

Regional Economic Overview

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England
The “Focus on the Regional Economy and the Green/Climate
Change Economy” Event**

May 8, 2008

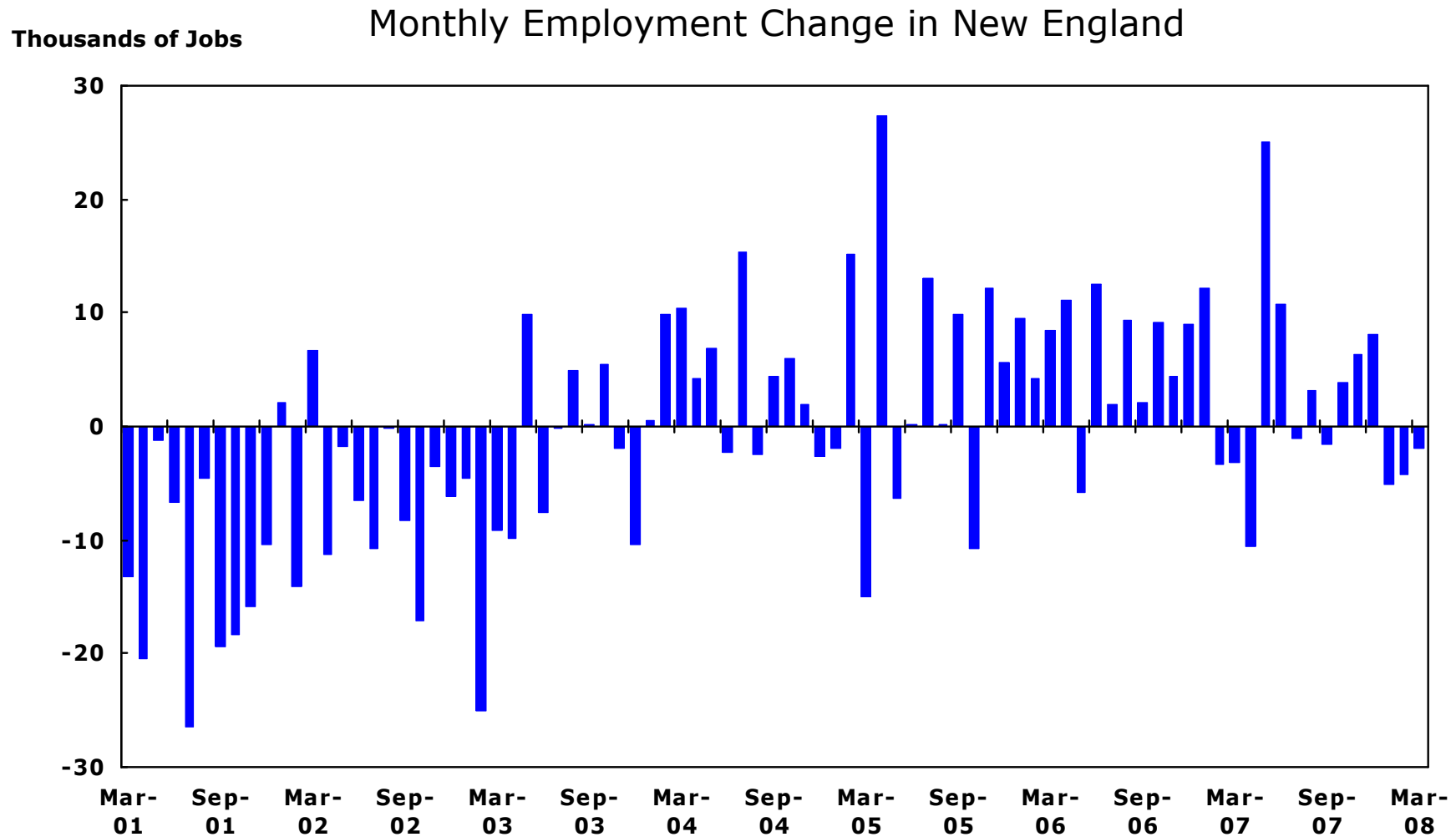
The views expressed in the presentation are not necessarily those of either the Federal Reserve Bank of Boston or the Federal Reserve System.



Overview

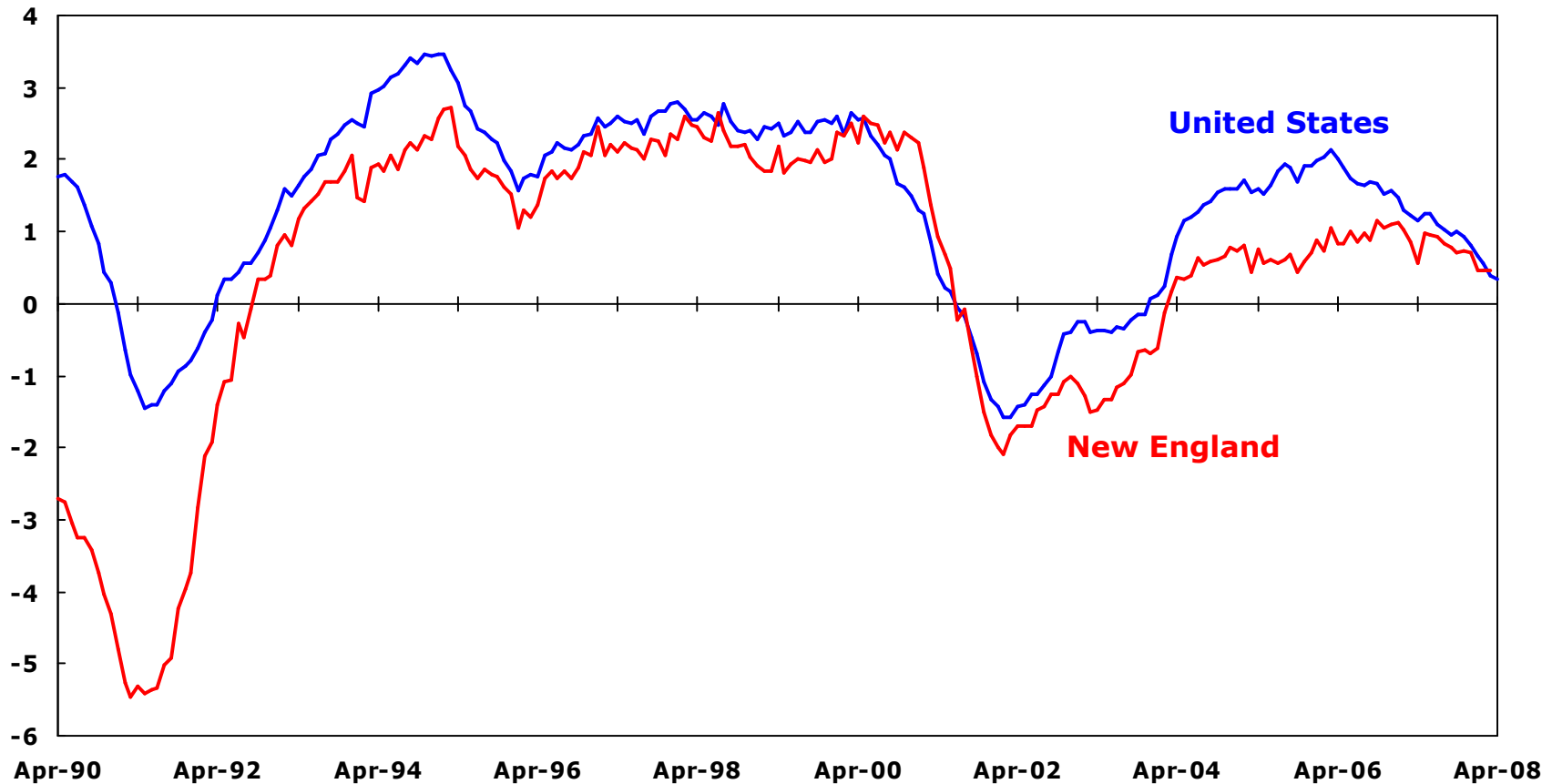
- **Job market**
- **Personal income**
- **Housing market**
- **Prices and consumer confidence**
- **Economic outlook**

New England employment slipped



The year-over-year employment growth was small

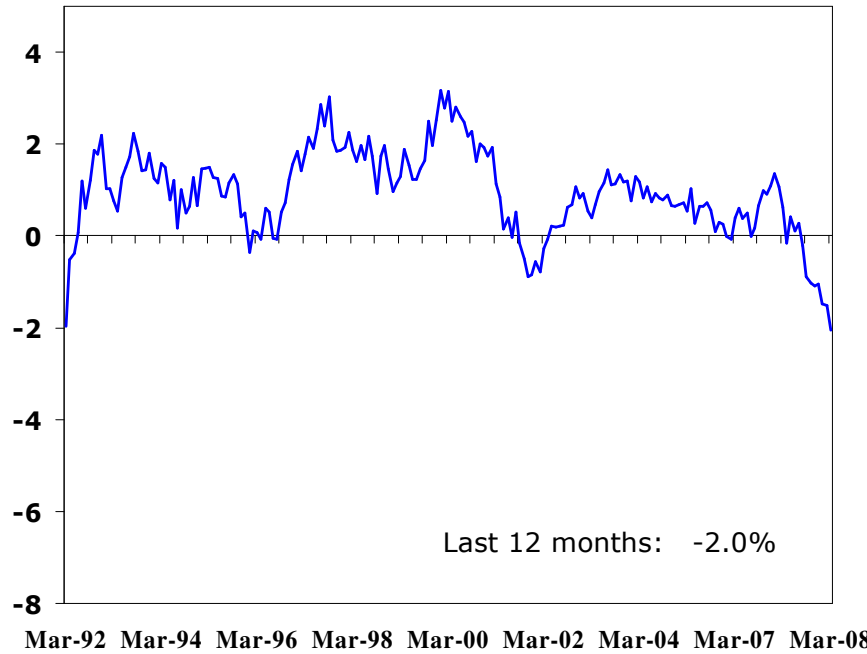
Percent Change from Year Earlier



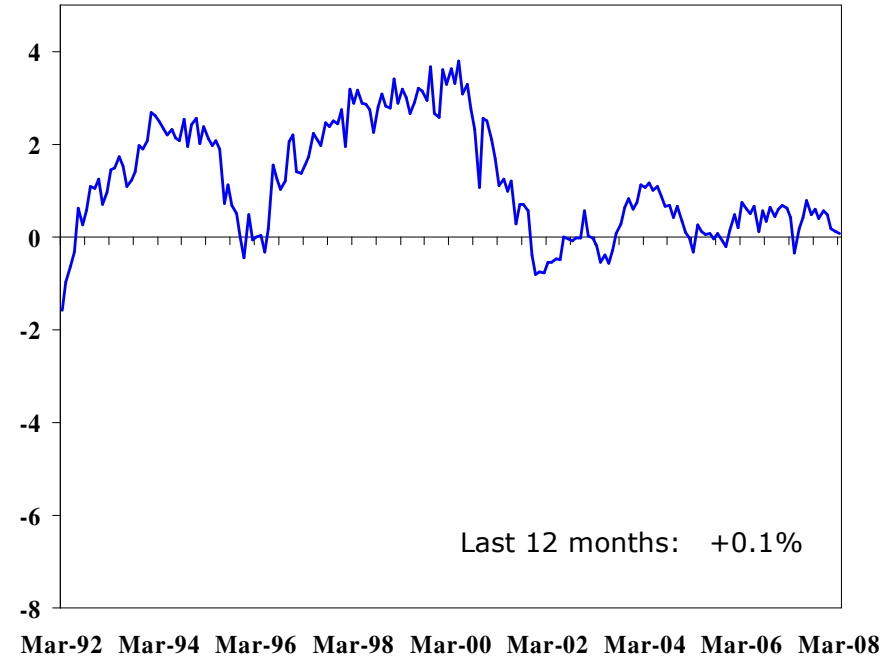
Rhode Island is experiencing large job losses

Percent Change
from Year Earlier

Rhode Island



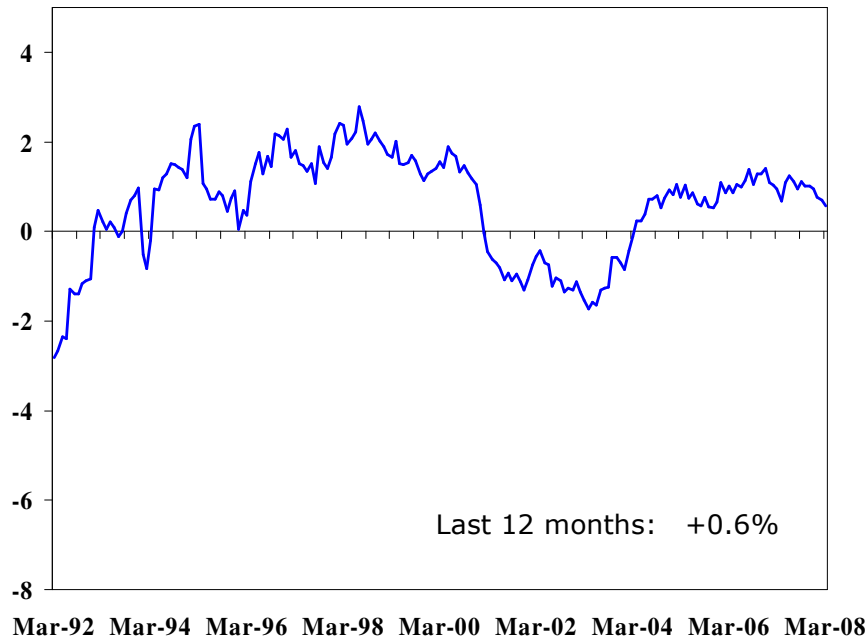
Maine



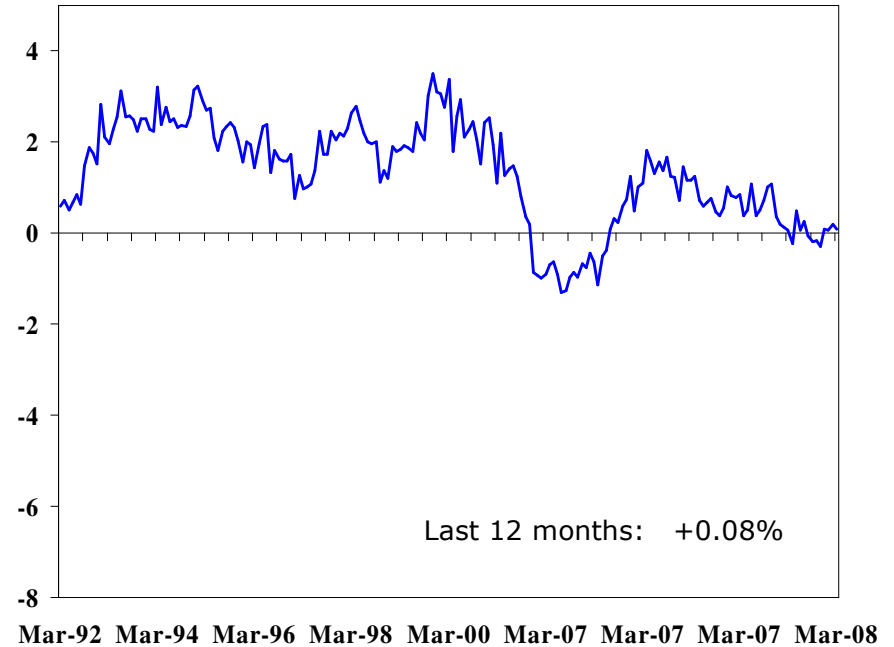
CT's and VT's labor markets are weakening

Percent Change
from Year Earlier

Connecticut



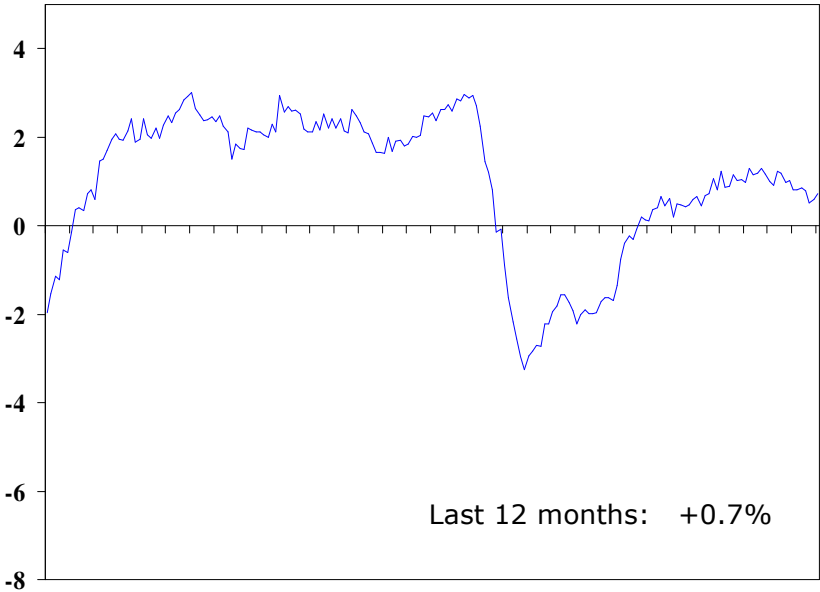
Vermont



MA and NH have continuing and steady job growth

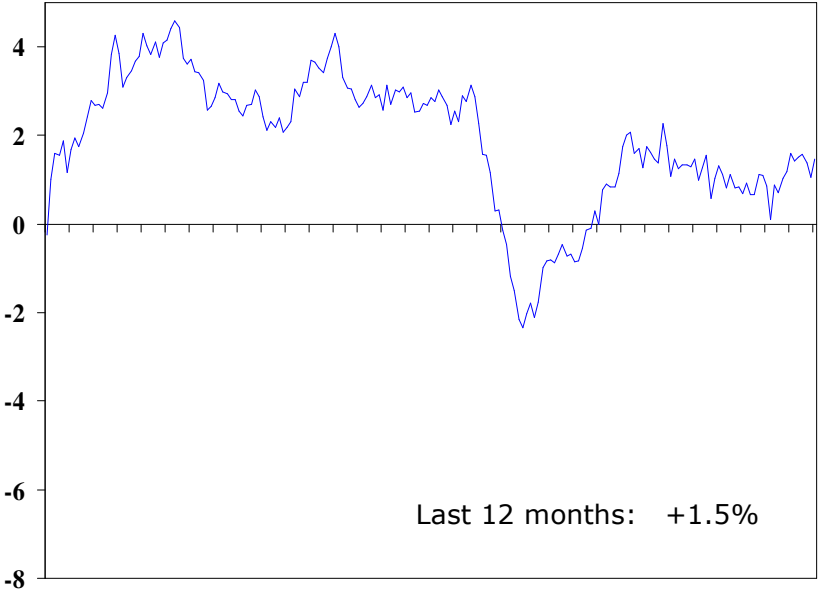
Percent Change
from Year Earlier

Massachusetts



Mar-92 Mar-94 Mar-96 Mar-98 Mar-00 Mar-07 Mar-04 Mar-07 Mar-08

New Hampshire



Mar-92 Mar-94 Mar-96 Mar-98 Mar-00 Mar-02 Mar-04 Mar-07 Mar-08

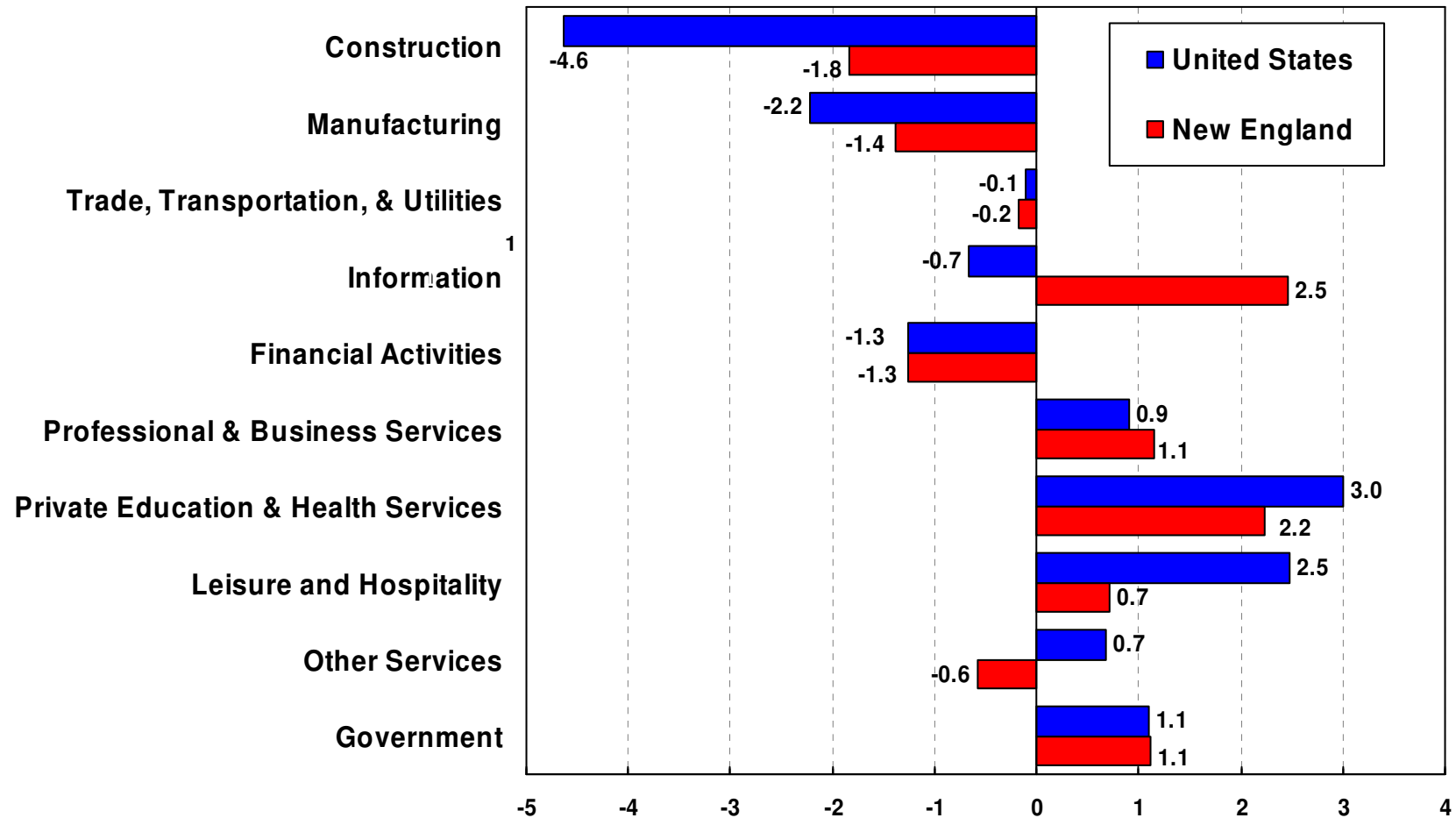


Source: U.S. Bureau of Labor Statistics.



Employment growth by industry: mixed results

Percent Change, March 2007 – March 2008
(Seasonally Adjusted)

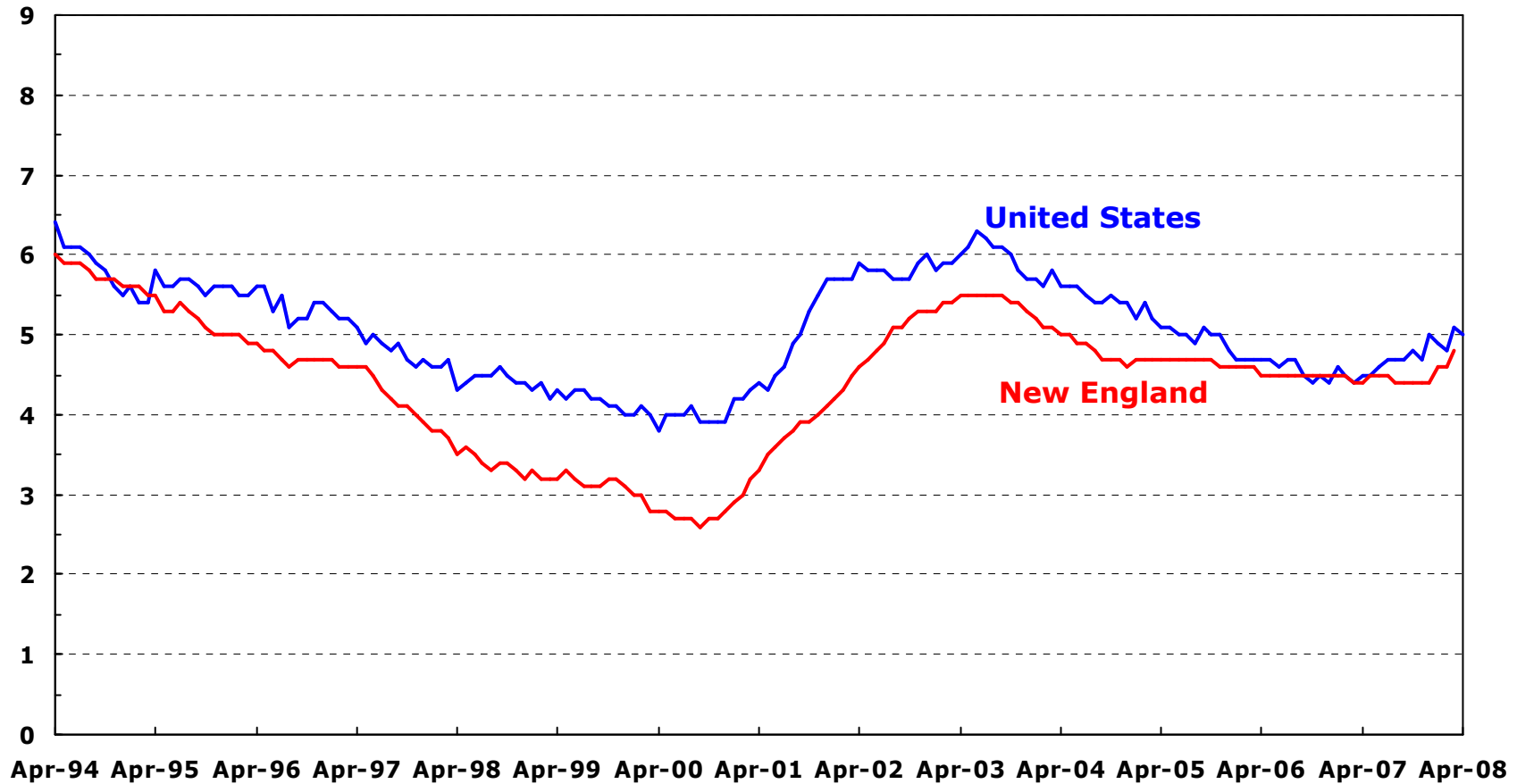


¹ New England data for CT, MA, and NH. Seasonally adjusted data are not available for ME, RI, or VT.

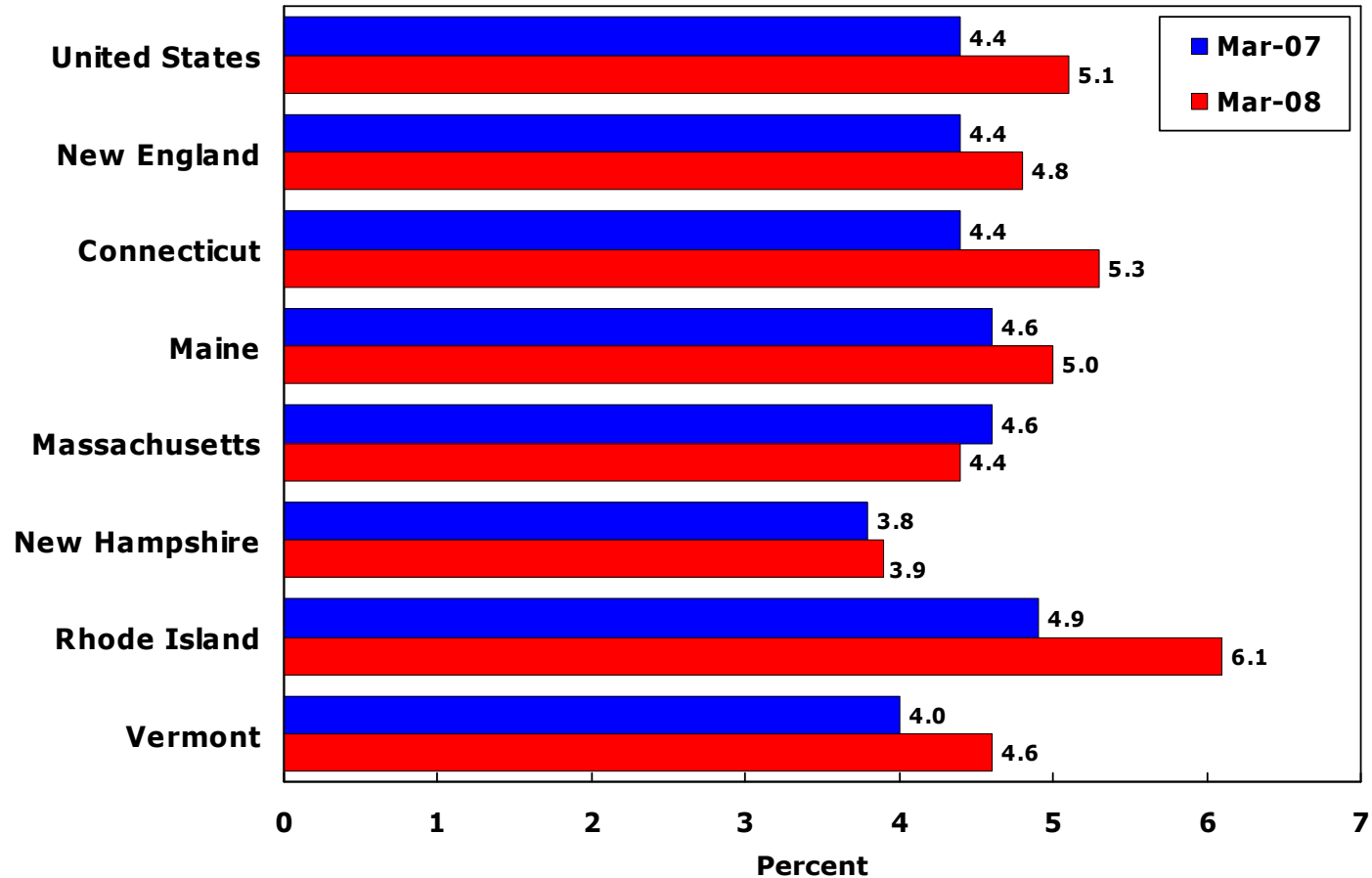
Source: U.S. Bureau of Labor Statistics.

NE unemployment rate increased, but was still below the national average

Percent



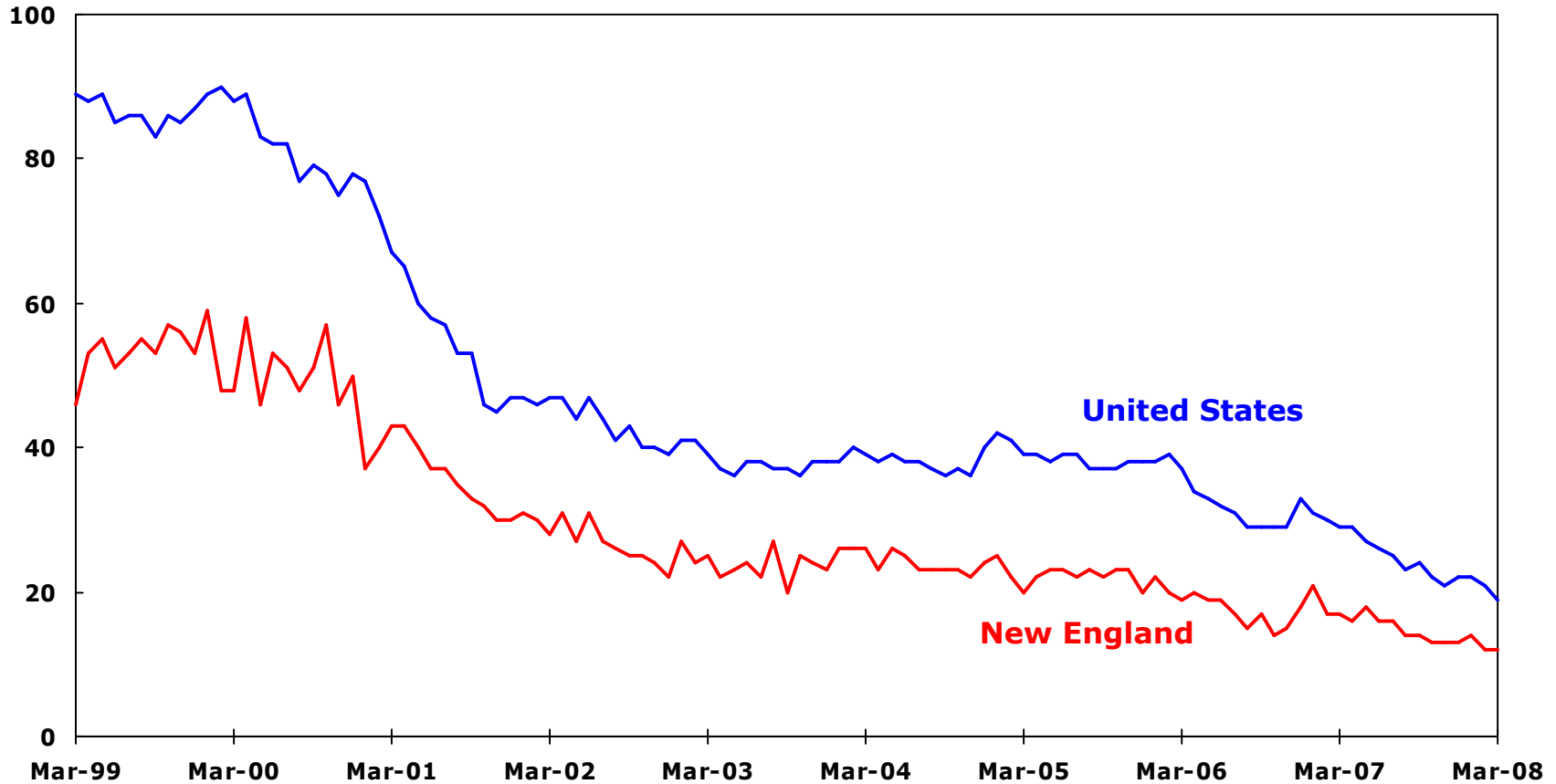
Unemployment rates within New England



Job postings in print ads were down

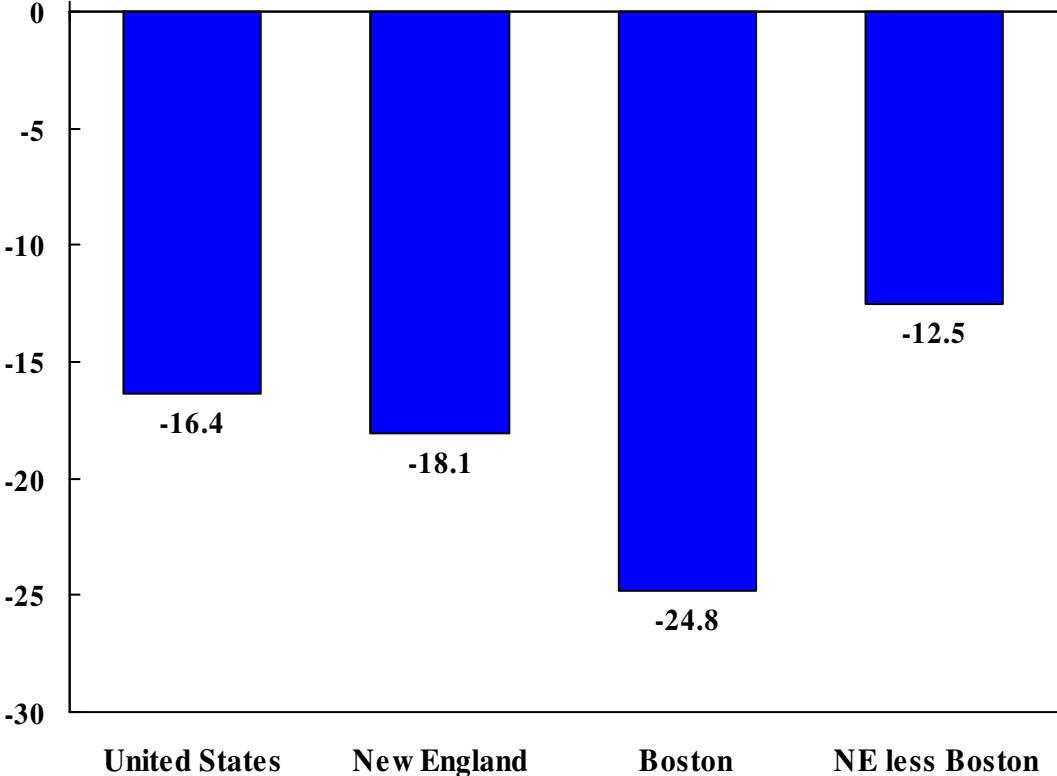
Index 1987 = 100

Help Wanted Index



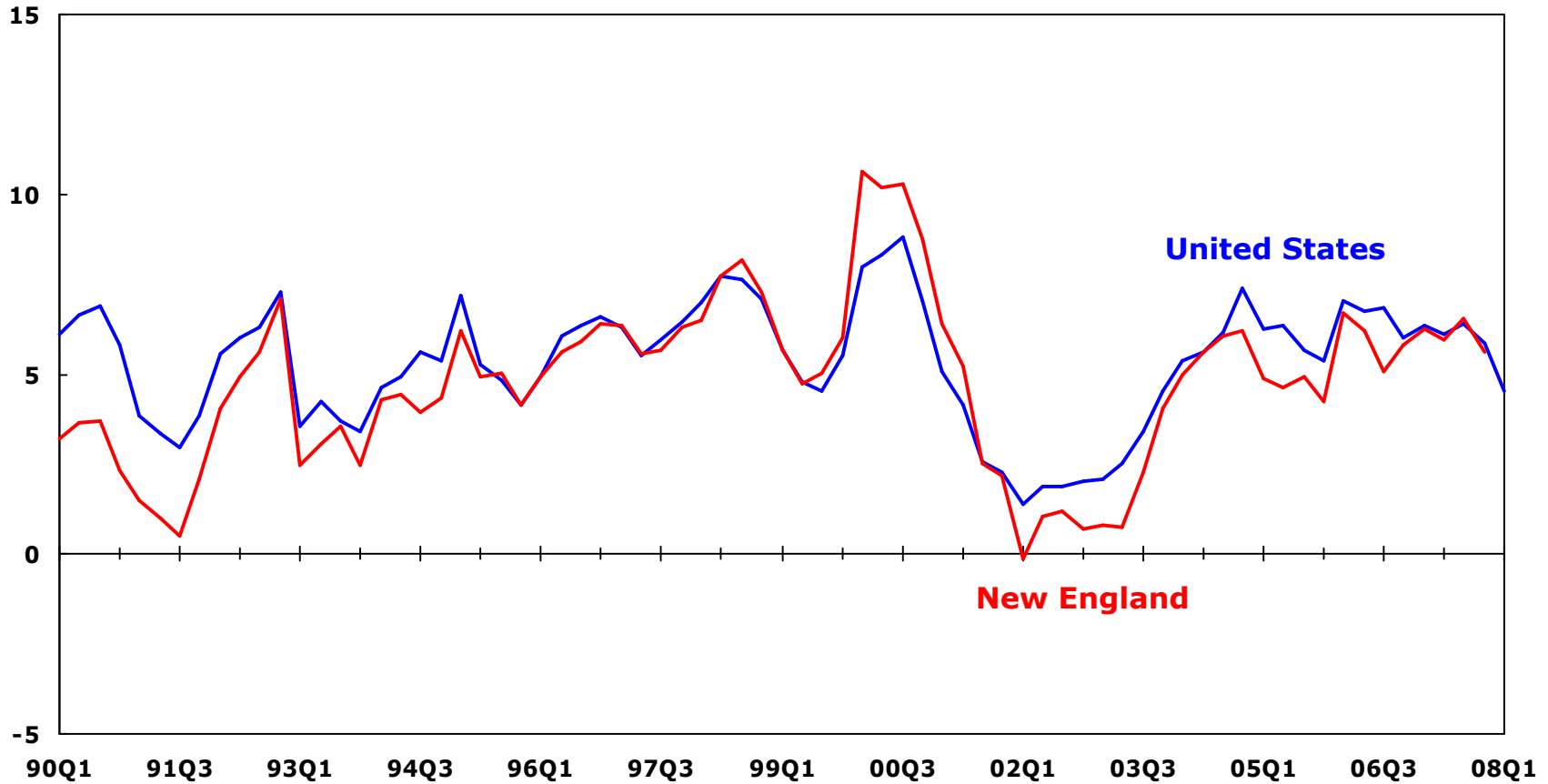
Online job postings fell sharply

Percent change in total online postings,
April 2007 – April 2008



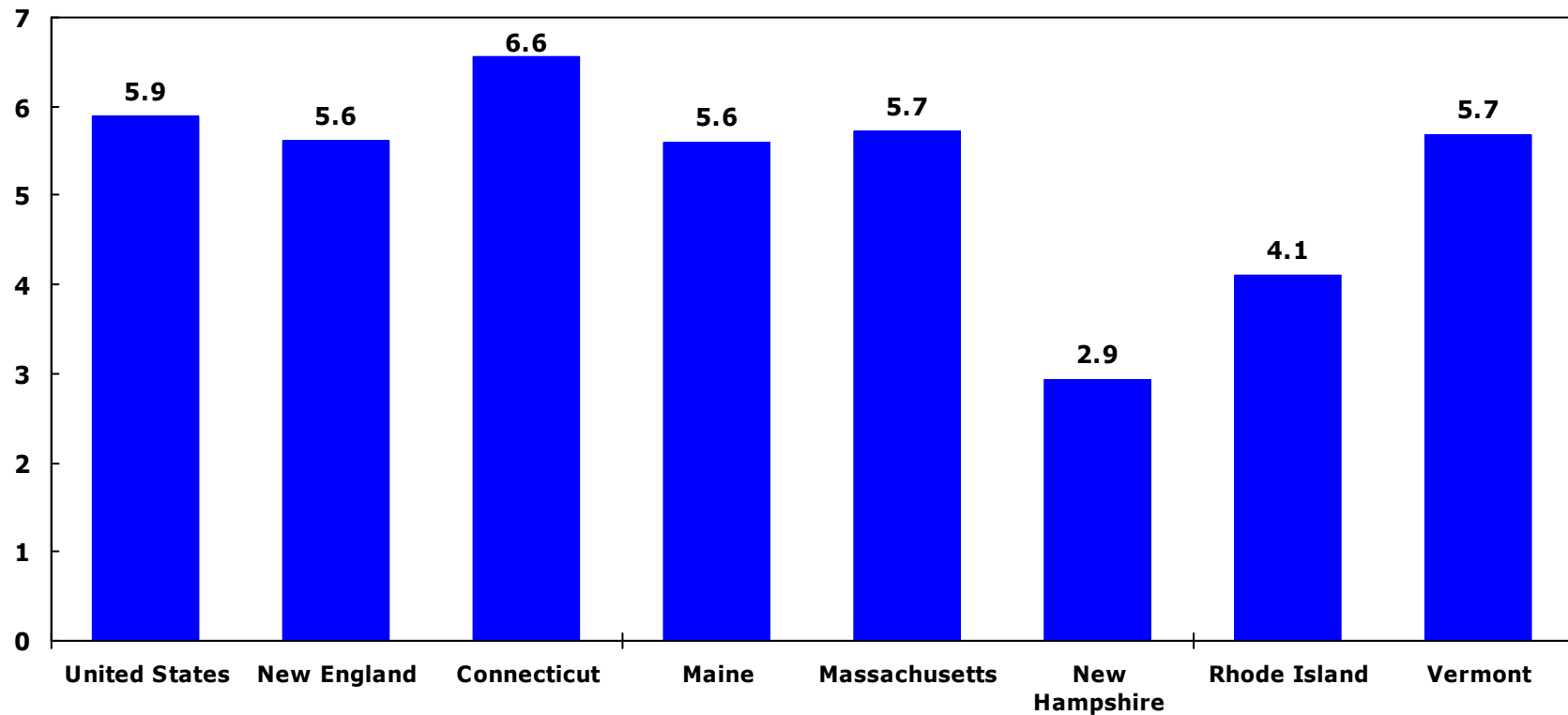
Personal income growth slowed

Percent Change
from Year Earlier



Personal income growth within the region: mixed performance

Percent Change, Q4 2006 – Q4 2007



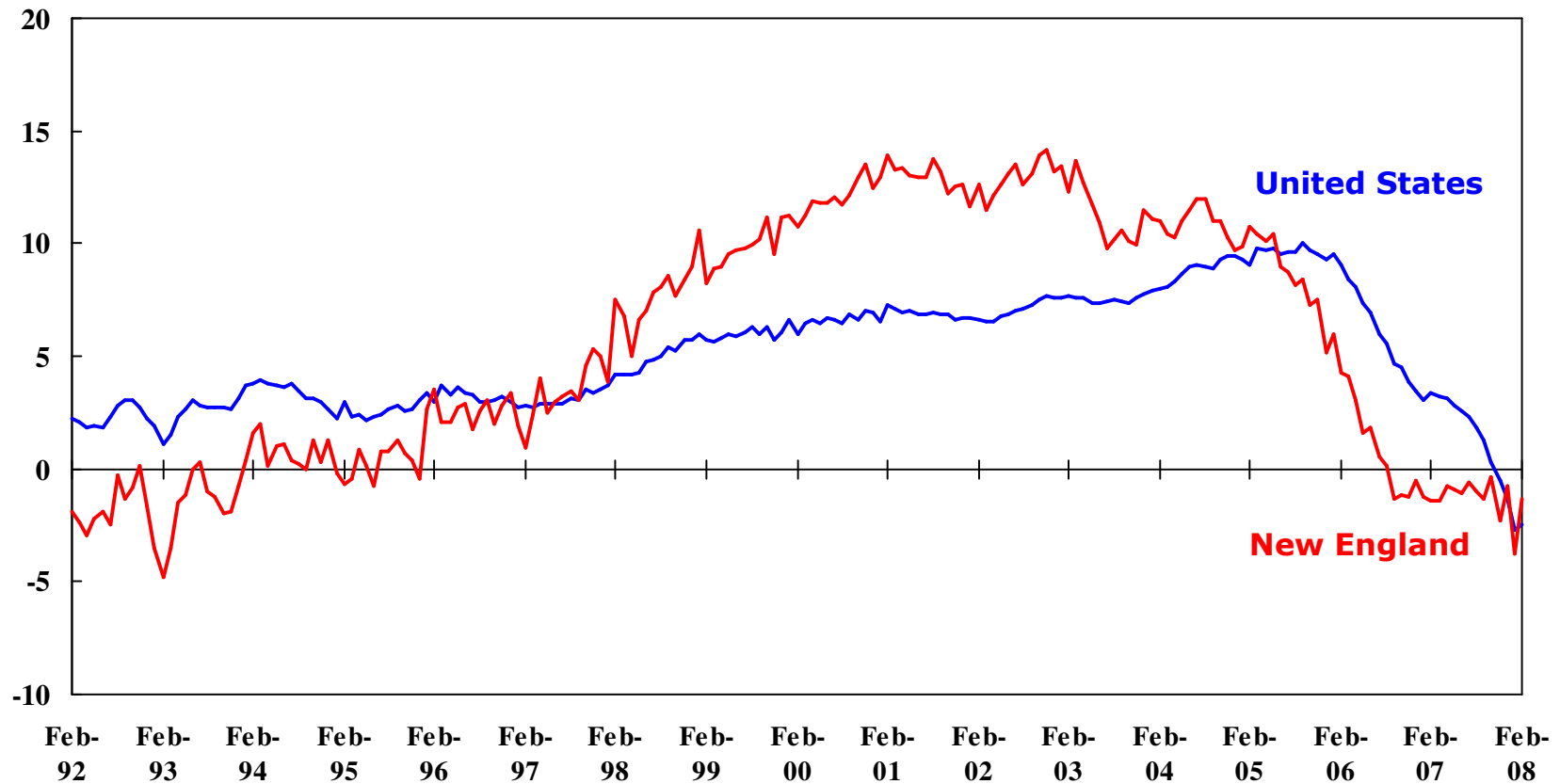
Per capita personal income levels and growth

State	Per capita personal income (dollars)		Rank in the U.S.		Percent change 2006-2007	Rank of percent change
	2006	2007	2006	2007		
U.S.	36,714	38,611			5.2	
CT	50,762	54,117	1	1	6.6	4
ME	32,095	33,722	36	35	5.1	27
MA	46,299	49,082	3	3	6.0	8
NH	39,753	41,512	7	8	4.4	39
RI	37,523	39,463	17	17	5.2	23
VT	34,871	36,670	22	23	5.2	25

House prices continued to be soft

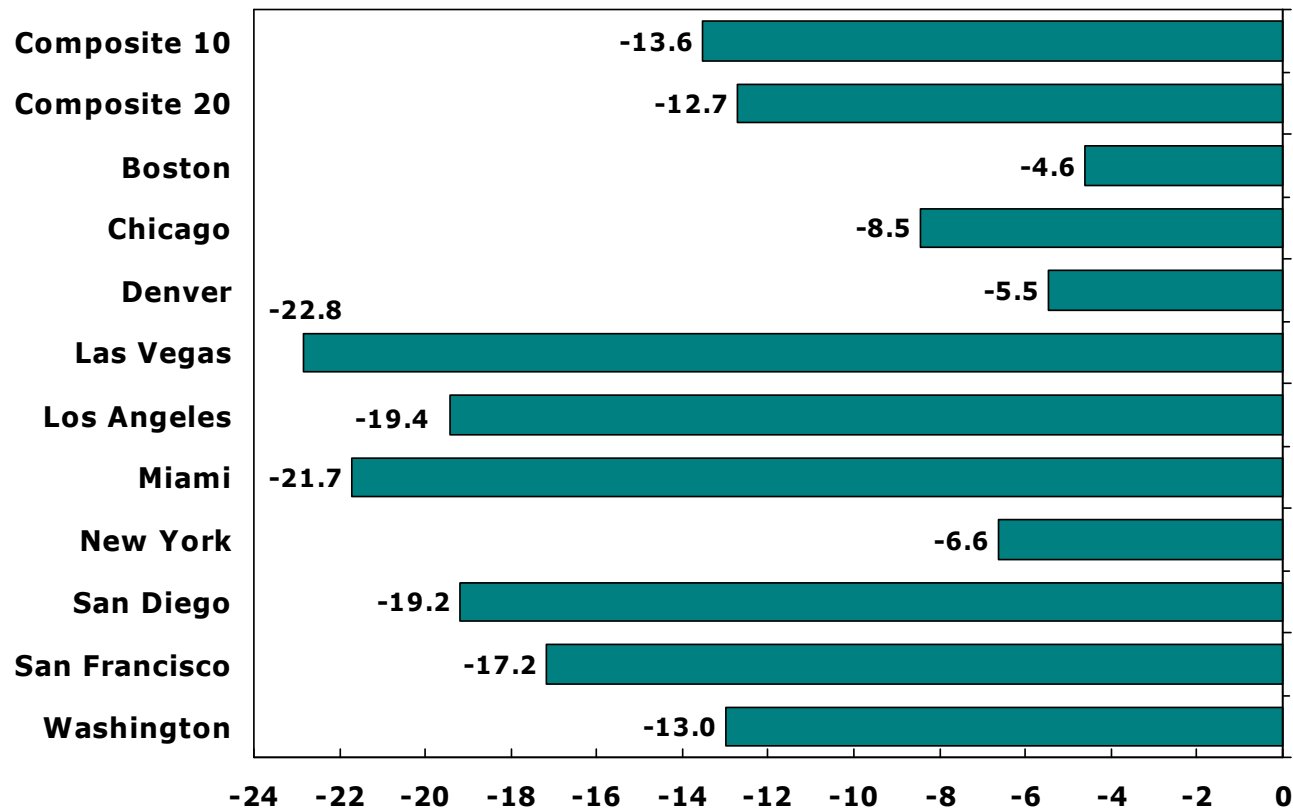
Percent Change
from Year Earlier

OFHEO House Price Purchase Only Index



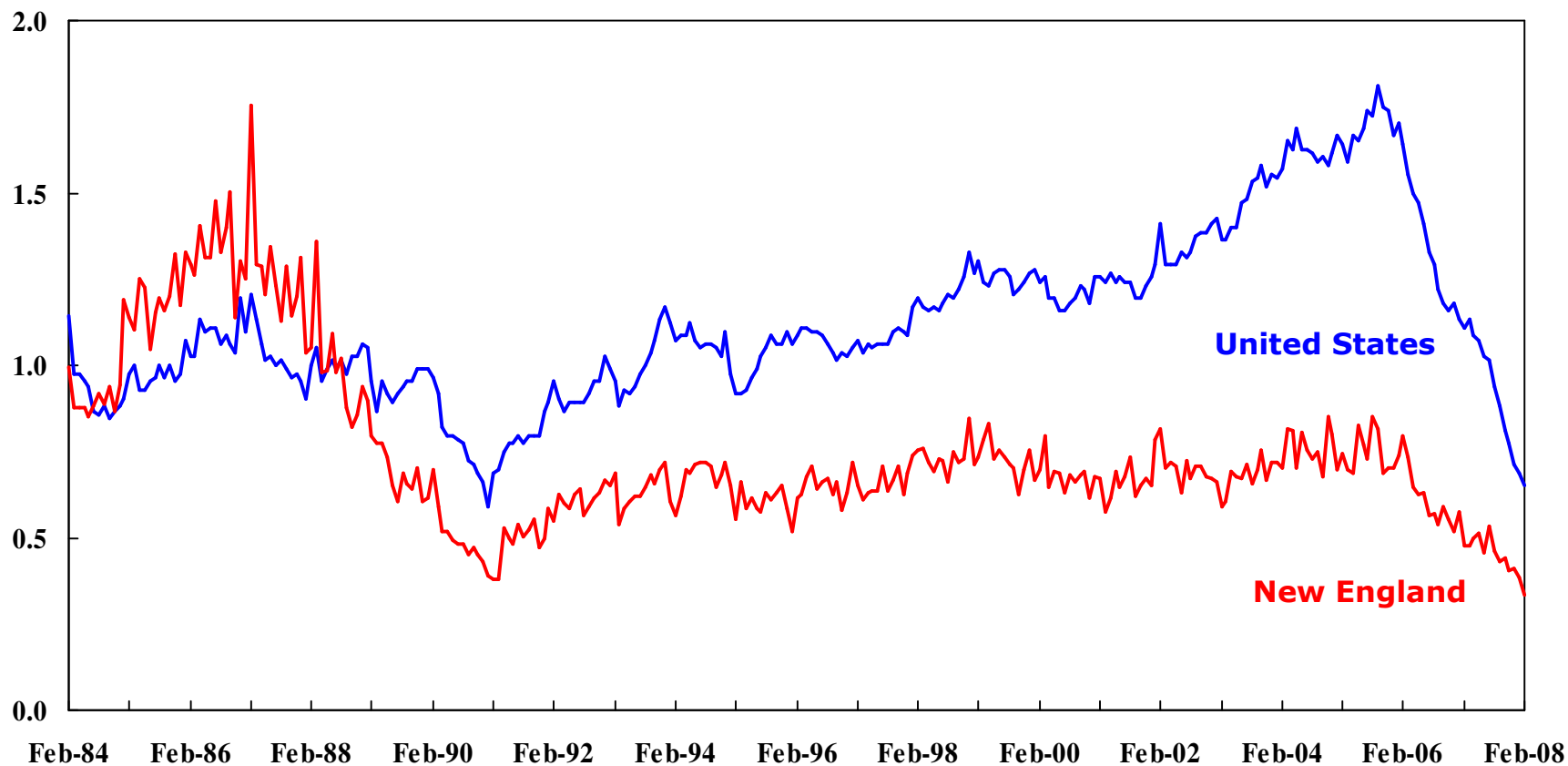
Boston had a smaller decrease in home prices than some major metro areas

S&P Case-Shiller Home Price Index
Percent Change, February 2007 – February 2008



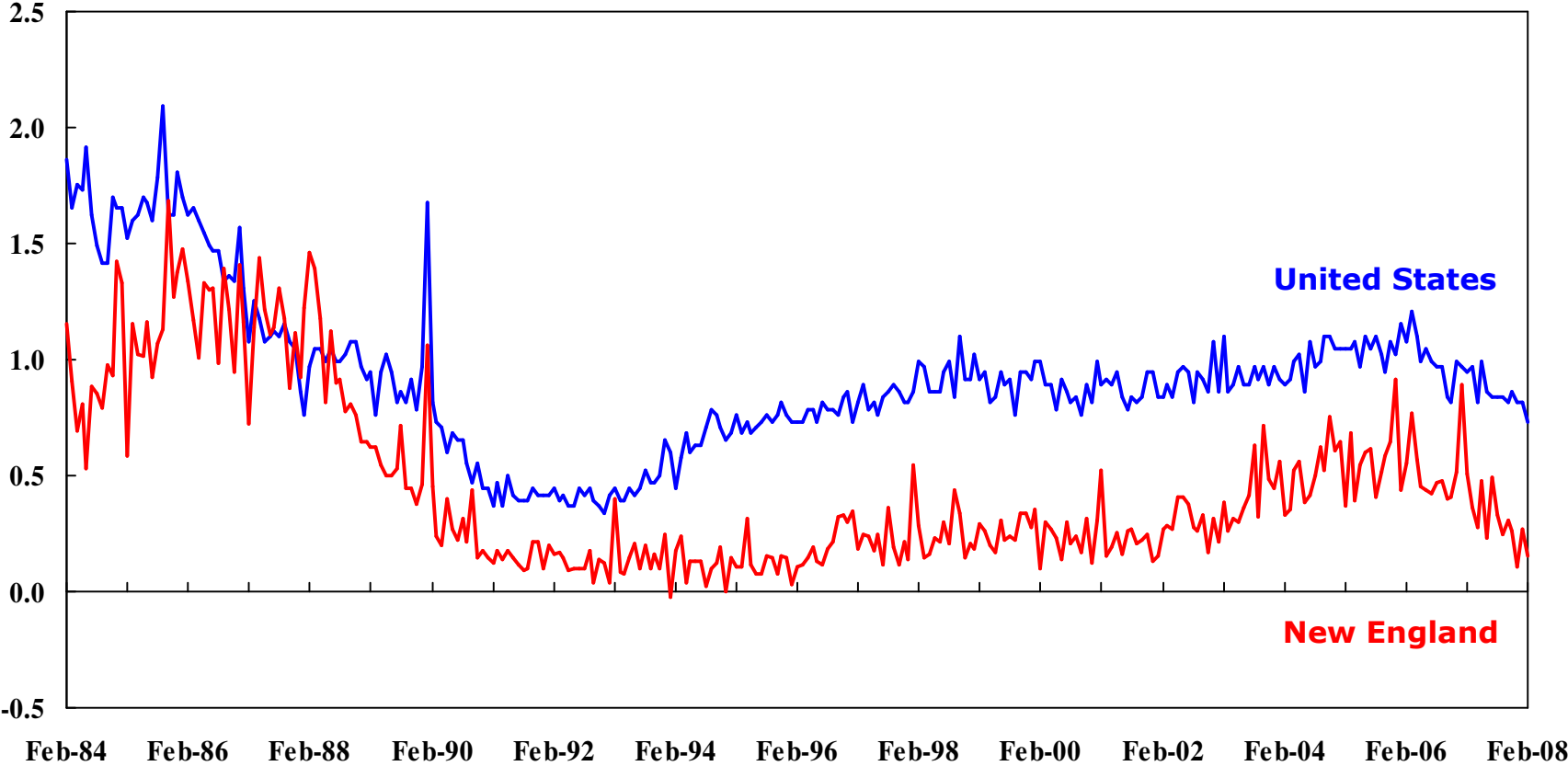
NE single-family housing permits continued to fall

Index, 1988 = 1



NE multi-family housing permits were down even more

Index, 1988 = 1



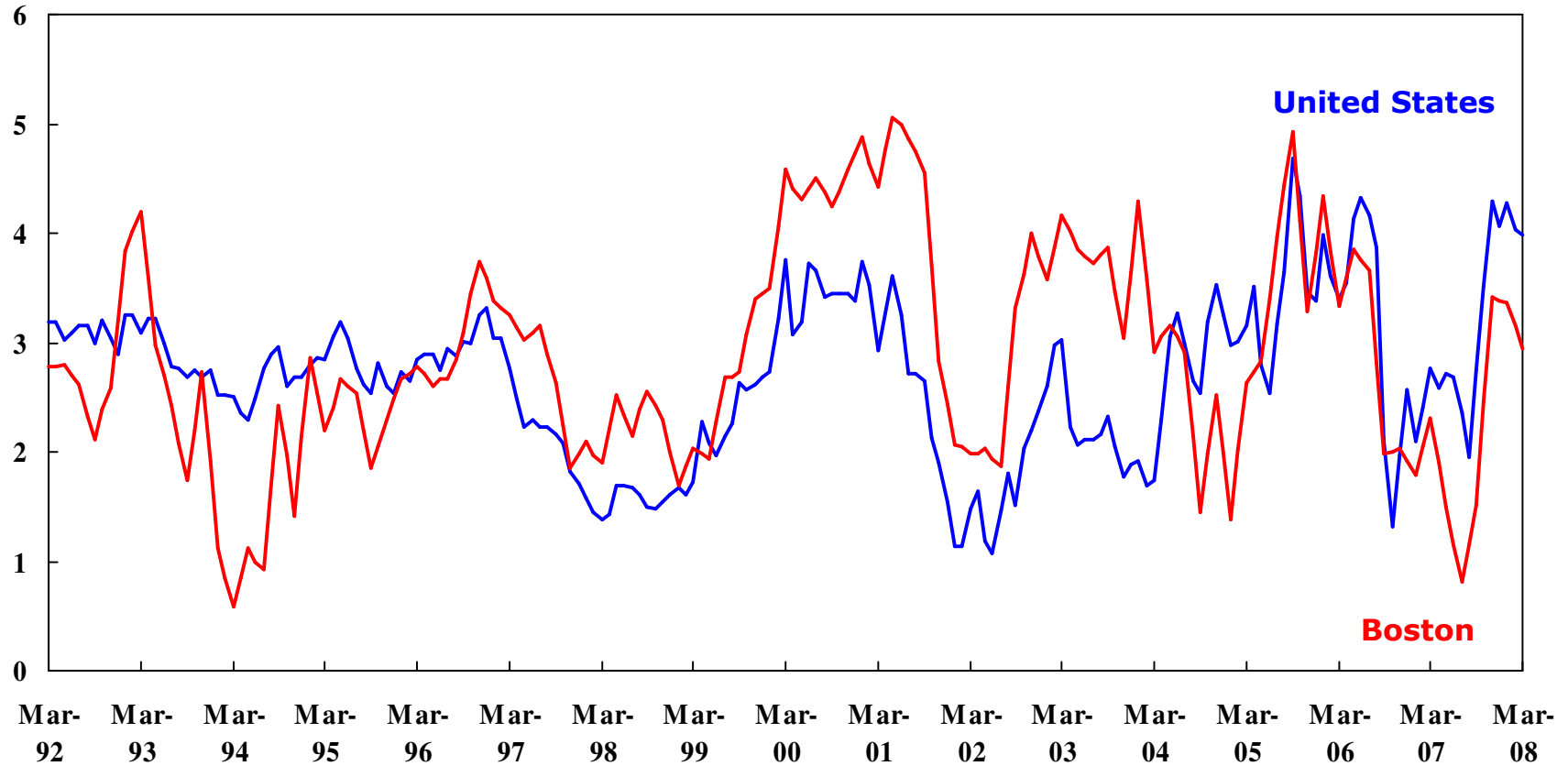
Source: U.S. Census Bureau



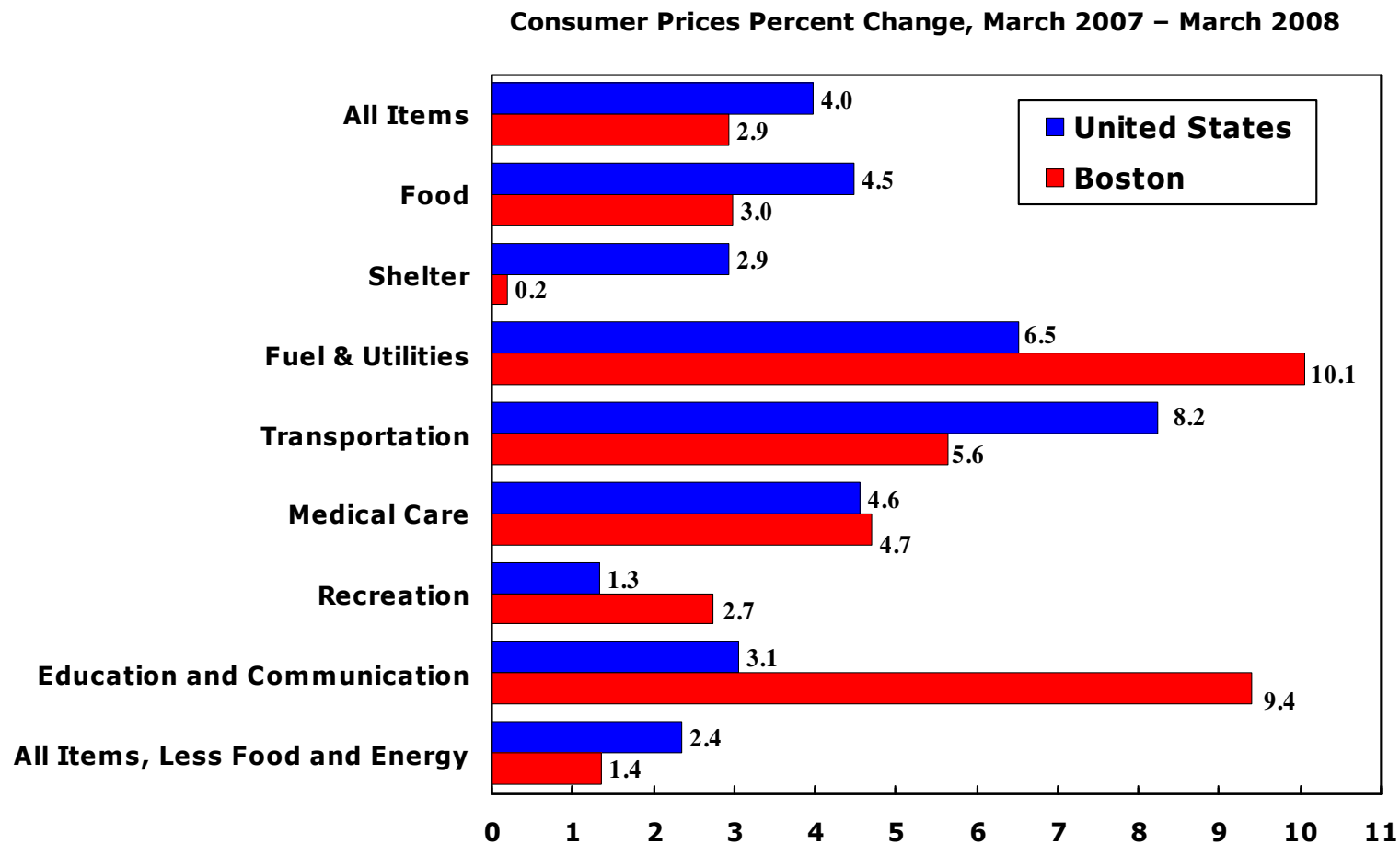
Boston inflation rate was lower than the national average

Percent Change
from Year Earlier

Consumer Price Index

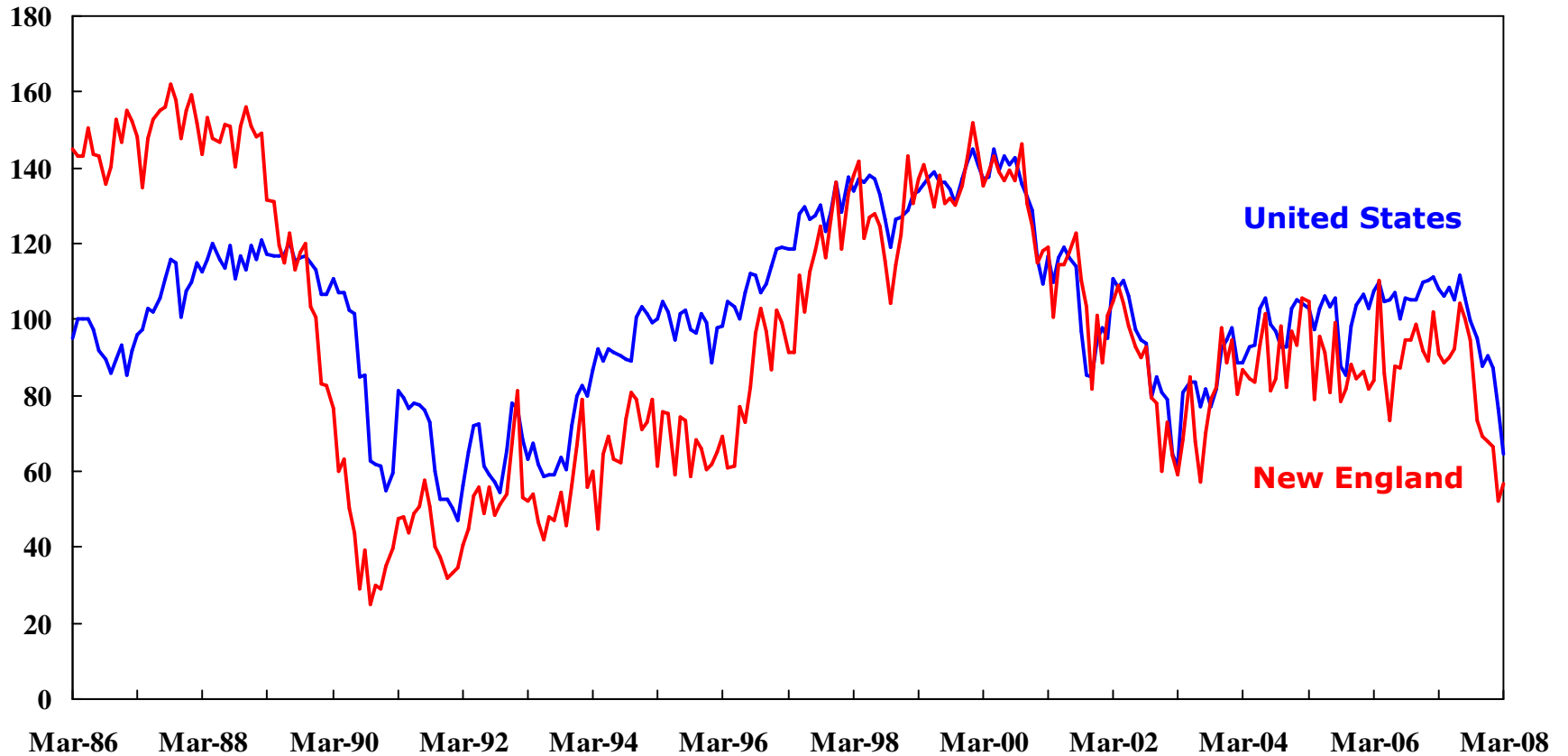


Price changes in major expenditure categories



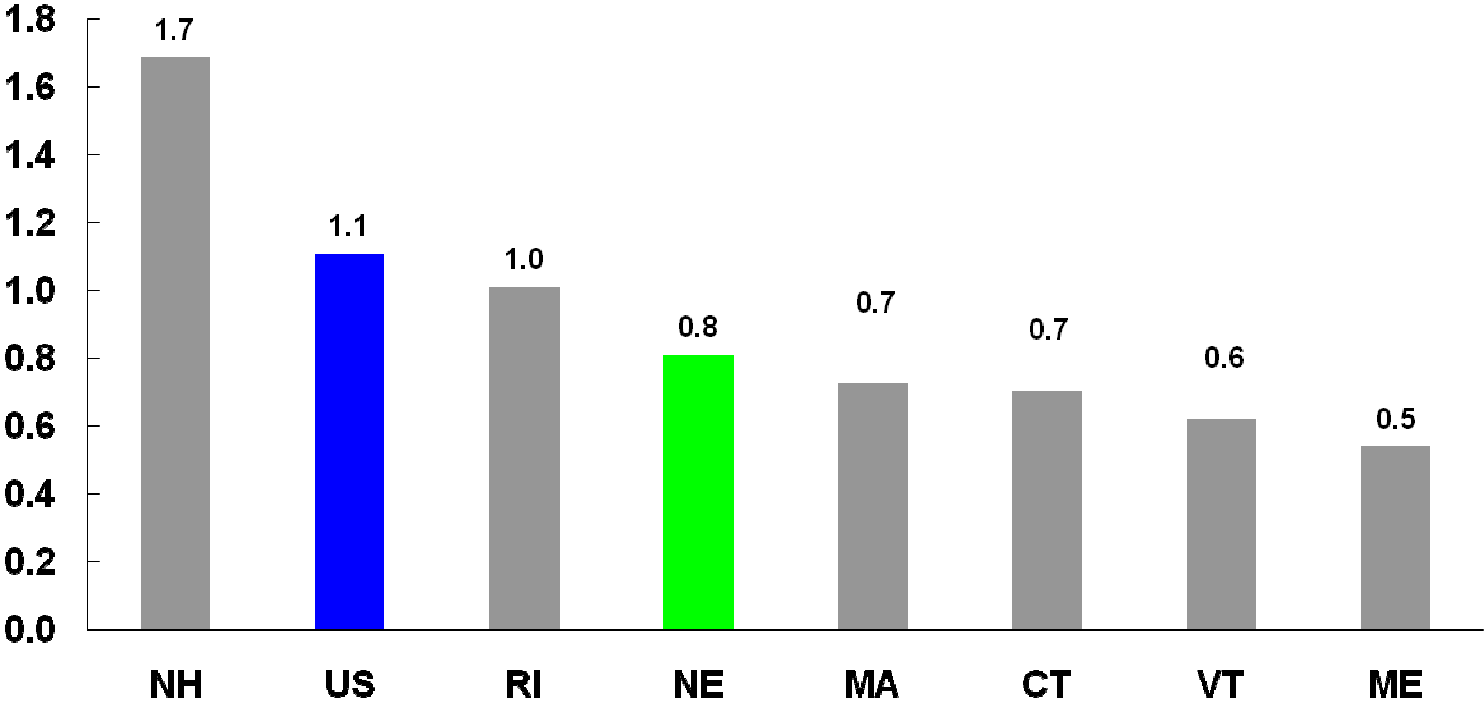
Consumer confidence remained weak

1985 U.S. Average = 100



Outlook for the New England employment: slow growth

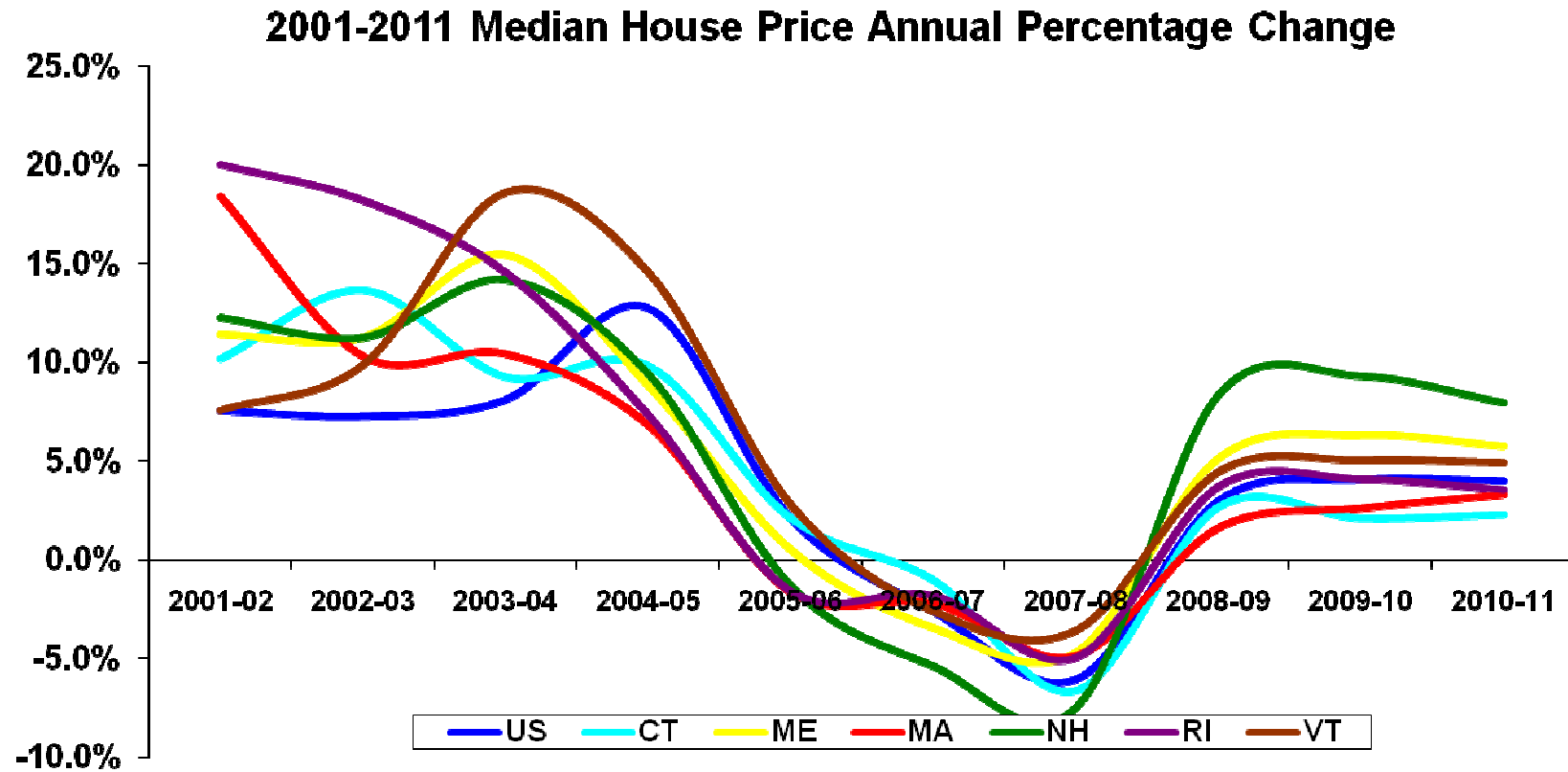
Average Annual Change: 2006-11 Total Employment



Summary

- **The New England economy is slipping throughout the first quarter of 2008, mostly in line with national patterns.**
- **Economic conditions vary considerably across the six New England states.**
- **CPI inflation in the Boston area continues to run lower than the national average.**
- **NEEP forecast that the region's outlook is "slow growth, below the national average."**

Outlook for the New England housing market

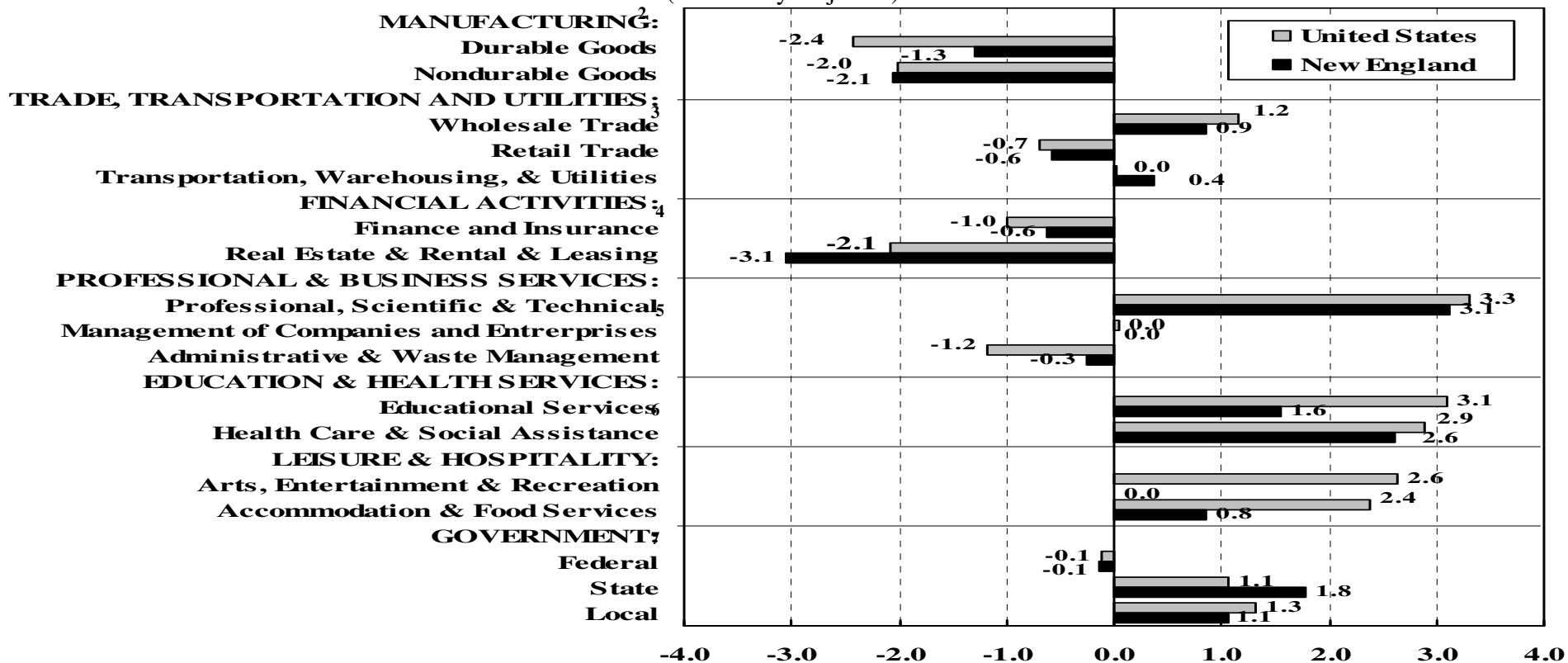


Backup slides

Employment Growth by Industry¹

Percent Change, March 2007 – March 2008

(Seasonally Adjusted)



¹ Industries selected based on the availability of seasonally adjusted data for the New England states.

² Data not available for CT.

³ Data not available for RI and VT.

⁴ Data not available for ME, NH, RI and VT.

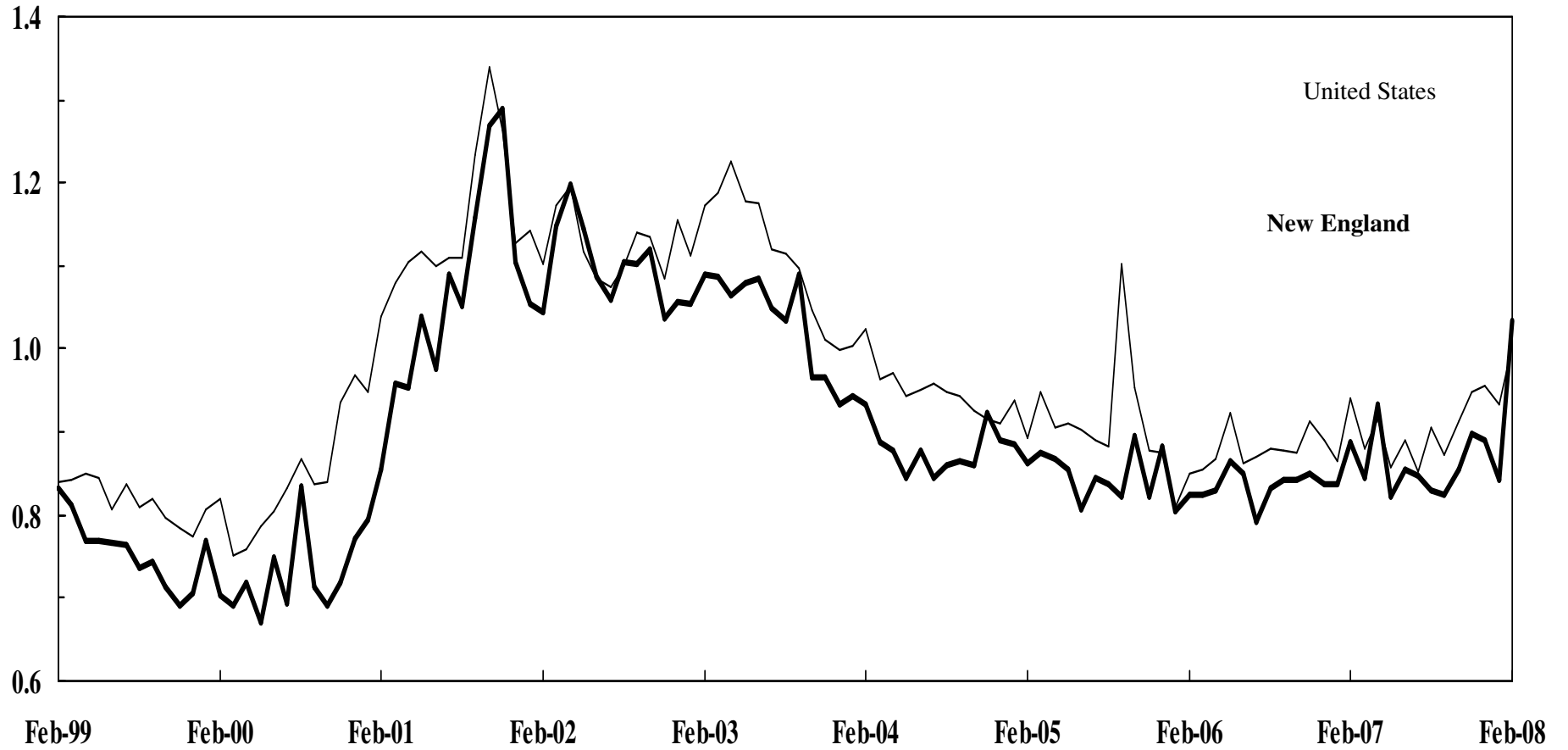
⁵ Data not available for CT, ME, NH, RI and VT.

⁶ Data not available for ME.

⁷ Data not available for ME, RI and VT

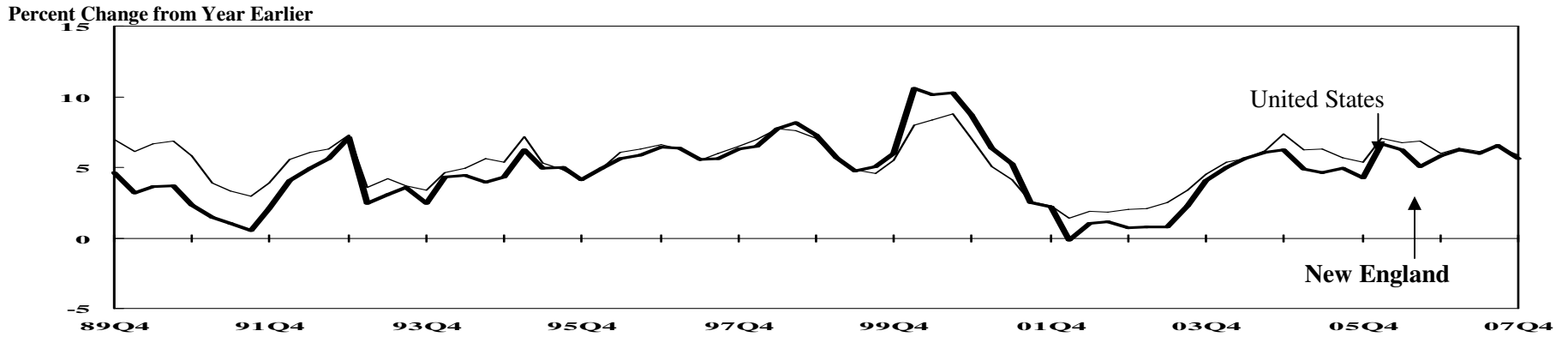
Initial Claims for Unemployment Insurance

Index 1995 = 1

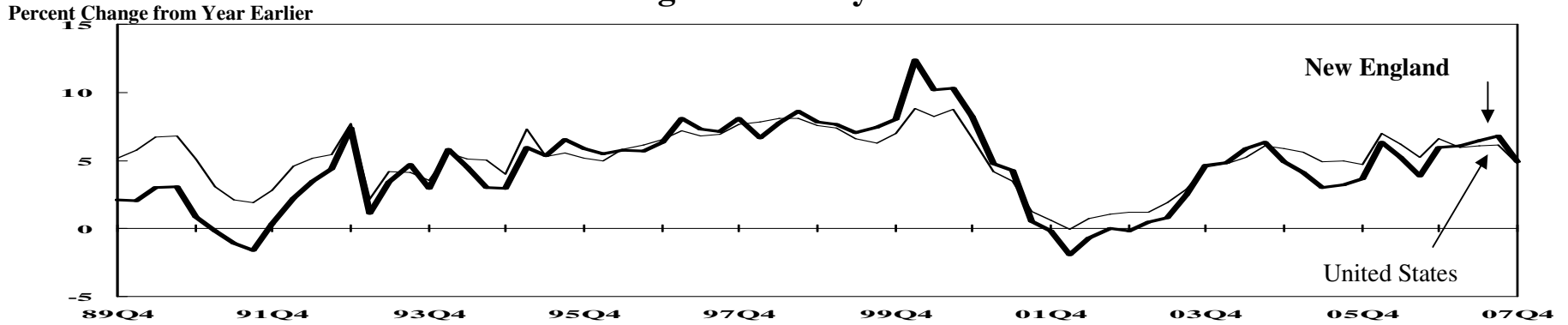


Source: U.S. Employment and Training Administration.

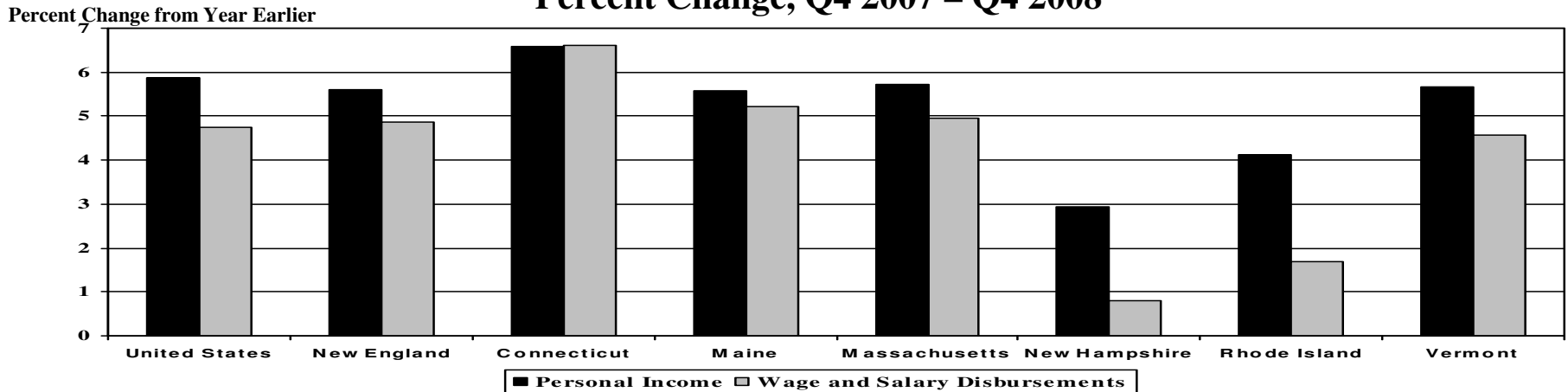
Personal Income



Total Wage and Salary Disbursements

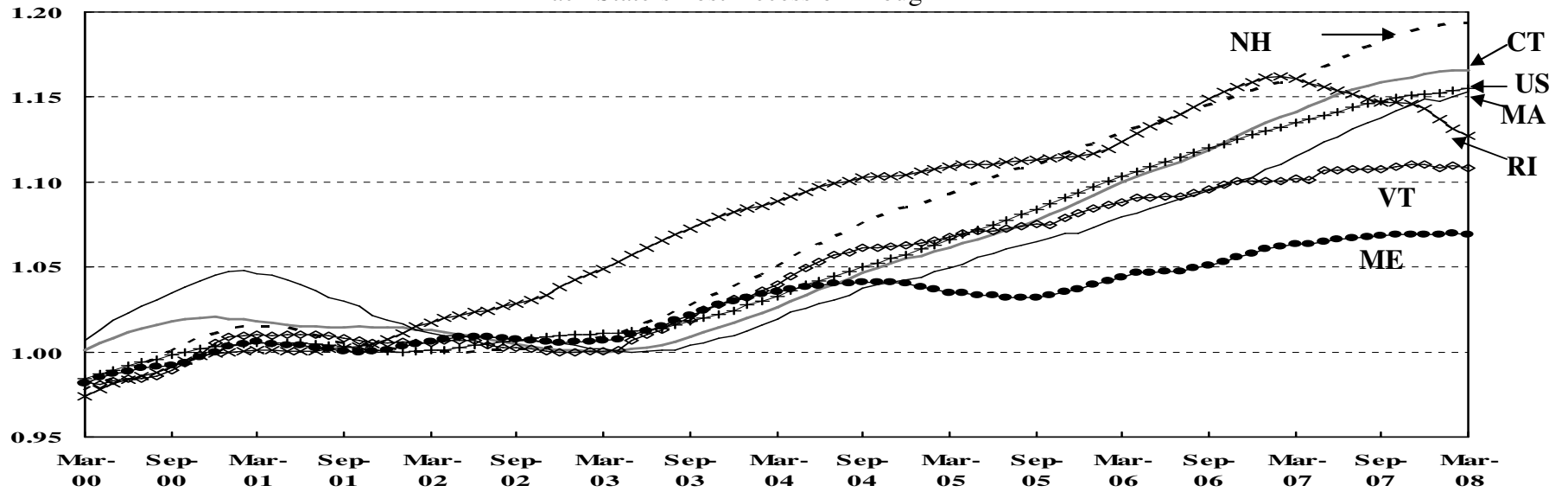


Percent Change, Q4 2007 – Q4 2008



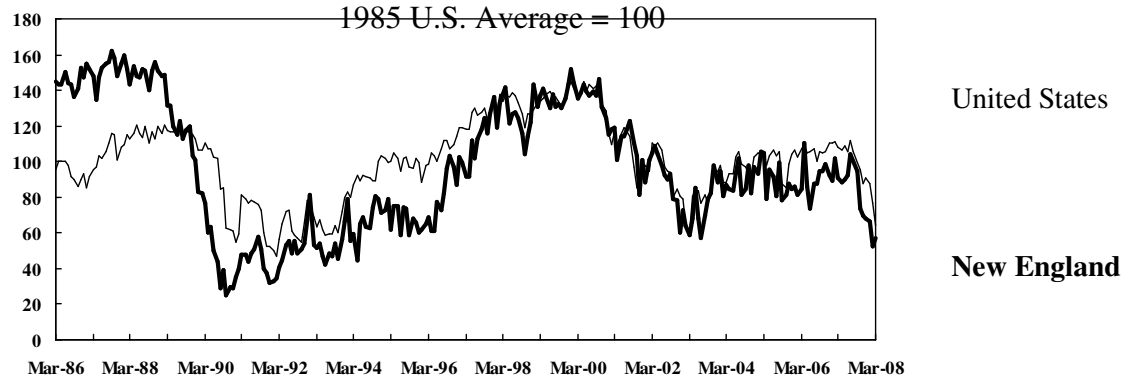
Coincident Indexes

Each State's Post-Recession Trough = 1

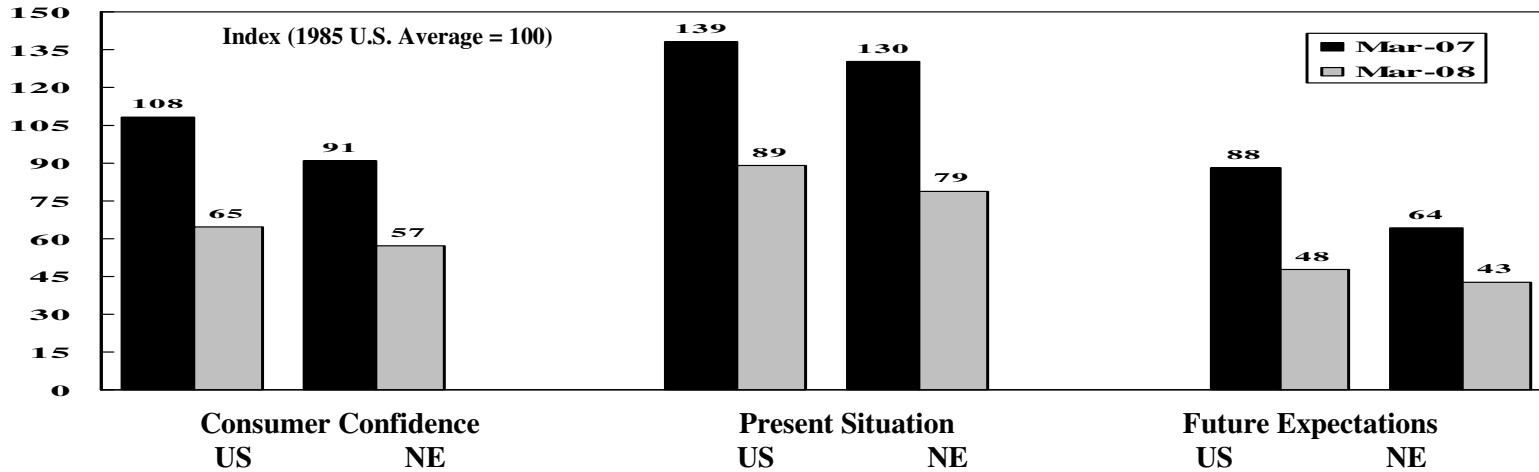
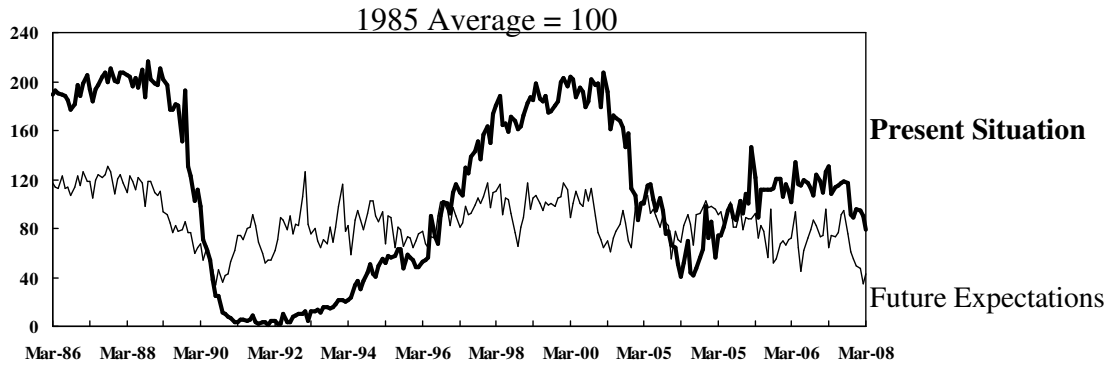


Note: The Rhode Island index does not have a post-recession trough. It is equal to 1 at the U.S. trough.
Source: The Federal Reserve Bank of Philadelphia.

Consumer Confidence

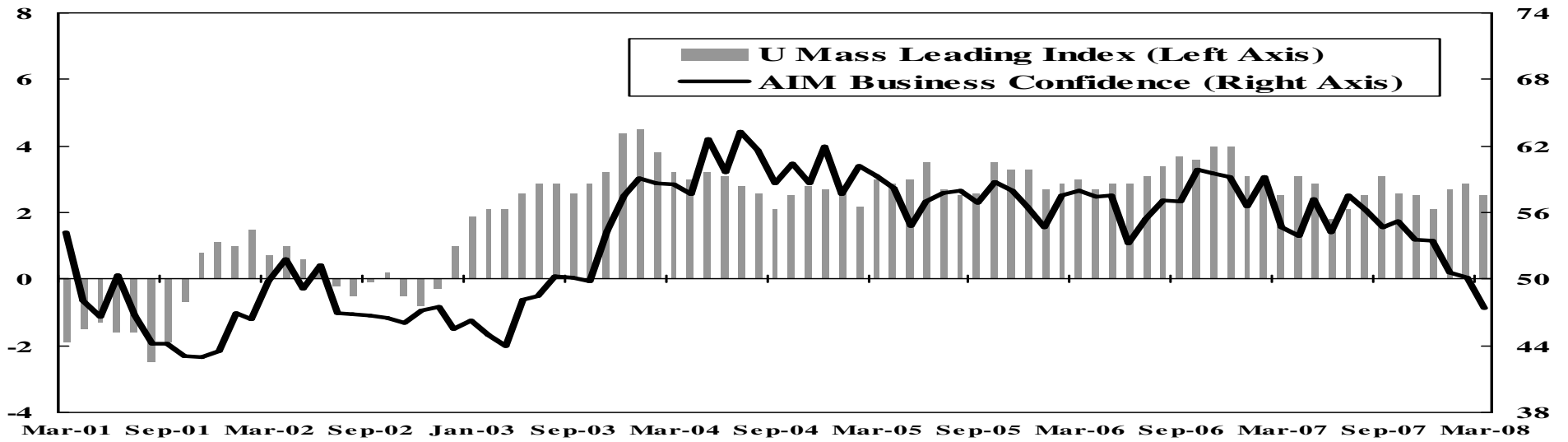


New England Present Situation and Future Expectations



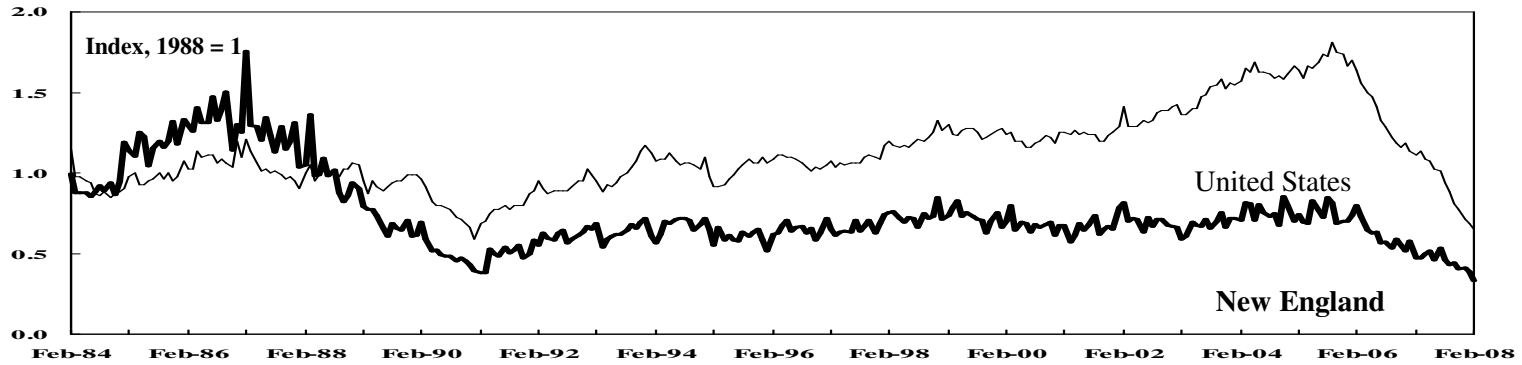
Source: The Conference Board.

Massachusetts Indicators

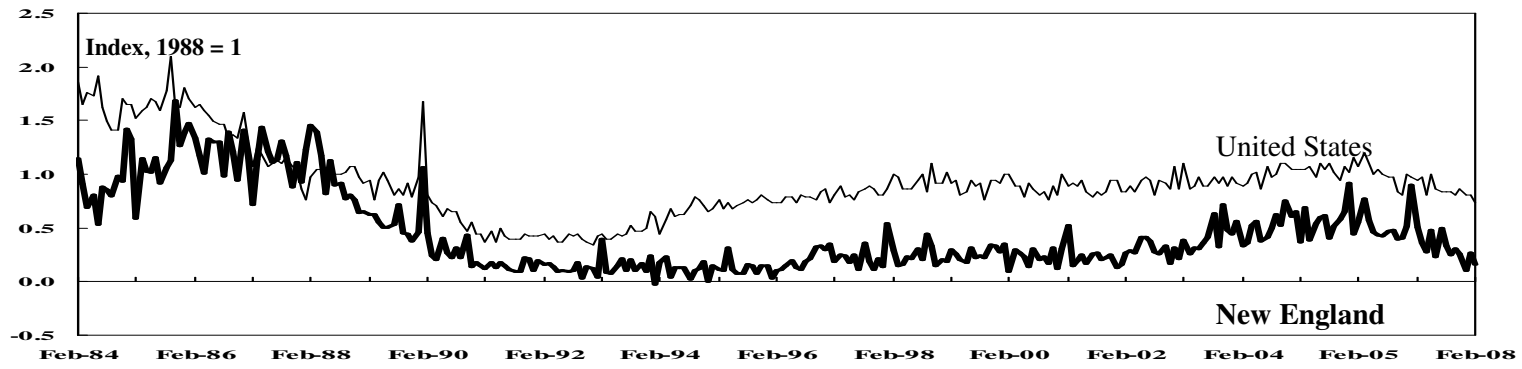


Source: Associated Industries of Massachusetts and the University of Massachusetts.

Single-Family Housing Permits

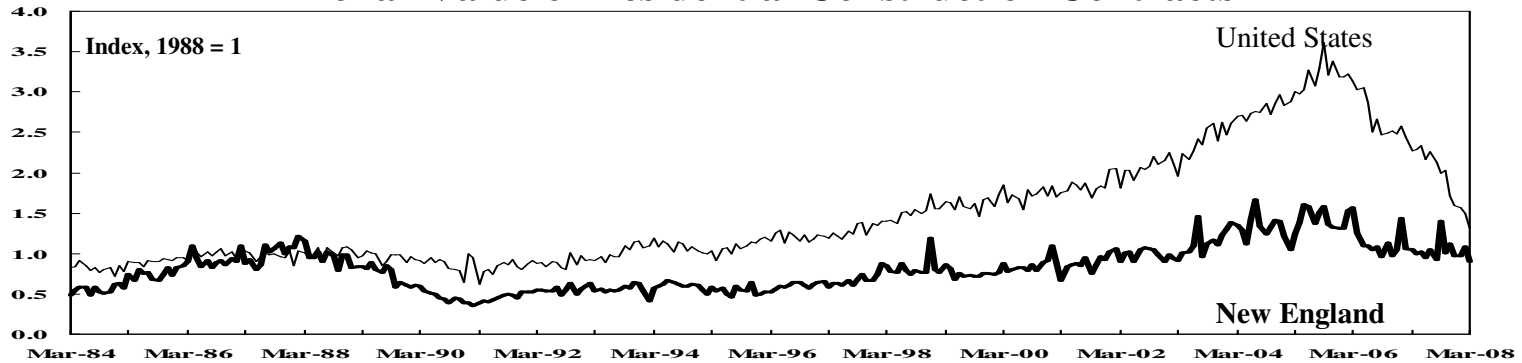


Multi-Family Housing Permits



Source: U.S. Department of Commerce, Construction Statistics Division.

Dollar Value of Residential Construction Contracts



Source: McGraw-Hill Information Systems Company, F.W. Dodge Division.