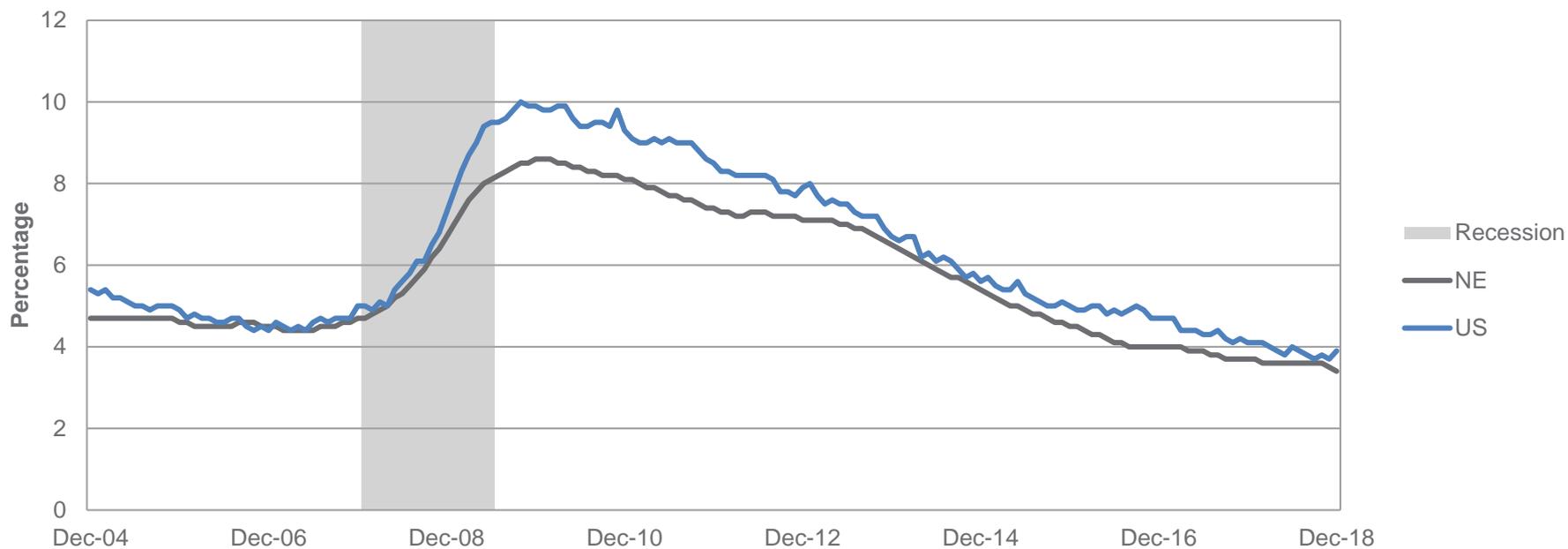
# State Employment Growth by Industry

Percent Change, December 2017 - December 2018



Source: Bureau of Labor Statistics, Haver Analytics

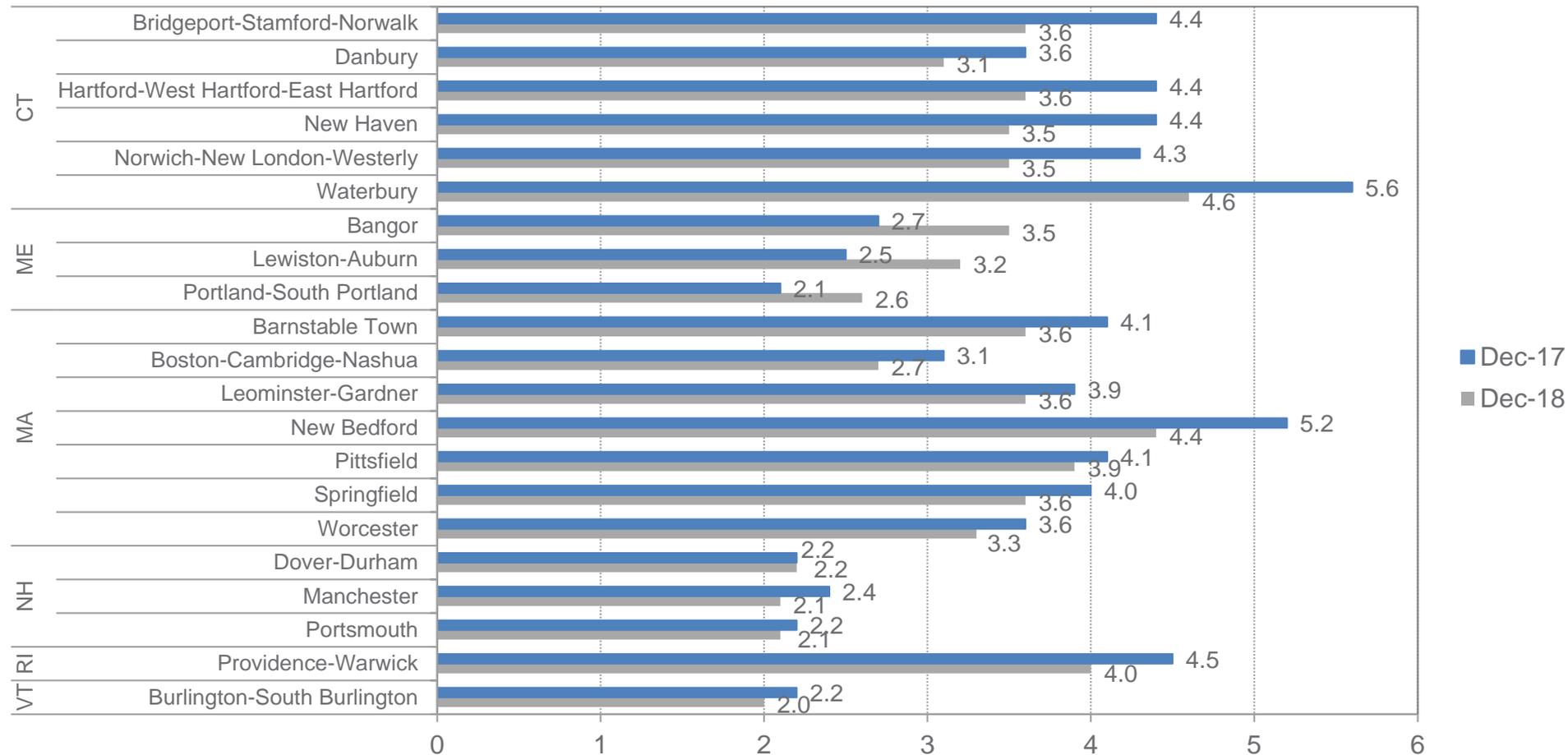
# Unemployment Rates



	Dec-17	Dec-18
United States	4.1	3.9
New England	3.7	3.4
Connecticut	4.5	4.0
Maine	3.1	3.4
Massachusetts	3.5	3.3
New Hampshire	2.6	2.5
Rhode Island	4.5	3.9
Vermont	2.9	2.7

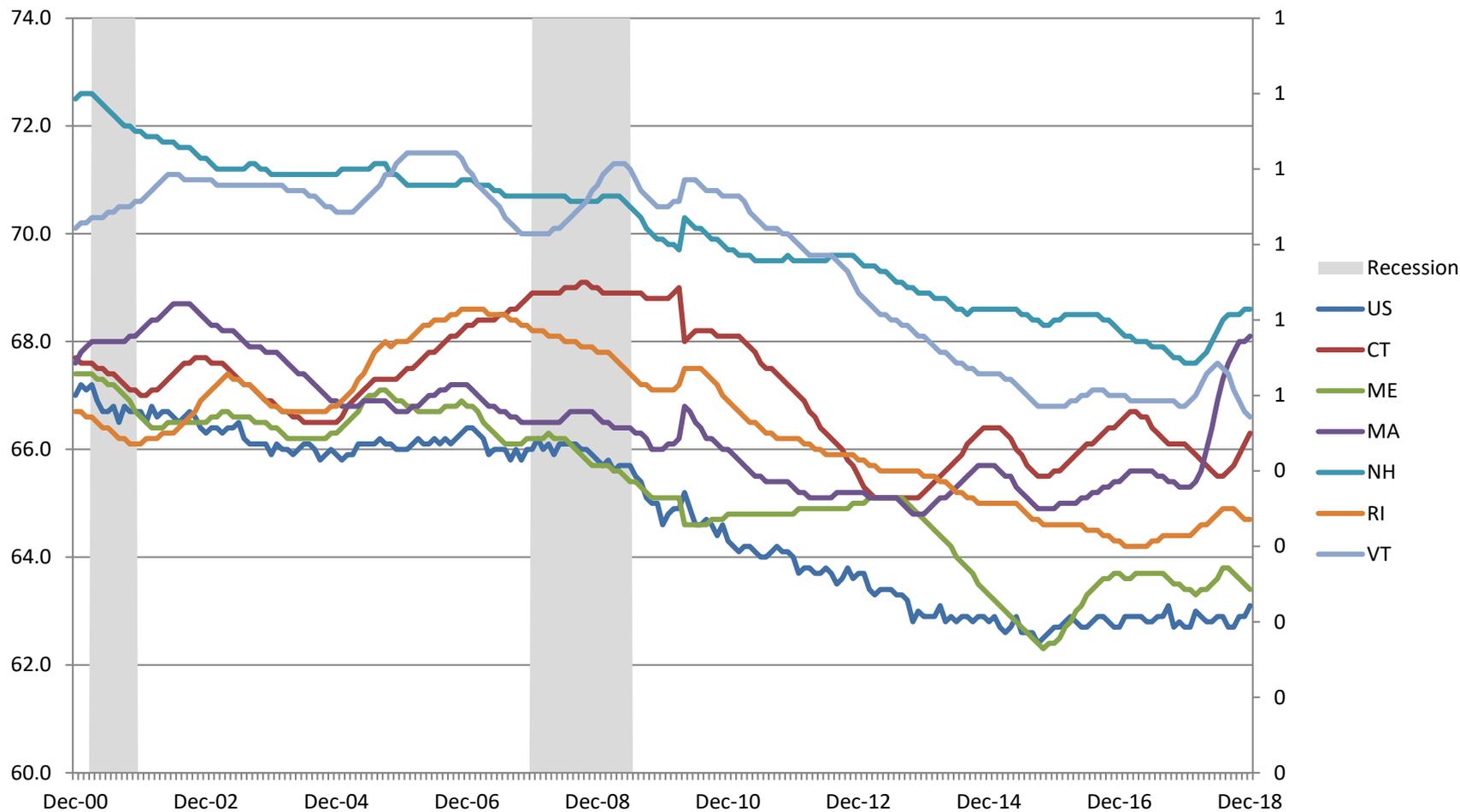
Source: Bureau of Labor Statistics, NBER, Haver Analytics

# Unemployment Rates in New England by Metropolitan Areas



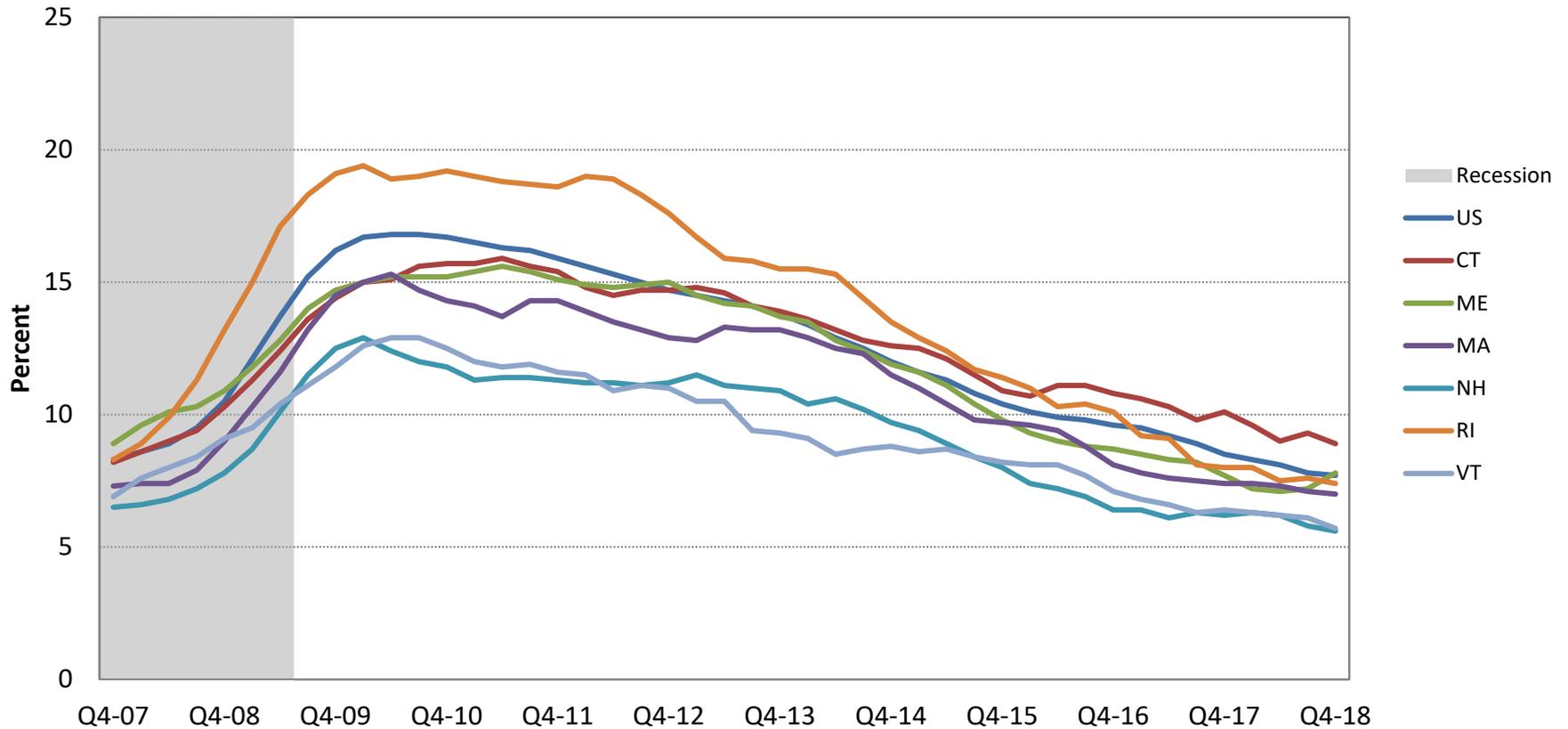
Source: Bureau of Labor Statistics, Haver Analytics, Federal Reserve Bank of Boston

# Labor Force Participation Rates



Source: Bureau of Labor Statistics, NBER, Haver Analytics

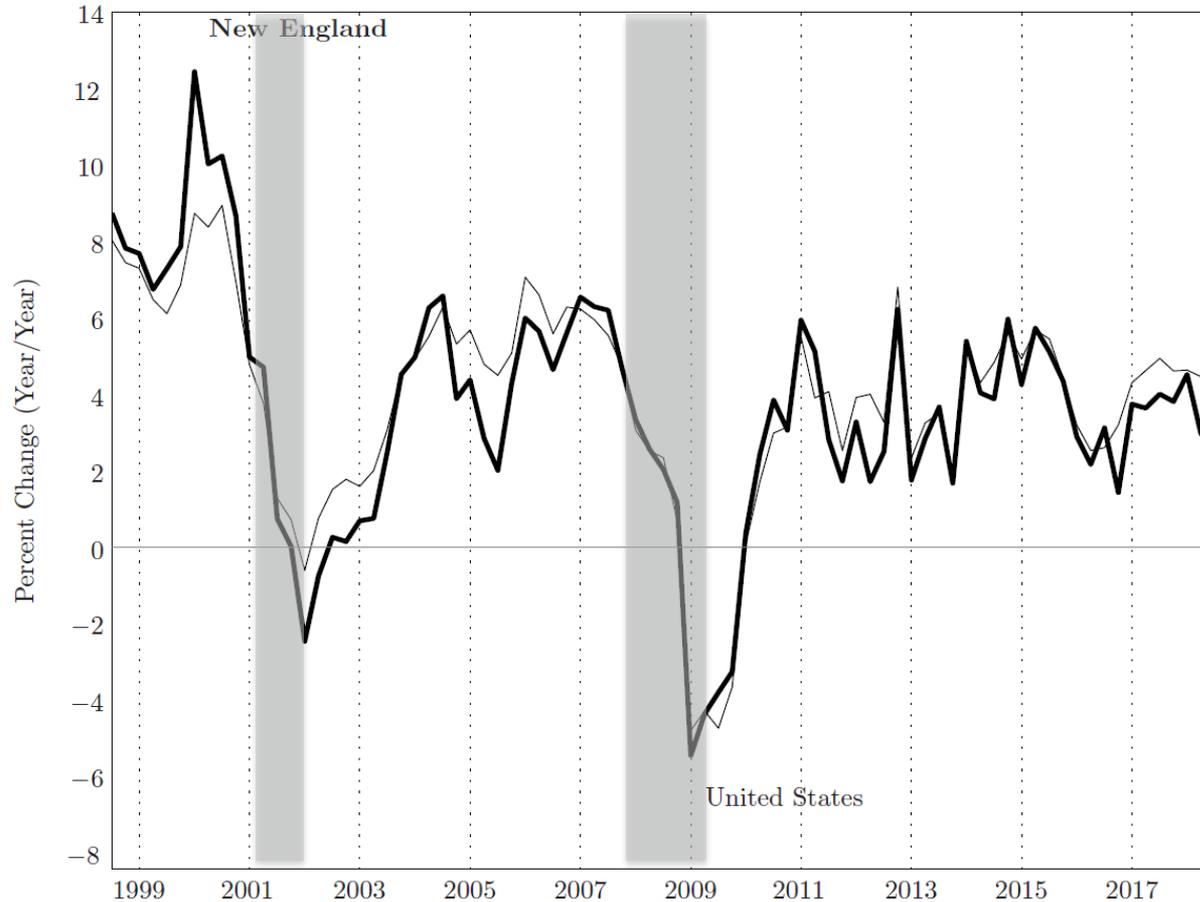
# U-6 Rates



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. Gray areas indicate recessions.

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

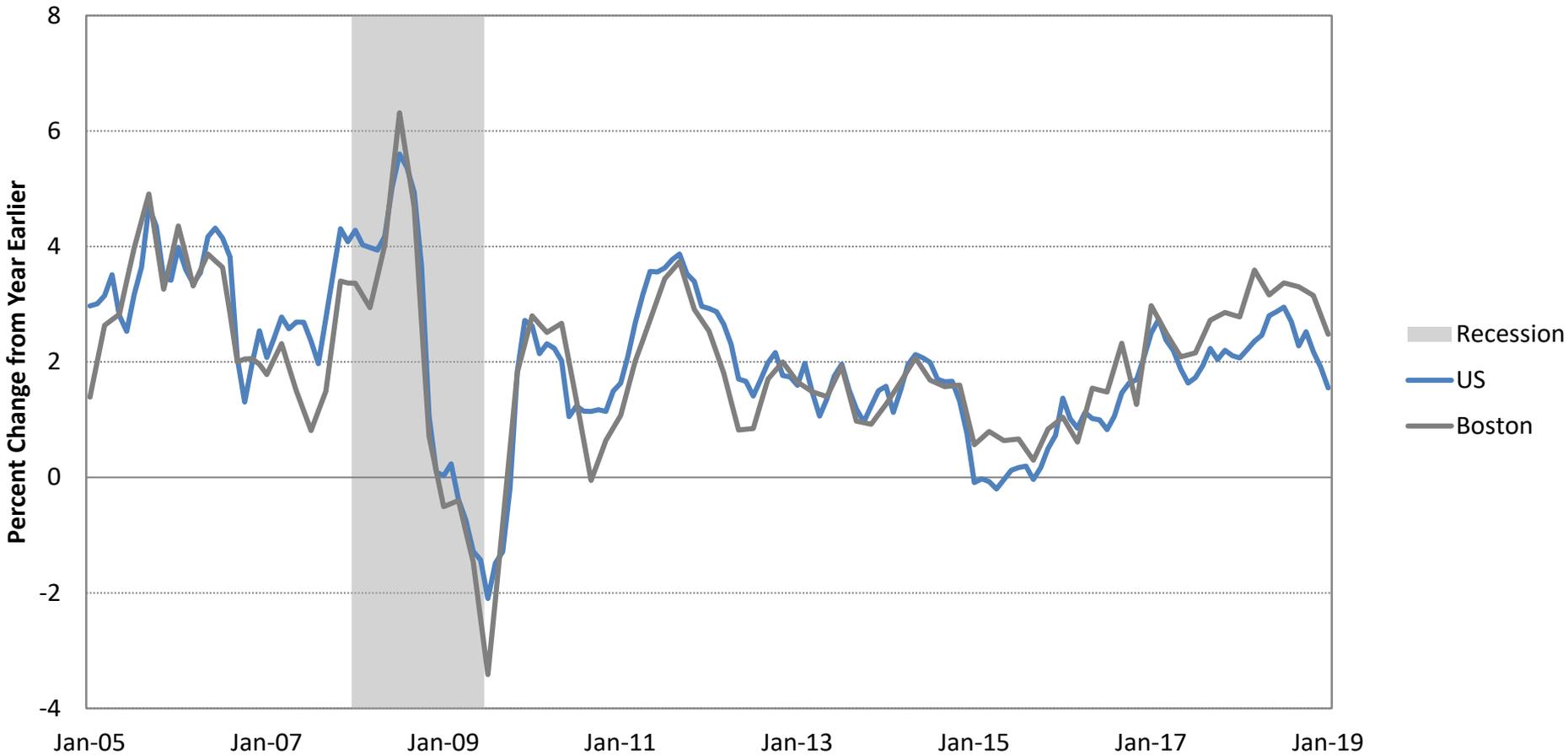
## Wage and Salary Disbursements by State

	Wage and Salary Disbursements		
	Sep-2018	1-Qtr. Chg.	1-Yr. Chg.
United States	8,858,761	1.1%	4.2%
New England	494,202	1.2%	2.6%
Connecticut	115,850	1.1%	0.3%
Maine	29,848	0.8%	2.9%
Massachusetts	266,808	1.2%	3.8%
New Hampshire	38,415	1.2%	1.6%
Rhode Island	27,877	1.1%	1.7%
Vermont	15,404	0.9%	3.3%

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

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

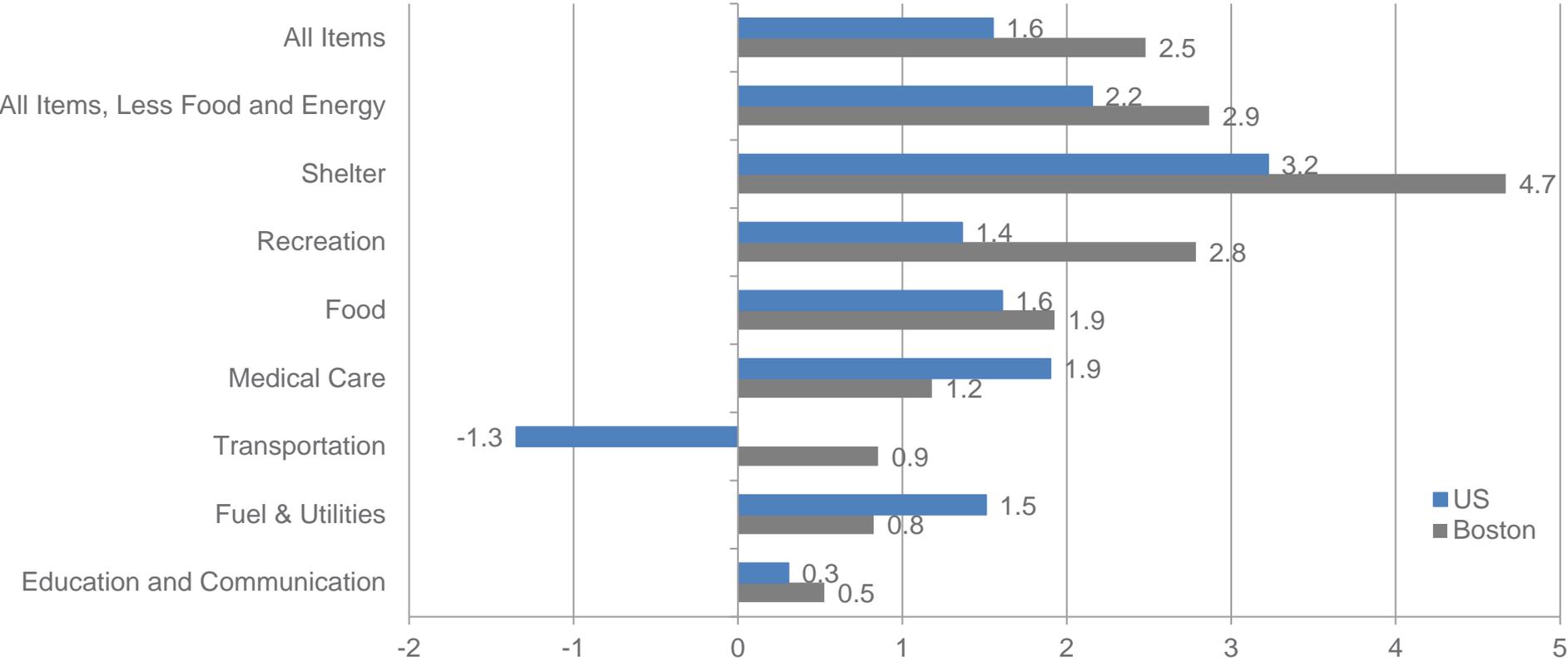
# Consumer Price Index



Source: Bureau of Labor Statistics, NBER, Haver Analytics

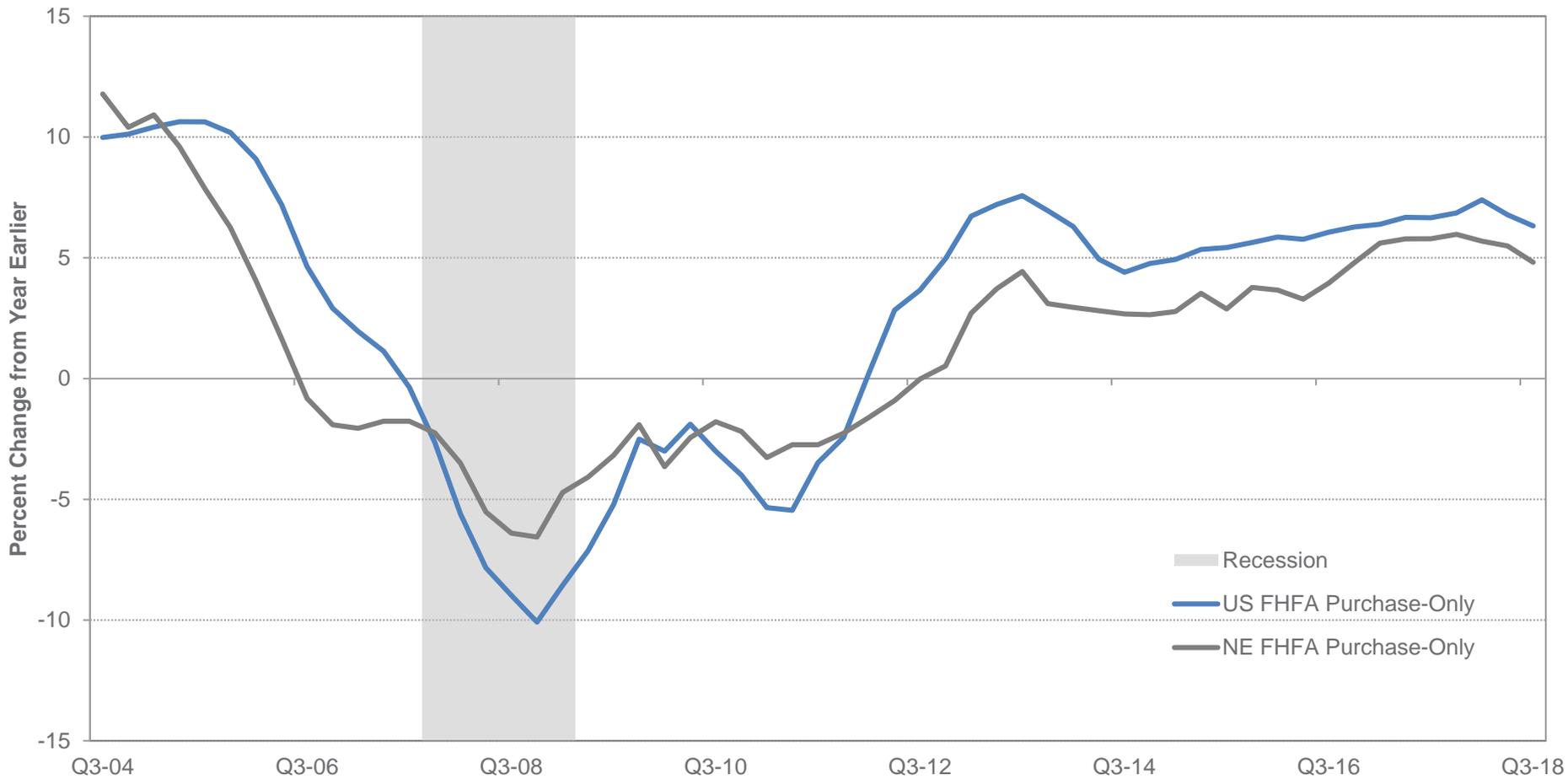
# Components of the Consumer Price Index

Percent Change, January 2018 - January 2019



Source: Bureau of Labor Statistics, Haver Analytics

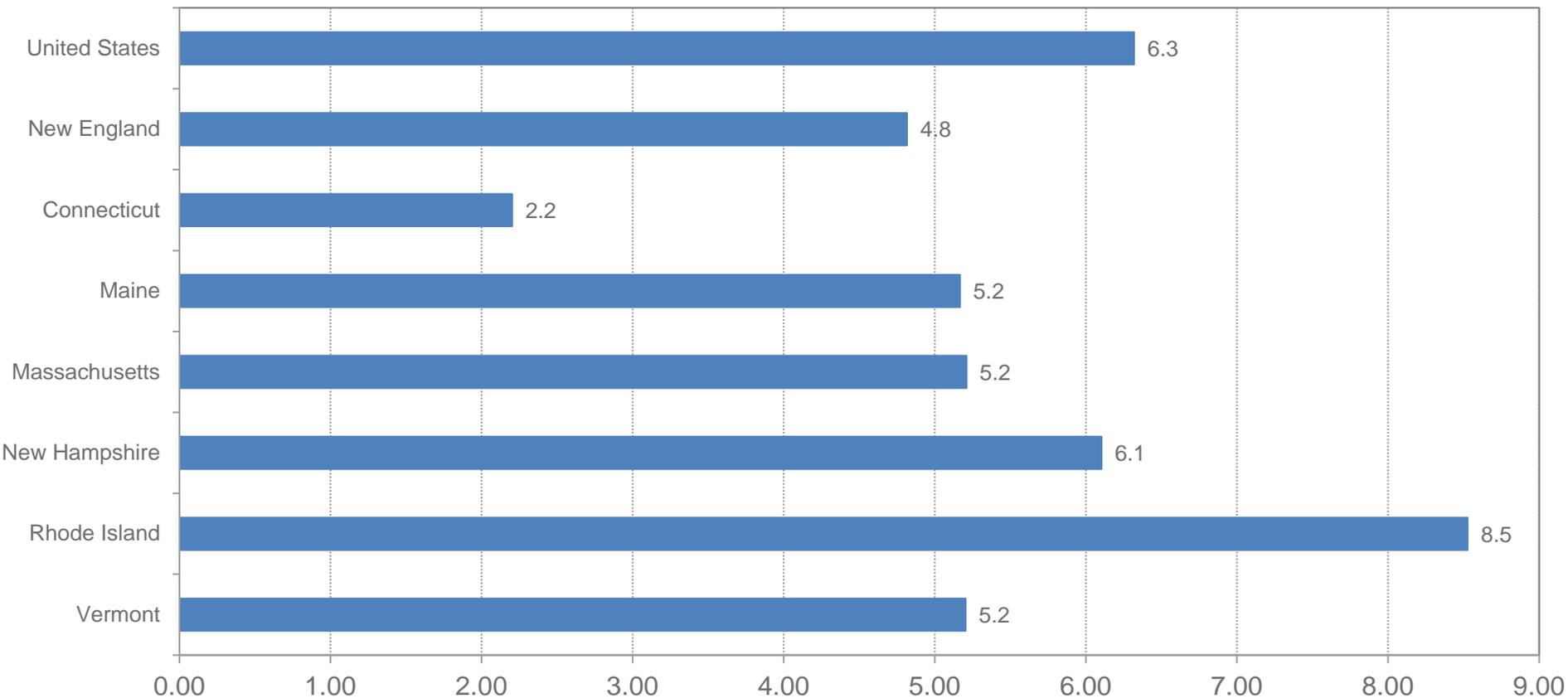
# Repeat-Sales Home Price Index



Source: FHFA, NBER, Haver Analytics

# House Price Changes

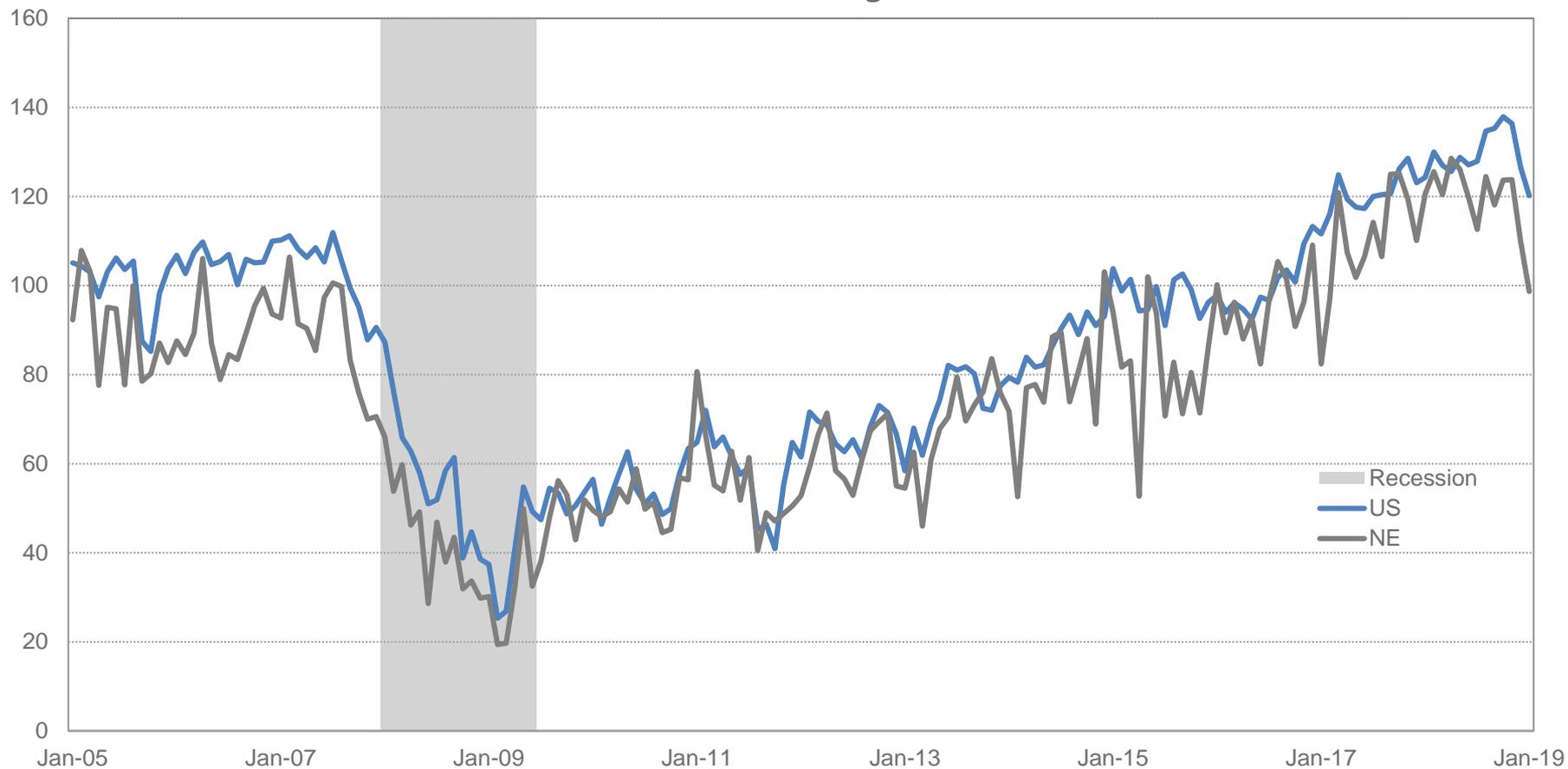
Percent Change, Q3 2017 - Q3 2018



Source: FHFA, Haver Analytics

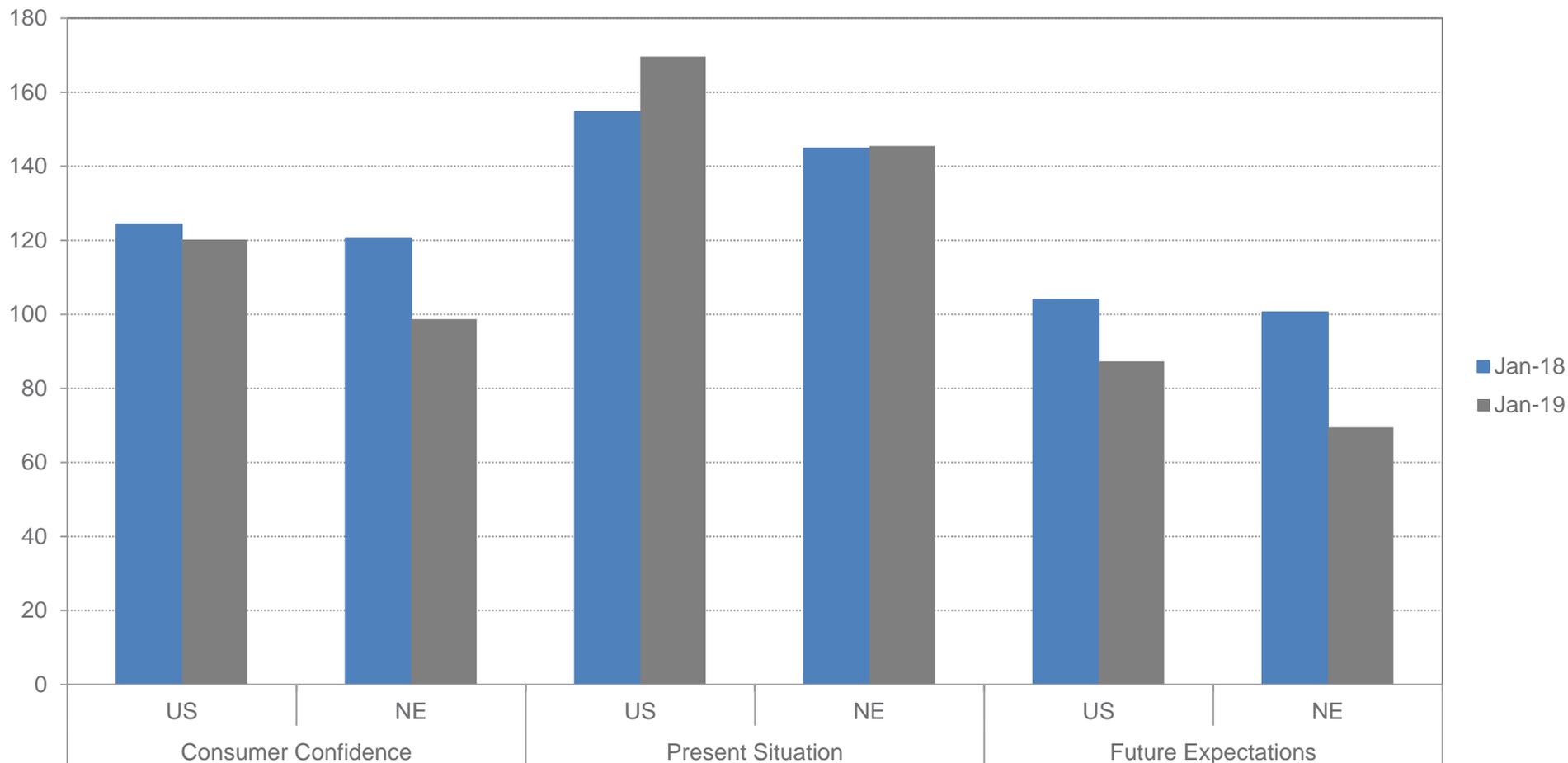
# Consumer Confidence Index

Indexed to U.S. Average of 1985



Source: The Conference Board, NBER, Haver Analytics

# Components of the Consumer Confidence Index



Source: The Conference Board, Haver Analytics

# Concluding Observations

- ▶ Labor markets in New England remain tight, with growth in employment and low unemployment.
- ▶ Core inflation, which excludes food and energy prices, is above 2 percent; housing price growth also continues.
- ▶ Consumer sentiment about the present economy is fairly positive, but expectations about the future have declined.