

# NEW ENGLAND ECONOMIC INDICATORS

FIRST QUARTER 2012

Federal Reserve Bank of Boston

Economic Snapshot  
Labor Market Conditions  
Income  
Consumer Prices  
Home Prices  
Merchandise Exports



Subscription renewal required,  
see inside cover

Includes data available as of  
April 10, 2012

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# NEW ENGLAND ECONOMIC INDICATORS

FIRST QUARTER 2012

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As a current subscriber, you have received the first edition of our new and improved publication. Improvements include: a slimmer version focused on the most commonly used data series, more graphical displays of these data, and the inclusion of a brief analysis of recent economic trends in the region from the Federal Reserve Bank of Boston's Research Department.

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Sincerely,

Robert Clifford, *Indicators* Editor  
[robert.clifford@bos.frb.org](mailto:robert.clifford@bos.frb.org)

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# New England Economic Snapshot

## New England growth rate slows

The New England economy continues to expand, but the growth rate appears to have slowed in recent months and, for some indicators, no longer exceeds the national pace of recovery.

## Payroll jobs up in February

The region finished 2011 with two consecutive months of employment losses, before rebounding with increases in January and February of 2012 (Exhibit 1). However, the regions year-over-year employment growth rate remained under 1 percent, keeping it below the rising U.S. growth rate.

## Unemployment rate improves

The region's unemployment rate also improved in February, although more recent unemployment indicators are weaker. The unemployed in New England amounted to 7.1 percent of the labor force in February 2012, down nearly a percentage point from February 2011, and more than a percentage point below the U.S. rate (Exhibit 2).

Within the region, the jobless-rate range remains almost as wide as the 50-state range, with New Hampshire and Vermont among the five lowest-unemployment states and Rhode Island second highest.

## Initial unemployment claims higher than year-earlier rate

After increasing in January of 2012, initial unemployment claims by New England residents dropped in February 2012 to reach their lowest level since November 2007. The U.S. claims continued to trend downward in early 2012 (Exhibit 3).

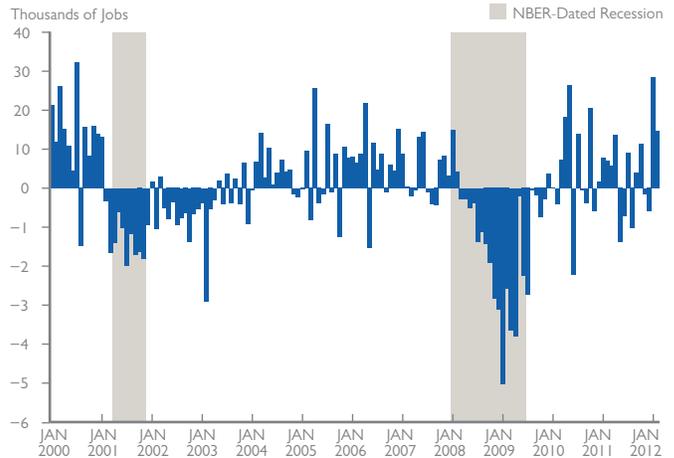
*continued on page 2*

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New England Economic Snapshot aggregates data released before April 10, 2012. Use of these data does not necessarily imply the Bank's endorsement. More current and detailed data on the economy are available at [www.bostonfed.org/economic/data.htm](http://www.bostonfed.org/economic/data.htm)

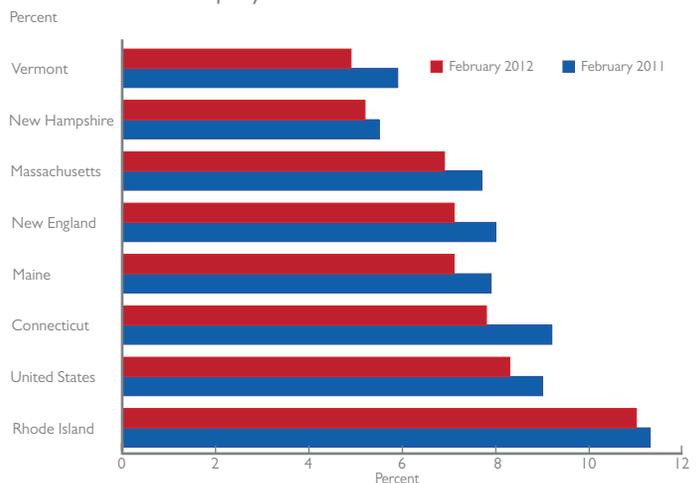
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**Exhibit 1** Monthly Employment Change in New England  
January 2000 – February 2012



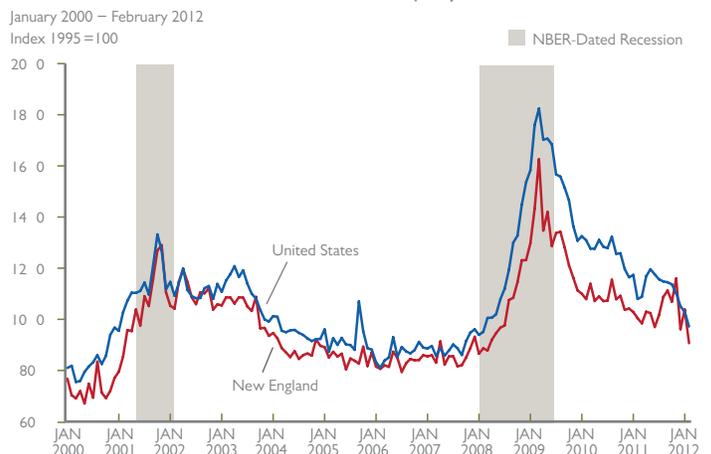
Source: US Bureau of Labor Statistics. Data are seasonally adjusted.

**Exhibit 2** Unemployment Rates



Source: US Bureau of Labor Statistics. Data are seasonally adjusted.

**Exhibit 3** Initial Claims for Unemployment Insurance



Source: US Department of Labor, Federal Reserve Board of Governors, and Federal Reserve Bank of Boston. Data are seasonally adjusted.

## Housing market overall positive

Most housing market indicators are positive for the region. Housing construction activity has picked up in recent months, with multifamily permits and the dollar value of residential construction contracts during the three months ending in January exceeding their year-earlier levels in the region.

According to the FHFA, home prices in the region rose slightly in the fourth quarter, making the year-over-year change somewhat less negative than was the case in the third quarter. Home prices declined 2.0 percent year-over-year in New England and 3.0 percent in the nation (Exhibit 4); the corresponding FHFA purchase-only year-over-year changes were -2.1 percent and -2.4 percent, respectively. In contrast to the FHFA data, the year-over-year pace of decline in Boston's Case-Shiller monthly index worsened again in December, to -2.6 percent.

## Foreclosures increase in New England states

One aspect of the regional housing market not showing improvement is foreclosure activity. Foreclosure initiations increased in Q4 2011 in New England and declined nationally, bringing the region's initiation rate closer to the national average, but still below.

The number of New England mortgages in some stage of the foreclosure process was higher in Q4 2011 than a year earlier, while the foreclosure inventory nationwide had declined from Q4 2010.

## Increased energy prices mainly due to gasoline costs

Consumer price increases in Boston have been somewhat more modest than in the nation over the 12 months ending in January, with the cost of the market basket rising 2.5 percent in Boston and 2.9 percent nationally (Exhibit 5).

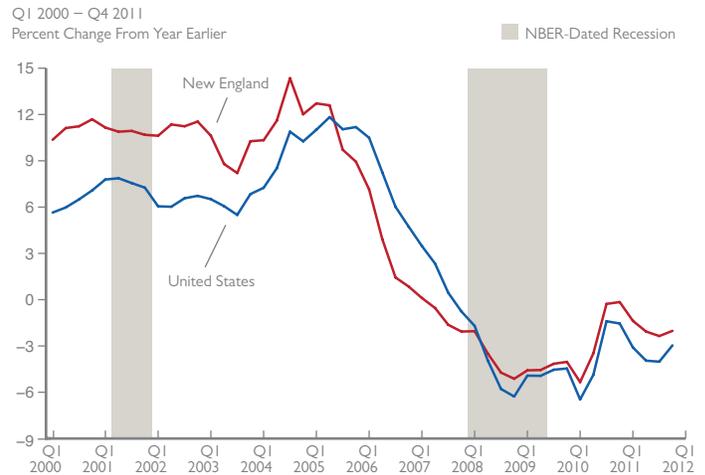
Energy prices have risen about 6 percent in both the region and the nation since January 2011. The increase in the region's energy index reflects a 3.6 percent increase in fuel and utilities prices and a 3.5 percent increase in transportation prices, with the latter mainly attributable to a 9.3 percent increase in gasoline prices. Over the two months ended in January, Boston-area motorists paid an average of \$3.44 per gallon of gasoline, up \$0.30 from a year earlier.

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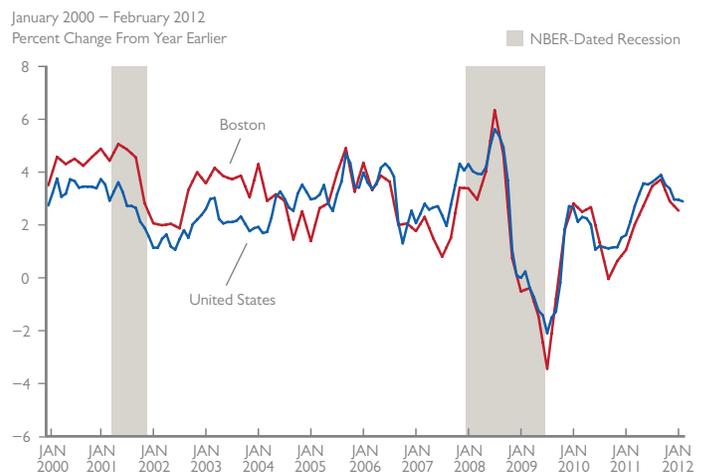
*Summary of regional data provided by the Research Department and the Regional & Community Outreach Department.*

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## Exhibit 4 FHFA House Price Index



## Exhibit 5 Consumer Price Index



## Summary of Latest Data in This Issue

	New England			United States		
	Current Period	Percent Change at Annual Rate from		Current Period	Percent Change at Annual Rate from	
		Prior Period	Year-Earlier Period		Prior Period	Year-Earlier Period
<b>Labor Market Conditions</b>	Feb 2012			Feb 2012		
Total Nonagricultural Employment (thousands of jobs, SA)	6,867.1	1.0	1.1	131,708	1.1	1.2
Connecticut	1,633.8	3.7	0.7			
Maine	598.1	4.9	0.8			
Massachusetts	3,234.8	3.4	0.8			
New Hampshire	628.9	-6.4	0.4			
Rhode Island	458.4	1.3	-0.2			
Vermont	302.1	5.3	1.0			
<b>Employment by Industry or Sector (thousands of jobs, SA)</b>						
Private (Total Nonagricultural less Government)	5,882.5	3.6	1.1	110,711	2.6	2.1
Government	973.6	-3.4	-1.4	21,986	-0.3	-1.0
Construction	237.6	3.1	0.4	5,554	-2.8	1.2
Manufacturing	609.9	-0.8	0.1	11,891	3.2	1.9
Trade, Transportation, and Utilities	1,241.0	6.1	1.7	25,251	0.6	1.5
Financial Activities	444.2	-3.2	-1.6	7,701	0.9	0.4
Professional and Business Services	883.6	6.2	2.0	17,751	5.7	3.8
Education and Health Services	1,395.1	4.4	1.4	20,187	4.3	2.3
Leisure and Hospitality	659.2	8.8	1.3	13,554	4.0	2.7
Other Services	256.6	-8.5	0.9	5,360	-1.3	0.4
<b>Manufacturing Production Workers (NSA)</b>						
Average Weekly Hours	40.2	-2.9	0.8	41.3	-5.6	0.7
Average Hourly Earnings (dollars)	21.15	-3.3	3.9	19.13	2.5	3.5
Average Weekly Initial Claims for Unemployment Insurance (SA)	23,007	*	11.7	395,700	*	-7.8
<b>Unemployment Rate (percent, SA)</b>	7.3	7.6	8.3	8.6	9.0	9.8
Connecticut	7.8	8.0	9.2			
Maine	7.1	7.0	7.9			
Massachusetts	6.9	6.9	7.7			
New Hampshire	5.2	5.1	5.5			
Rhode Island	11.0	10.9	11.3			
Vermont	4.9	5.1	5.9			
<b>Income (millions of dollars)</b>	Q4 2011			Q4 2011		
Total Personal Income (SAAR)	747,261	3.3	4.6	13,137,224	3.2	4.6
Wage and Salary Disbursements (SAAR)	394,338	5.0	4.8	6,806,844	5.5	5.2
<b>Consumer Prices**</b>	Jan 2012			Feb 2012		
Consumer Price Index (1982-84=100, NSA)	245.9	2.2	2.5	227.7	5.4	2.9
<b>Real Estate</b>	Q4 2011			Q4 2011		
Home Price Index (1980:Q1 = 100, NSA)	514.11	1.7	-2.0	320.11	1.4	-3.0
Connecticut	405.30	2.4	-2.9			
Maine	463.91	2.7	-1.5			
Massachusetts	620.39	0.2	-1.4			
New Hampshire	405.02	2.2	-2.6			
Rhode Island	459.15	2.7	-4.5			
Vermont	443.90	4.2	0.0			
<b>Merchandise Exports</b>	Q4 2011			Q4 2011		
Total Merchandise Exports (millions of dollars, NSA)	14,310	*	-1.6	384,400	*	10.6
Connecticut	4,235	*	-1.5			
Maine	762	*	-15.1			
Massachusetts	6,616	*	1.8			
New Hampshire	986	*	-21.9			
Rhode Island	549	*	1.5			
Vermont	1,162	*	12.2			

Footnotes:

\* Period-to-period comparisons of these data are not meaningful.

\*\* The consumer price index for New England is for the Boston area and is published every other month.

SA: seasonally adjusted

NSA: not seasonally adjusted

SAAR: seasonally adjusted annual rate

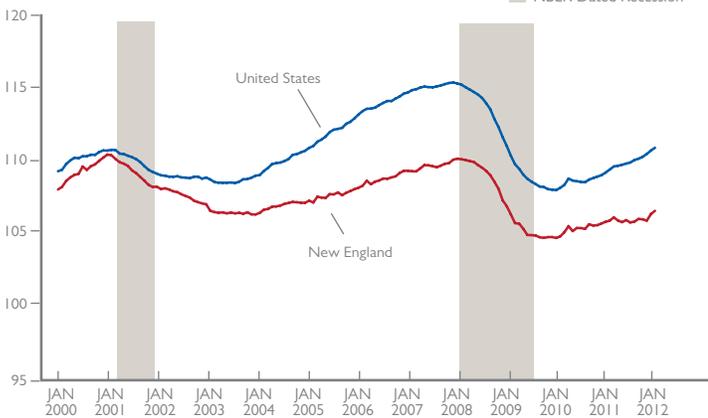
NA: not available

# Employment Situation

## Nonagricultural Employment

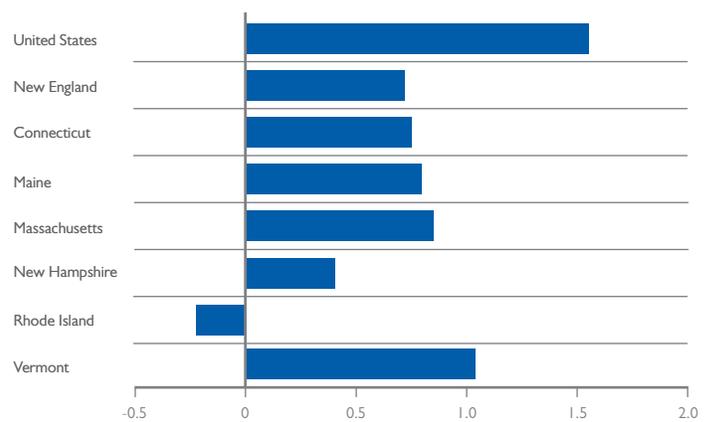
January 2000 – February 2012

Index, 1996 = 100



## Nonagricultural Employment

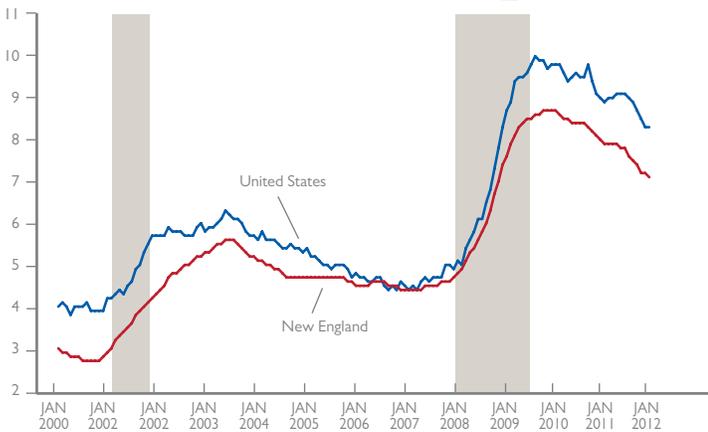
Percent Change, February 2011 to February 2012



## Unemployment Rate

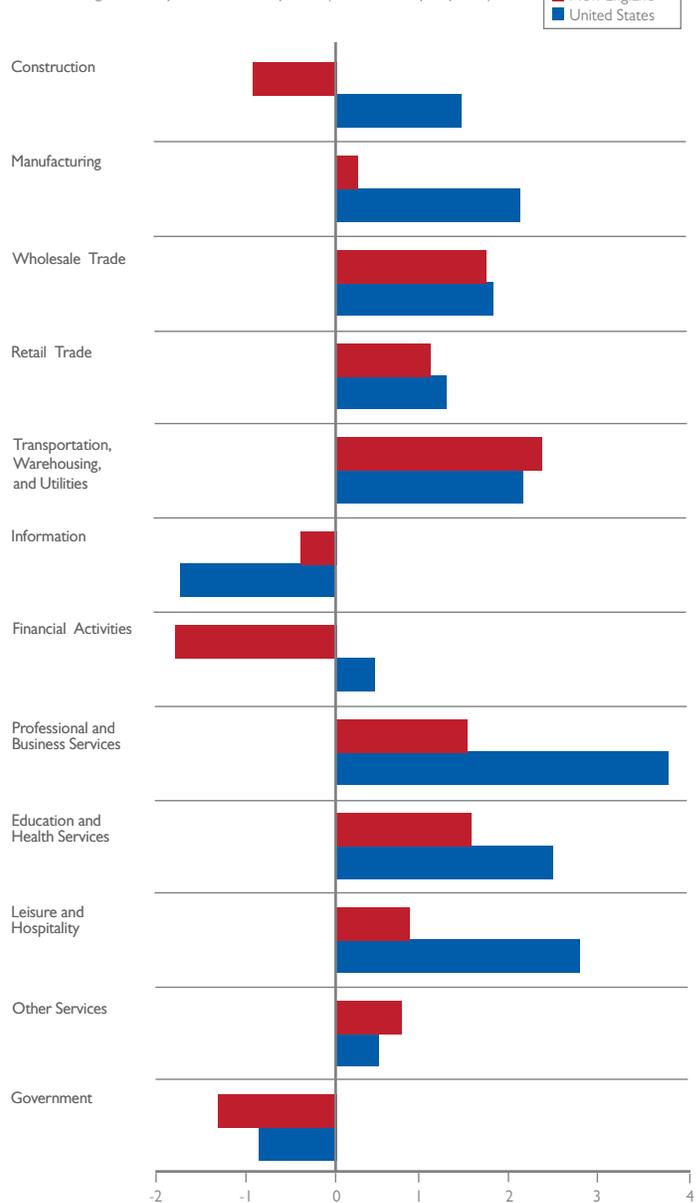
January 2000 – February 2012

Percent



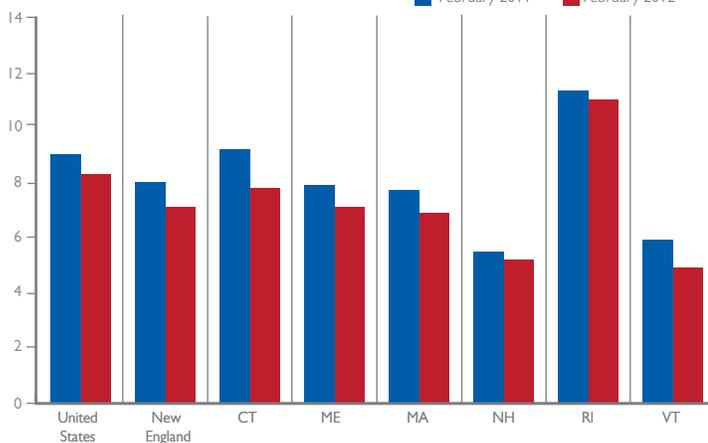
## Employment by Industry

Percent Change, February 2011 to February 2012 (Not Seasonally Adjusted)



## Unemployment Rate

Percent

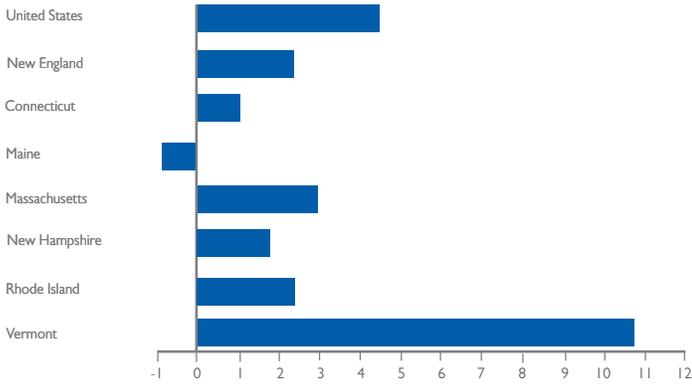


Source: U.S. Bureau of Labor Statistics

## Employment by Supersector

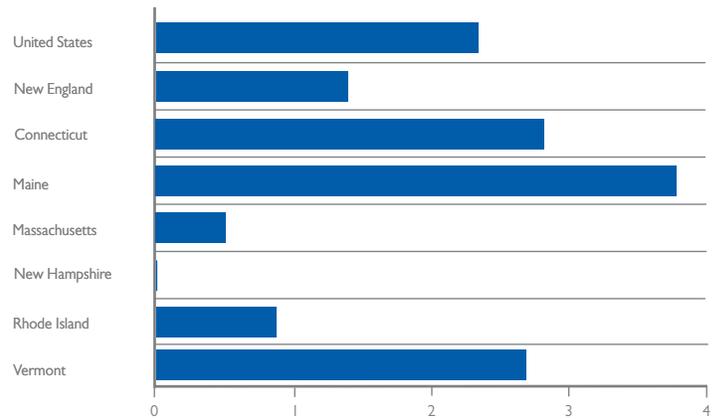
### Professional & Business Services Employment

Percent Change, February 2011 to February 2012



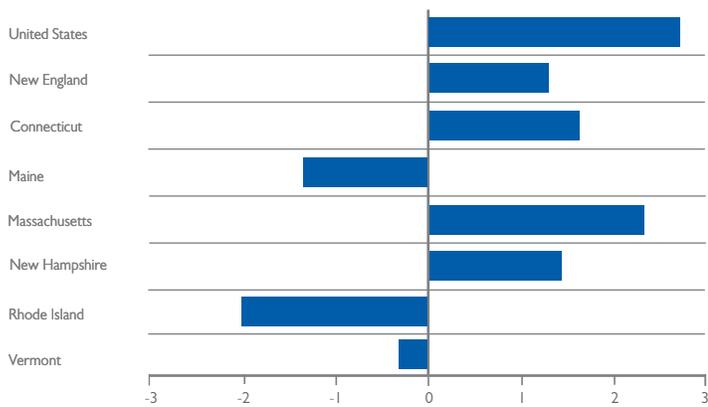
### Education & Health Services Employment

Percent Change, February 2011 to February 2012



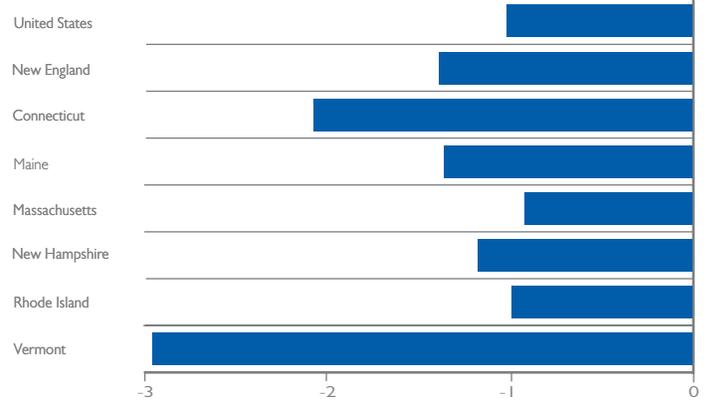
### Leisure & Hospitality Employment

Percent Change, February 2011 to February 2012



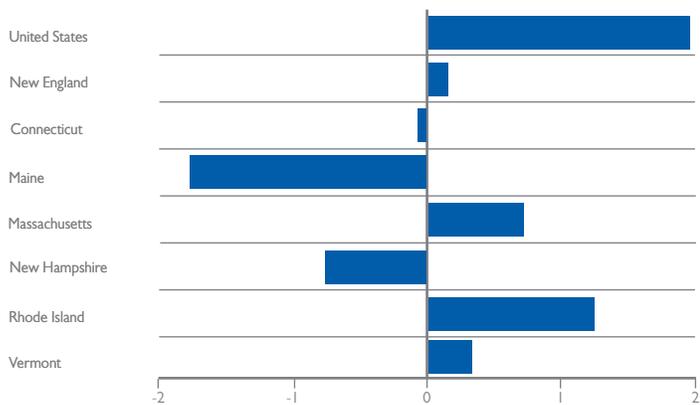
### Government Employment

Percent Change, February 2011 to February 2012



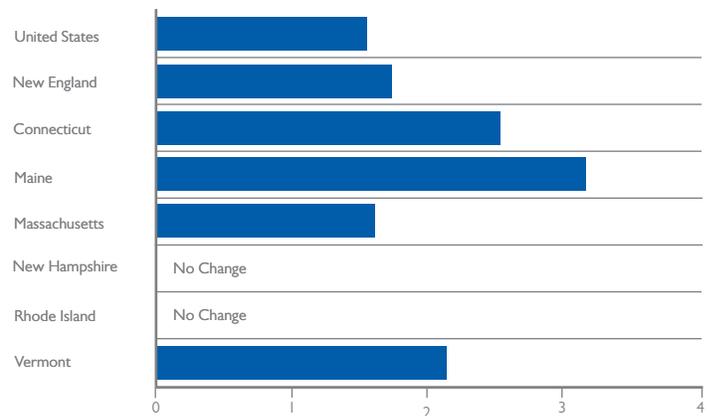
### Manufacturing Employment

Percent Change, February 2011 to February 2012



### Trade, Transportation & Utilities Employment

Percent Change, February 2011 to February 2012

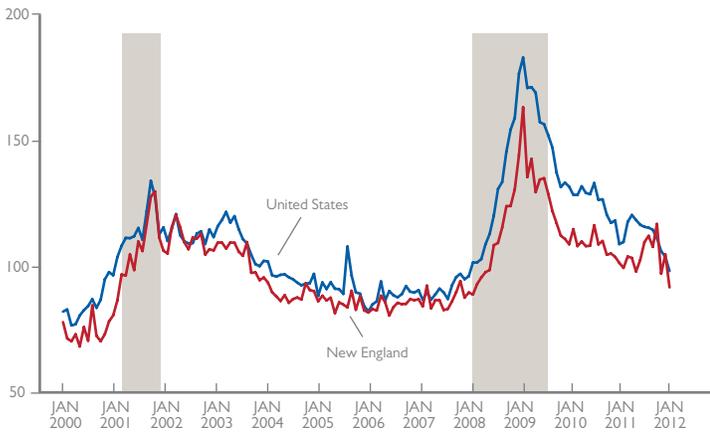


Source: U.S. Bureau of Labor Statistics

## Initial Claims for Unemployment Insurance

January 2000 – February 2012

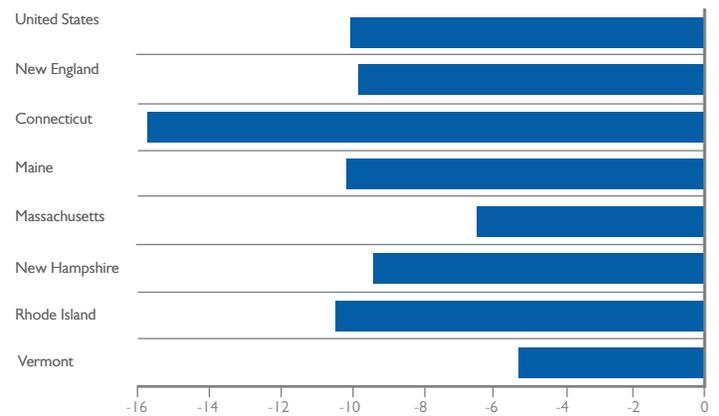
Index 1995=100



Source: U.S. Department of Labor and Federal Reserve Bank of Boston

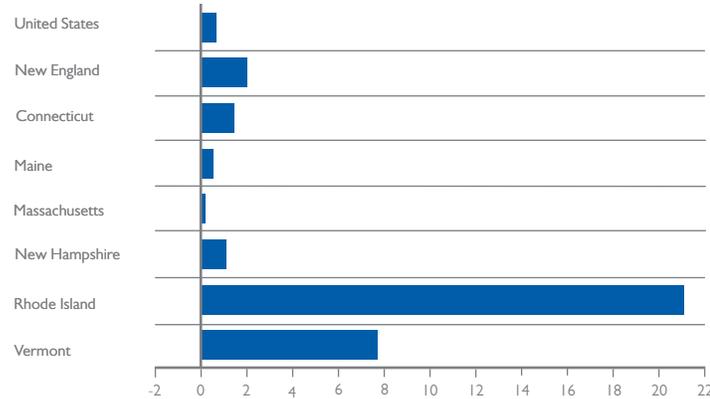
## Initial Claims for Unemployment Insurance

Percent Change, February 2011 to February 2012



## Average Hourly Earnings of Manufacturing Production Workers

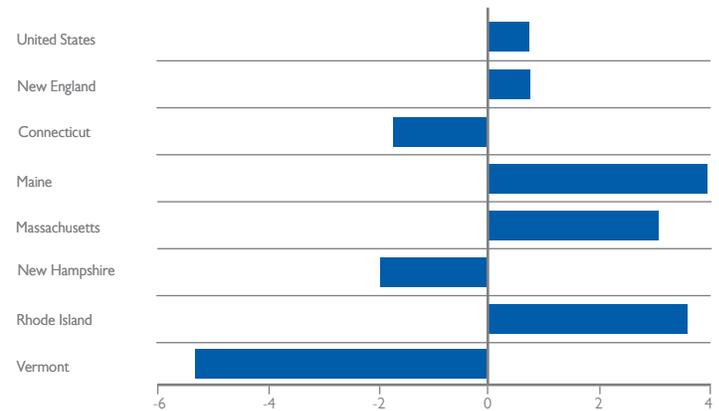
Percent Change, February 2011 to February 2012



Source: U.S. Bureau of Labor Statistics

## Average Weekly Hours of Manufacturing Production Workers

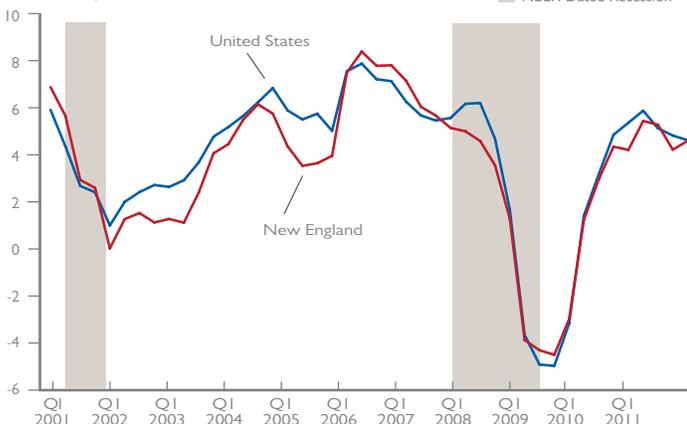
Percent Change, February 2011 to February 2012



## Total Personal Income

First Quarter 2001 – Fourth Quarter 2011

Percent Change From Year Earlier

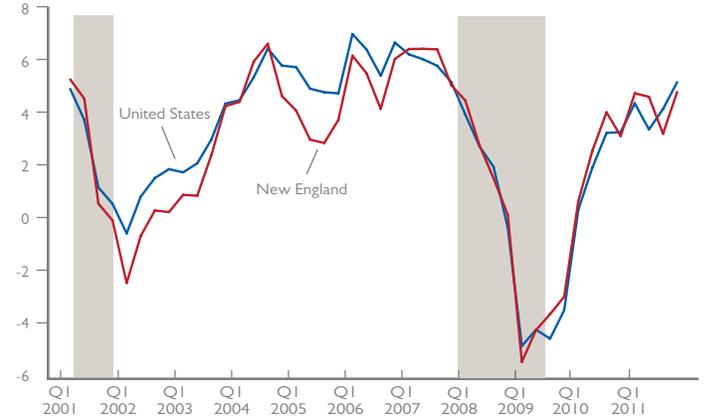


Source: U.S. Bureau of Economic Analysis

## Wage and Salary Disbursements

First Quarter 2001 – Fourth Quarter 2011

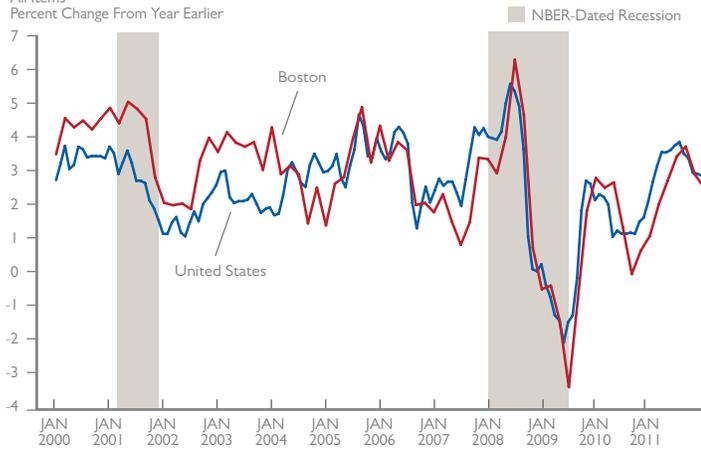
Percent Change From Year Earlier



## Consumer Price Index

January 2000 – February 2012

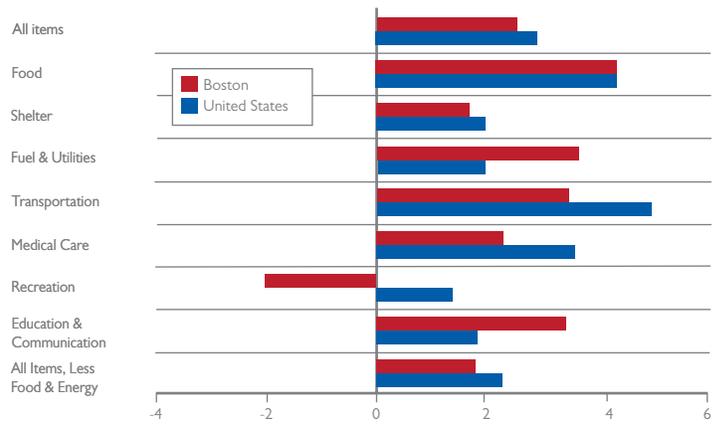
All Items  
Percent Change From Year Earlier



Source: U.S. Bureau of Labor Statistics

## Consumer Price Index

Percent Change, January 2011 to January 2012



## Home Price Index

First Quarter 2001 – Fourth Quarter 2011

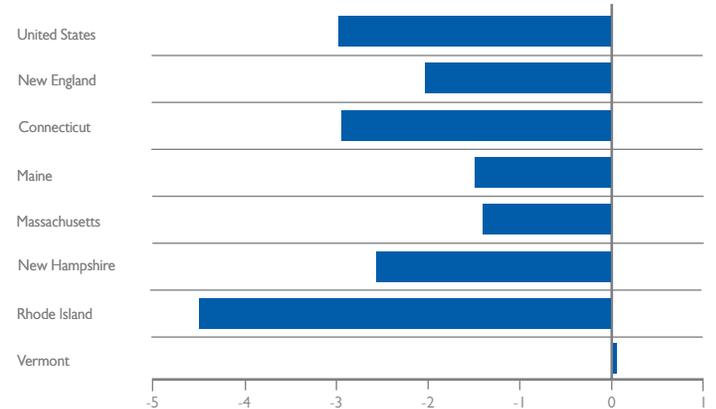
Percent Change From Year Earlier



Source: Federal Housing Finance Agency

## Home Price Index

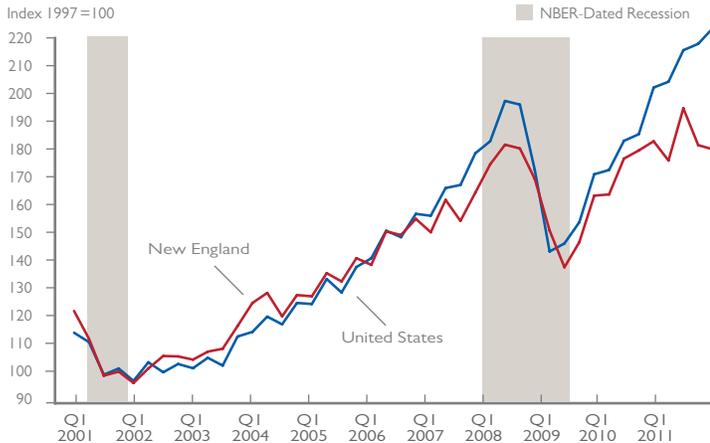
Percent Change, Fourth Quarter 2010 to Fourth Quarter 2011



## Total Merchandise Exports

First Quarter 2001 – Fourth Quarter 2011

Index 1997=100

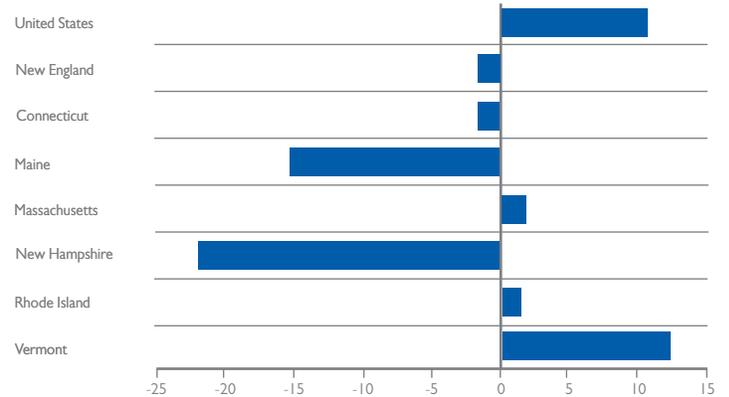


Source: World Institute for Strategic Economic Research

## Exports by State

Dollar Value of Merchandise Exports

Percent Change, Fourth Quarter 2010 to Fourth Quarter 2011



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*Indicators* website features the most up-to-date data and information on relevant economic trends in the region. This includes monthly economic summaries for each New England state, raw time-series data for all series tracked in *Indicators*, and *Indicators Interactive*, an application that allows you to generate customized tables and charts for the geography or data series you are interested in.

<http://www.bostonfed.org/economic/neeil/index.htm>

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