

DOMESTIC ECONOMIC CONDITIONS

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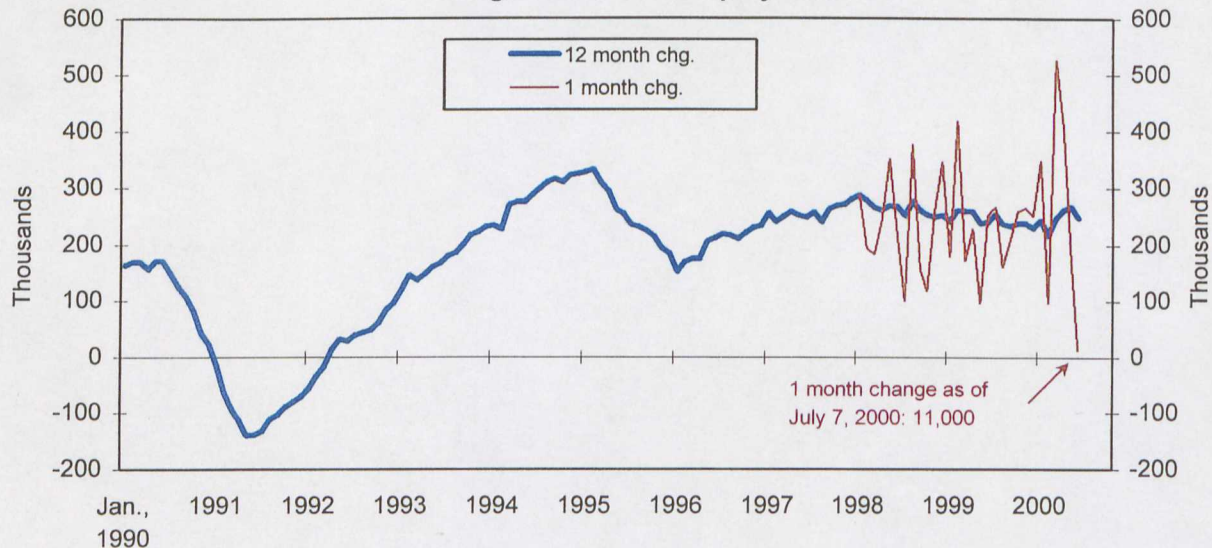
Presented to

New England Council  
Board Meeting

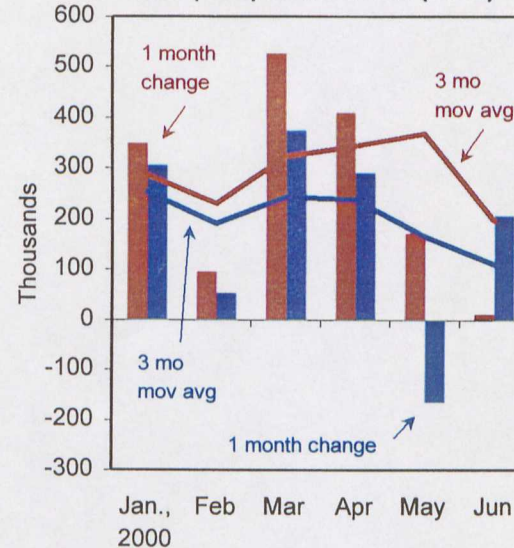
July 18, 2000

# Labor Market Conditions

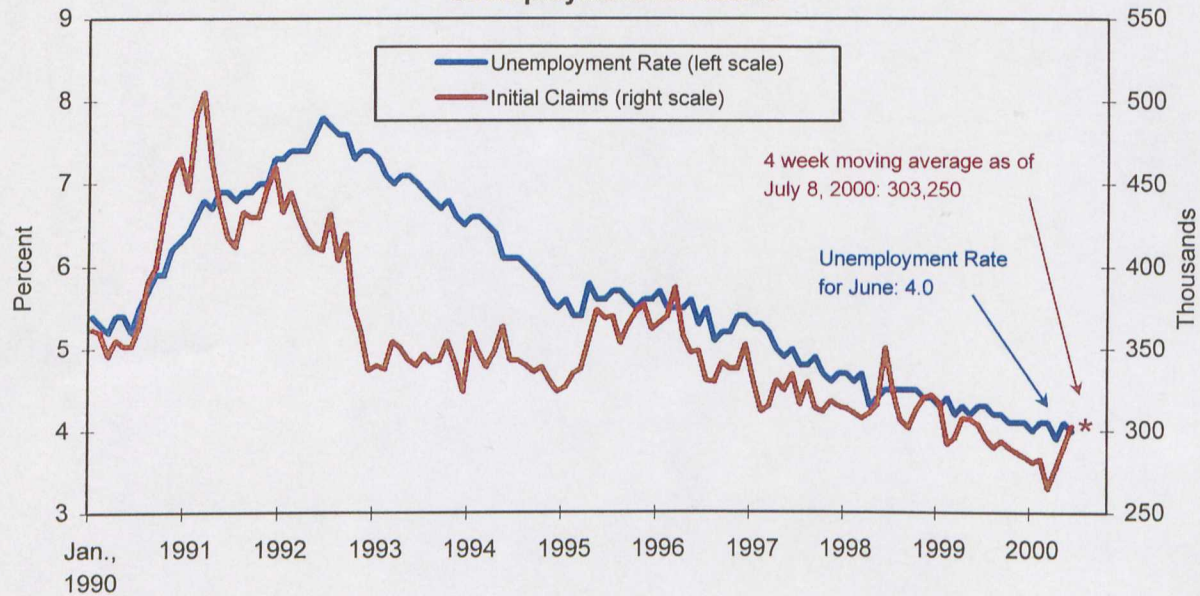
### Change in Nonfarm Employment



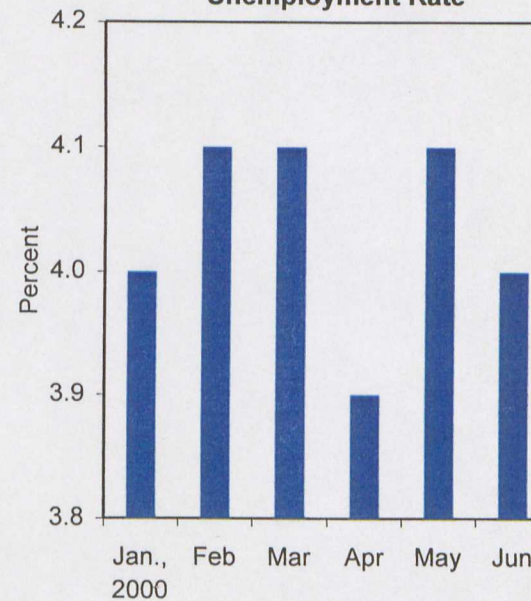
### Recent Changes in Employment Total (Red) and Private (Blue)



### Unemployment Indicators



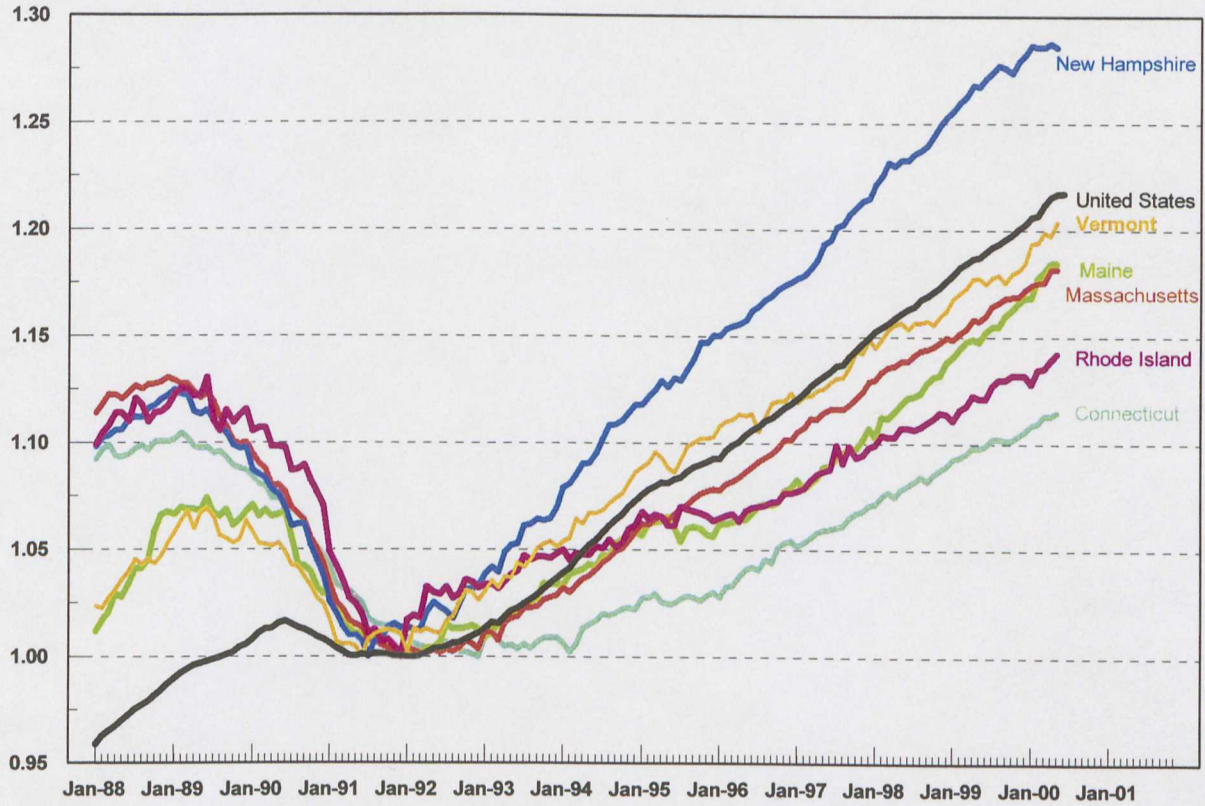
### Unemployment Rate



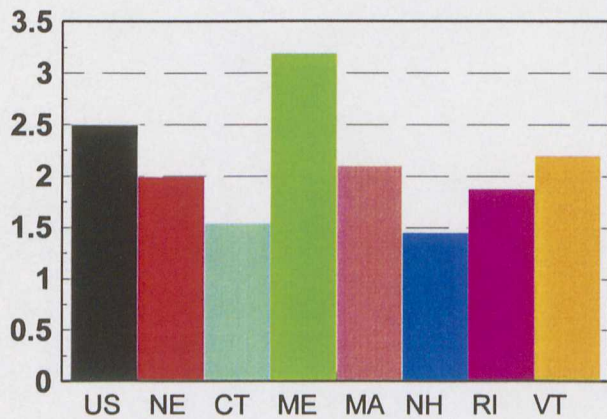
Sources: U.S. Bureau of Labor Statistics: Nonfarm payroll employment, seasonally adjusted; 12 month change is average of monthly changes for the last 12 months, 1 month change is not annualized. Civilian unemployment rate, seasonally adjusted. U.S. Department of Labor: Initial Claims, seasonally adjusted, monthly averages of weekly data, except data for most recent week.

# Total Nonfarm Employment by State

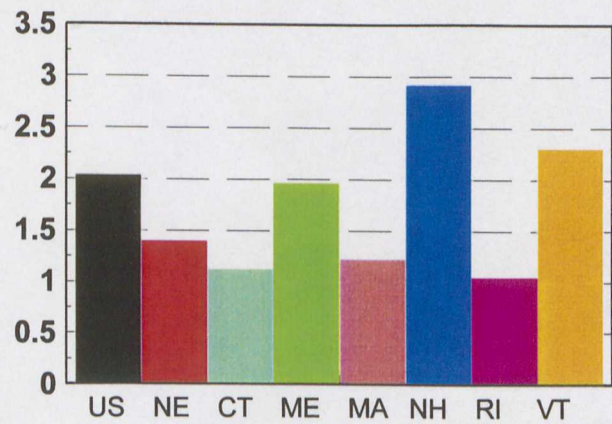
Index, Each State's Employment Trough = 1



Percent Change, May 1999 - May 2000

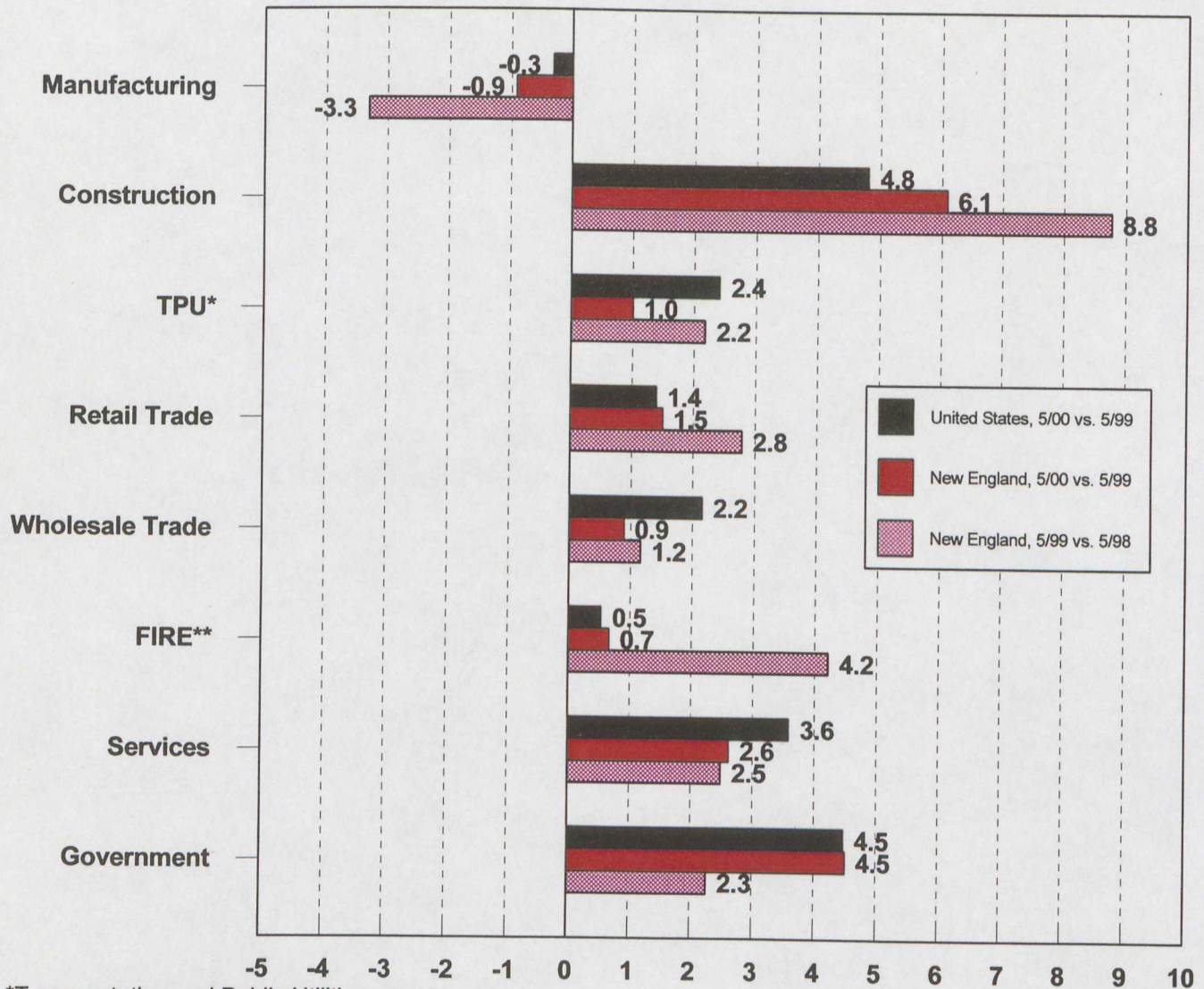


Long-term trend Growth (1970 - 1999)



## Employment Growth by Industry

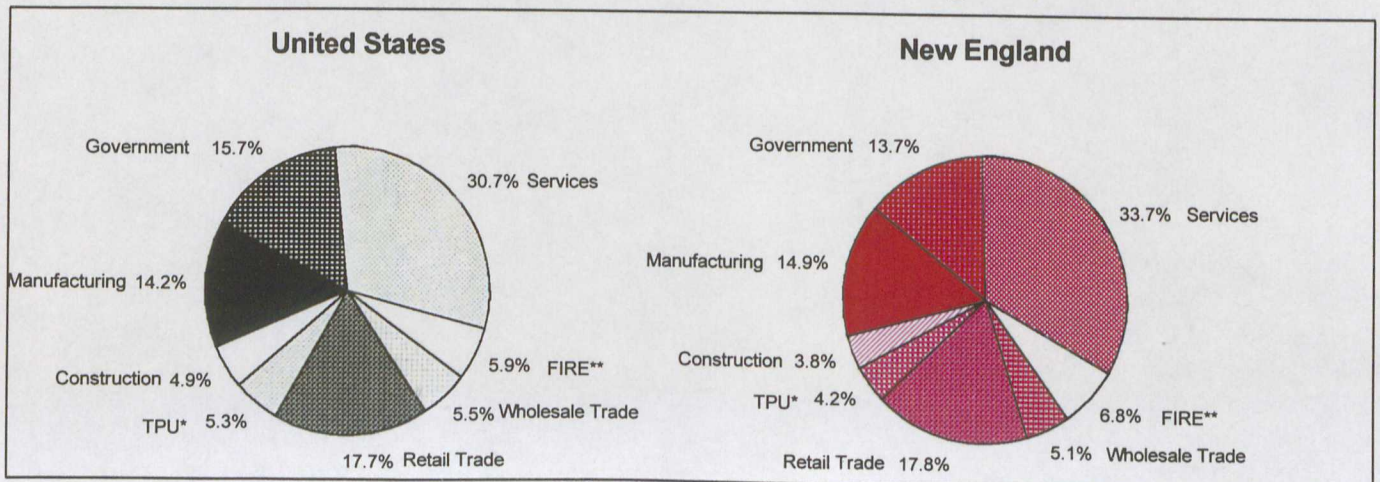
Percent Change From a Year Earlier



\*Transportation and Public Utilities

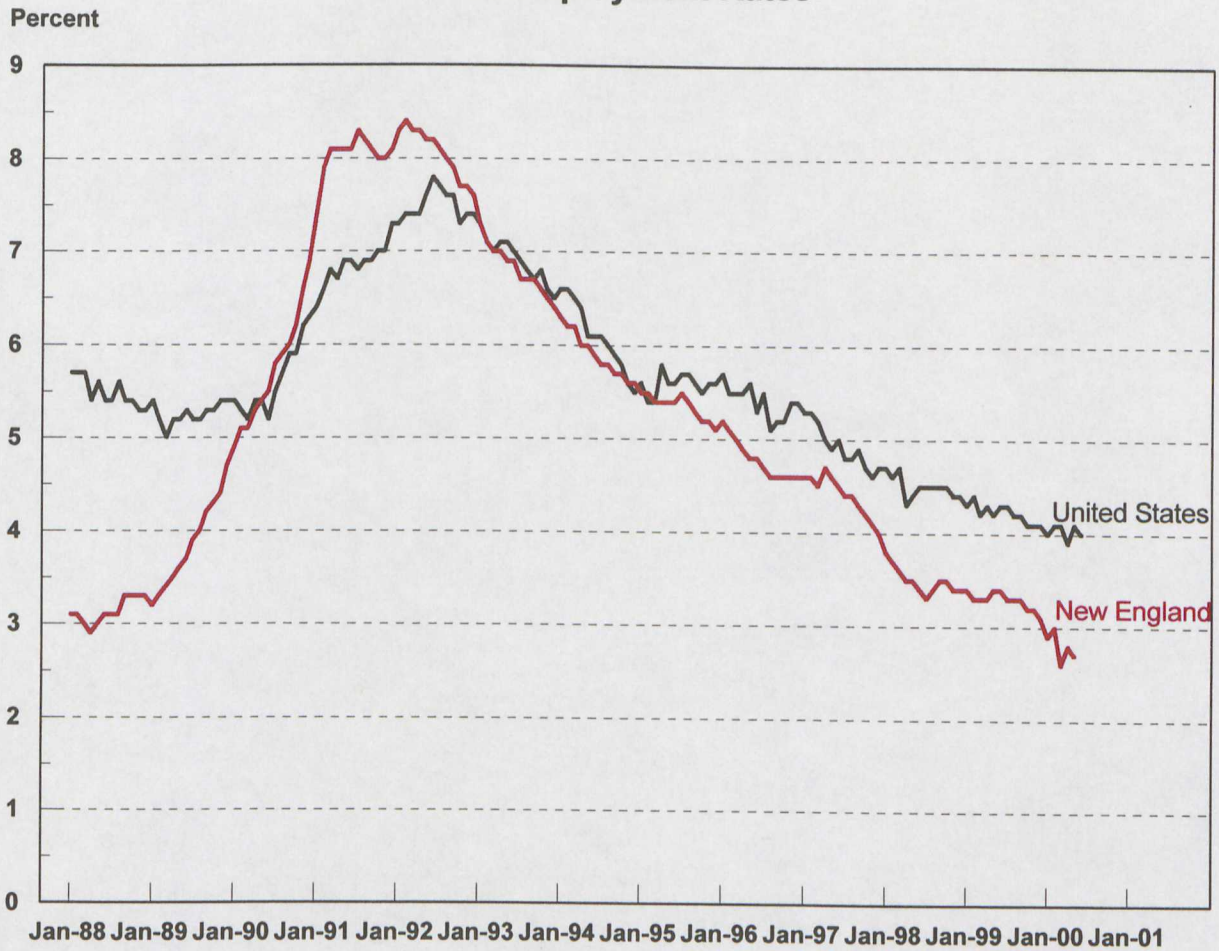
\*\*Finance, Insurance, and Real Estate

## Industry Mix in the United States and New England, 1999



Source: Bureau of Labor Statistics

## Unemployment Rates

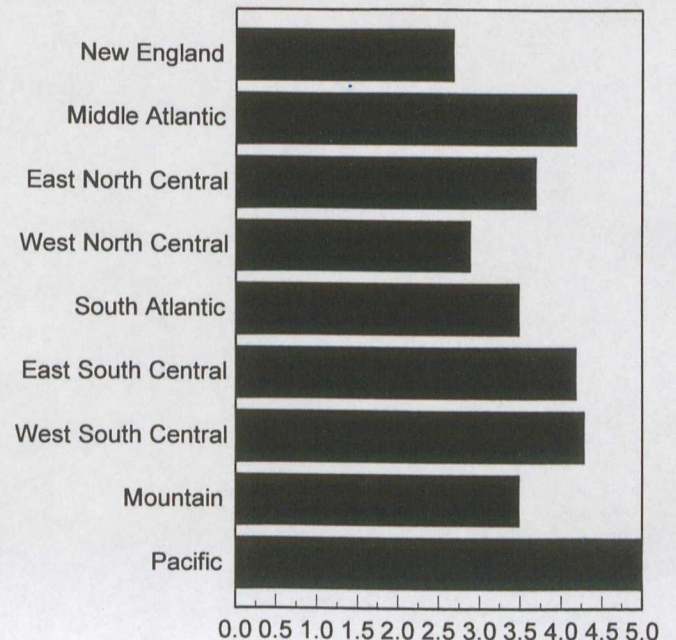


Note: Data beginning January 1994 reflect the redesigned CPS survey and are not strictly comparable to data for 1993 and earlier years.

Unemployment Rates (percent)			
	May-00	Apr-00	May-99
United States	(4.0*) 4.1	3.9	4.2
New England	2.7	2.8	3.4
Connecticut	2.4	2.3	3.4
Maine	3.5	3.3	4.5
Massachusetts	2.5	2.8	3.2
New Hampshire	2.7	2.5	2.8
Rhode Island	4	3.7	4.2
Vermont	2.5	2.4	3

\*Jun-00

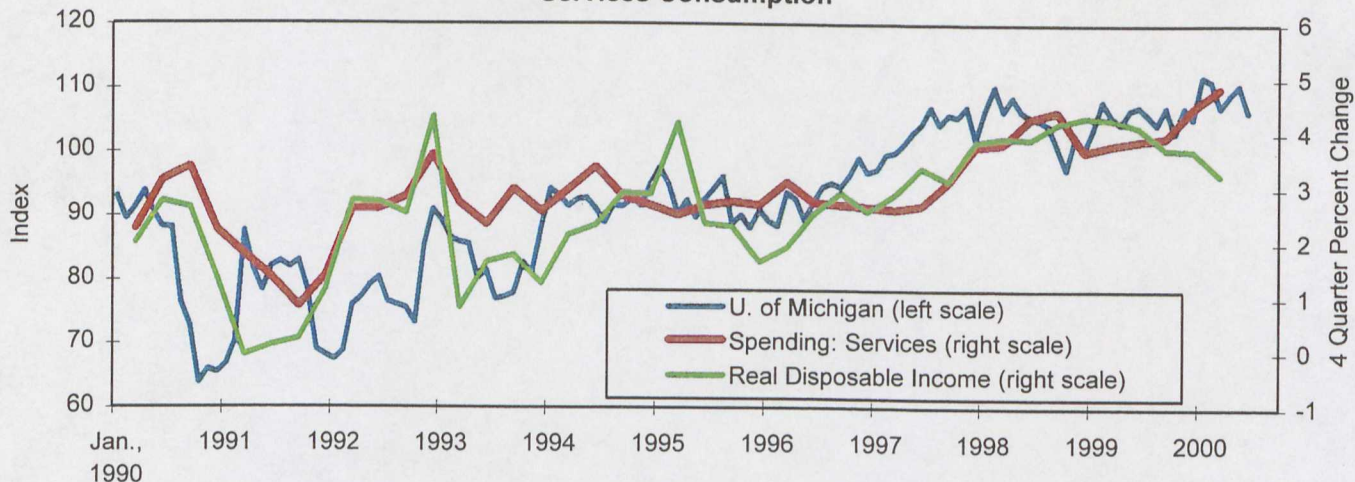
### Unemployment Rate Across Census Divisions



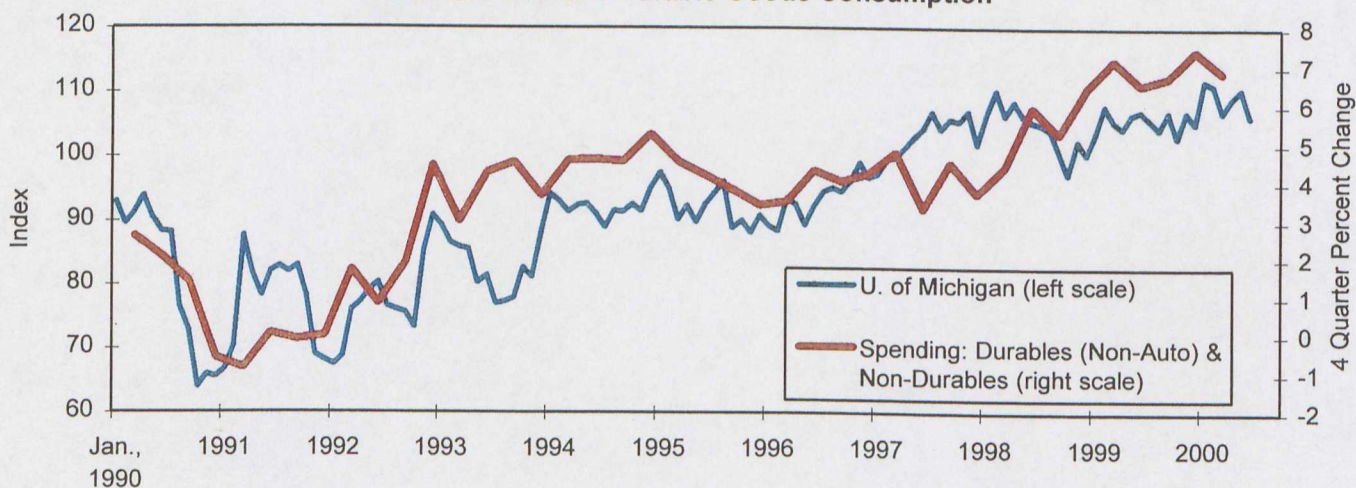
Source: Bureau of Labor Statistics

# Indicators of Consumption Spending

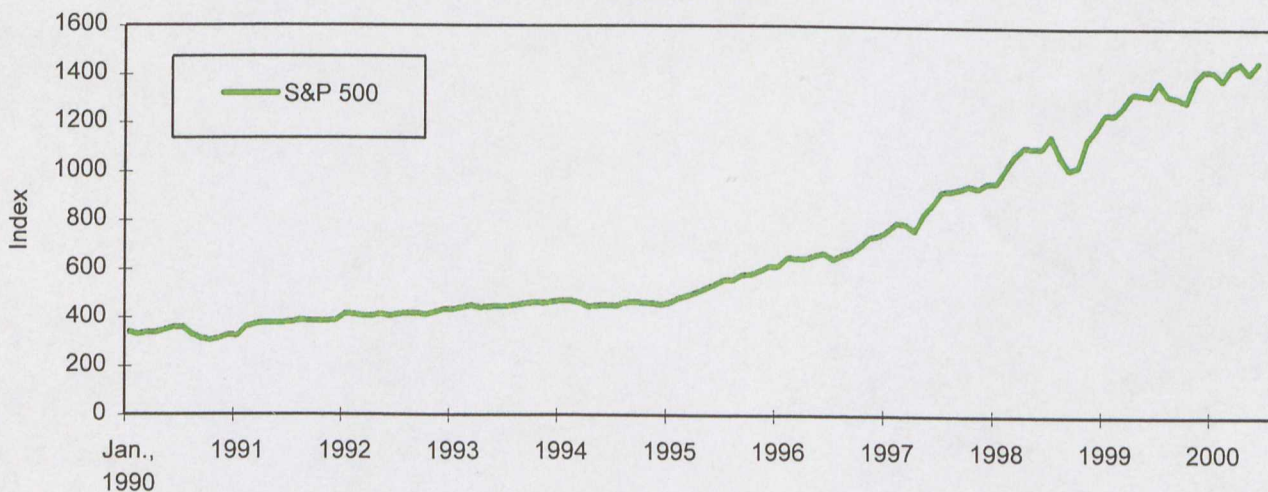
## Services Consumption



## Durable and Non-Durable Goods Consumption



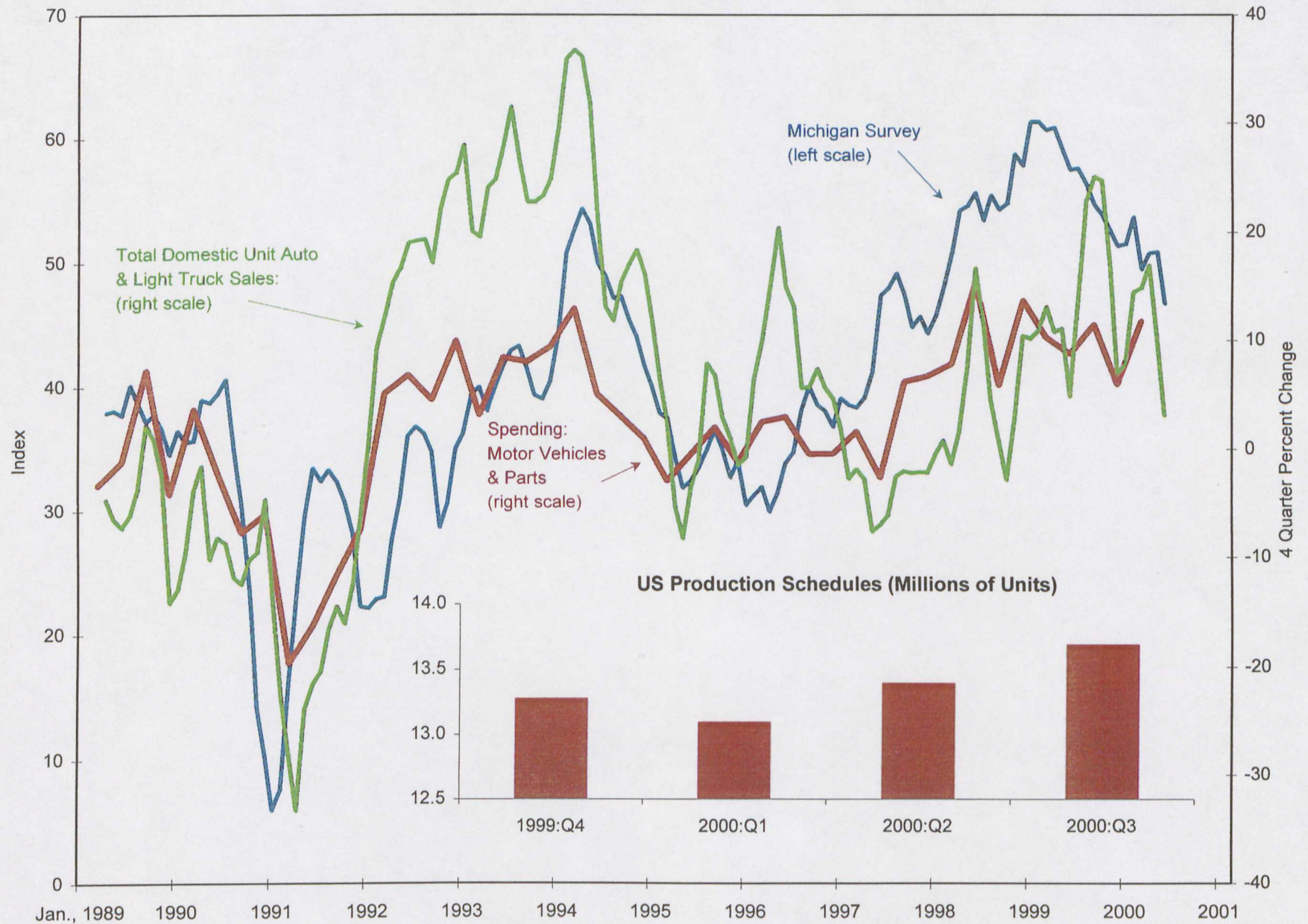
## Stock Prices



Sources: The University of Michigan: Consumer Sentiment (NSA, 1966Q1=100). Bureau of Economic Analysis: Personal Consumption Expenditures on Services, Non-Durable and Durable Goods Excluding Autos, Real Disposable Income (SAAR, Bil. Chn Wgt. 1996\$, 4-qr % change). The Wall Street Journal: Standard & Poor's 500 Index (monthly averages).

Chart 3

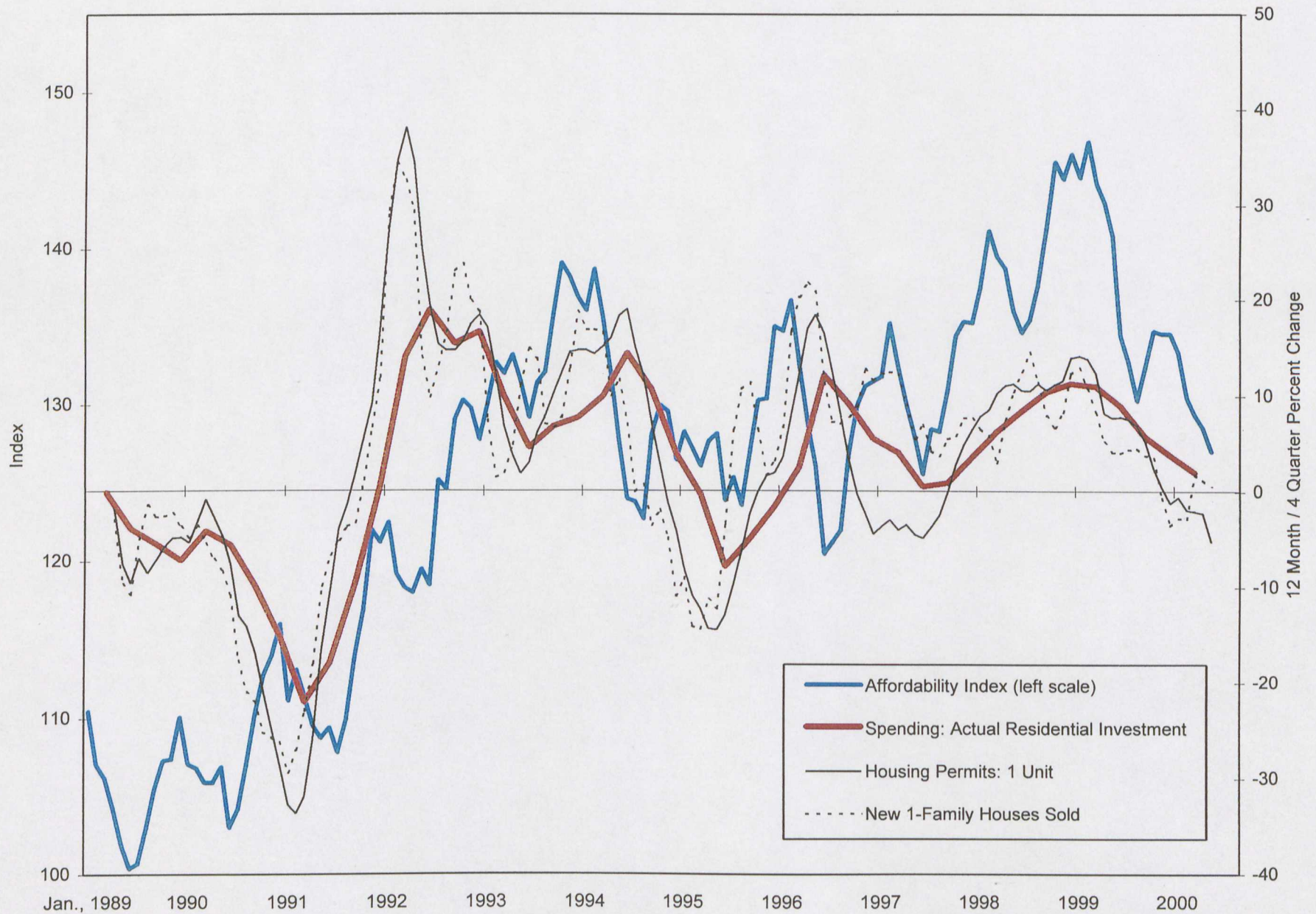
# Spending on Motor Vehicles



Sources: Michigan Research Center: Survey - Buying Conditions - Cars - Good (or Bad) Time to Buy (Weighted Average of "Good" response vs "Bad" .).  
 Bureau of Economic Analysis: Personal Consumption Expenditures on Motor Vehicles and Parts (SAAR, Bil. Chn Wgt. 1996\$, 4-qr % change),  
 Domestic Unit Sales of Autos and Light Trucks (SAAR, Mil. Units, 12-mo. % change). Federal Reserve Board of Governors: Production Schedules  
 for Production of Domestic Autos and Light Trucks (Mil. Units, SAAR).

Chart 4

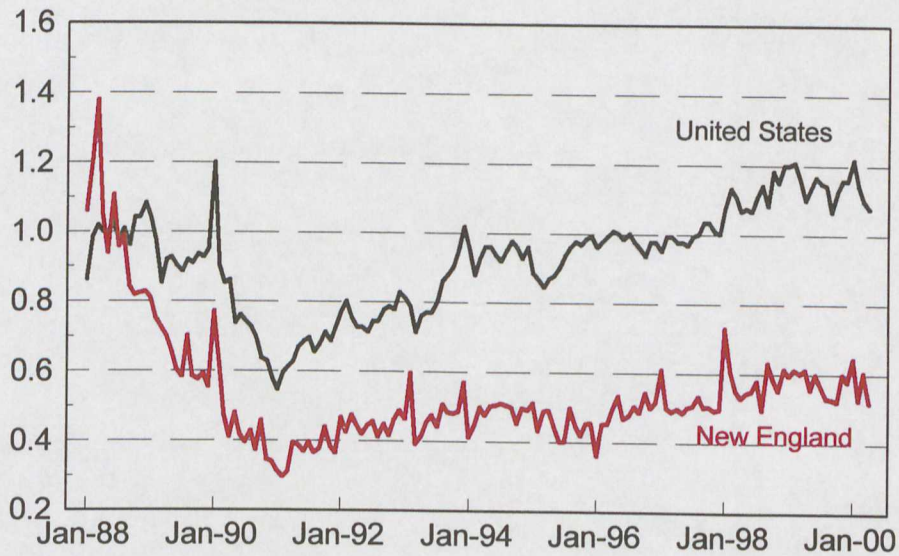
# Selected Housing Indicators



Sources: Bureau of the Census: Housing Units Authorized: 1-Unit Structures & New 1-Family Houses Sold (SAAR, Thousands of Units, 12-mo. % growth). Bureau of Economic Analysis: Fixed Private Residential Investment (SAAR, Bil. Chn Wgt. 1996\$, 4-qtr % change). National Association of Realtors: Composite Housing Affordability Index (Median Income = qualifying income = 100).

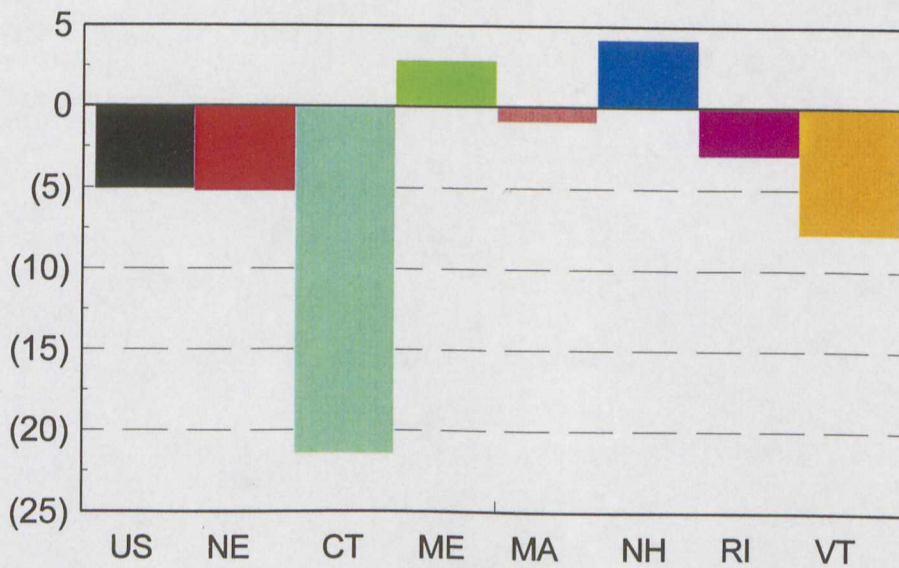
# Housing Permits Authorized

Index, 1988 annual average=1

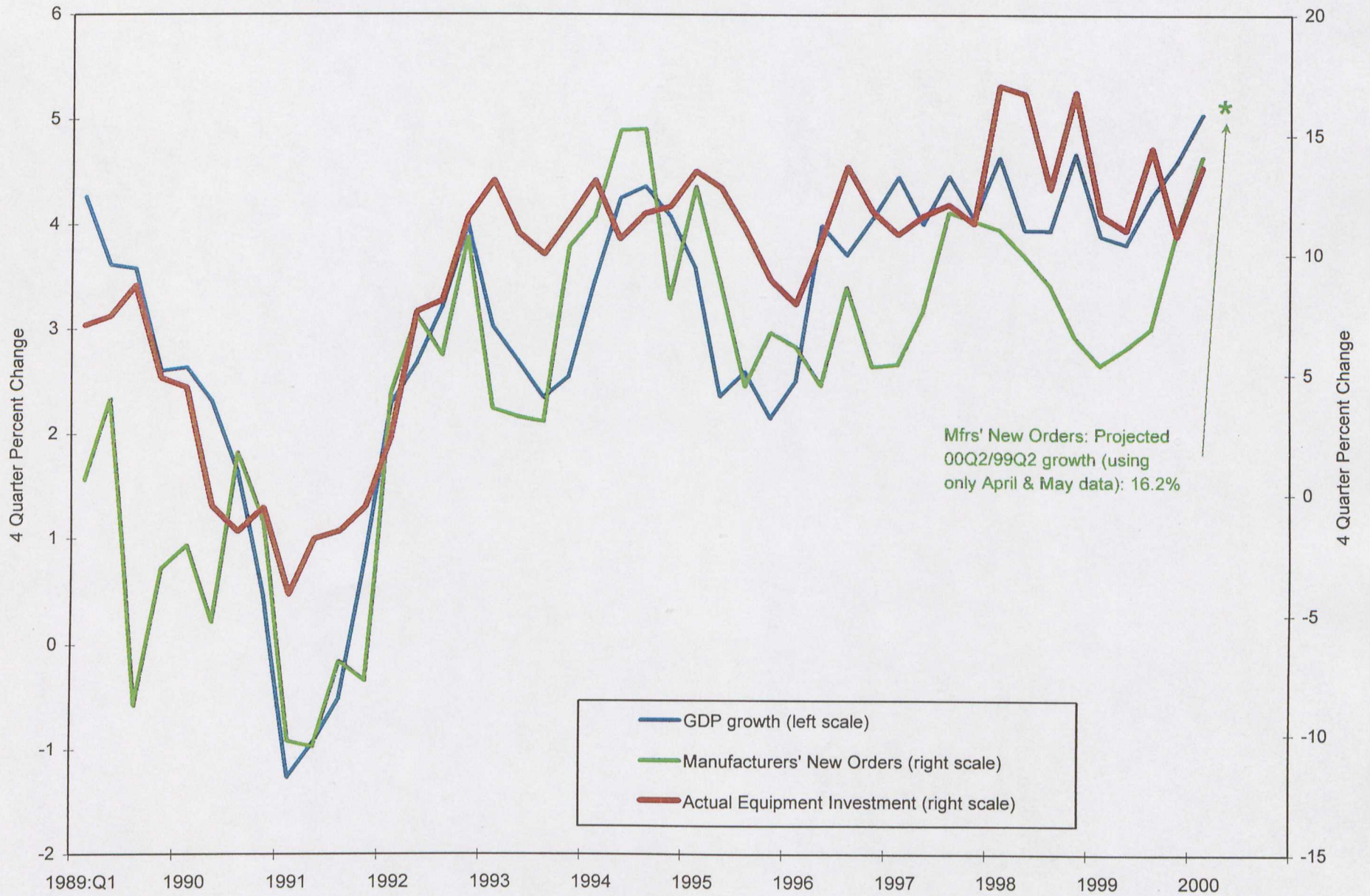


## Percent Change from a year ago

Mar -Apr -May



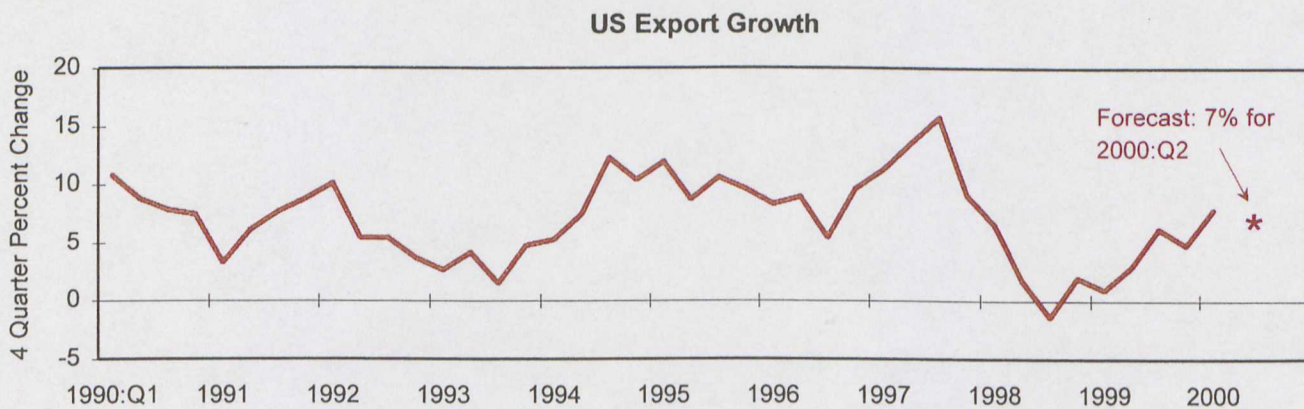
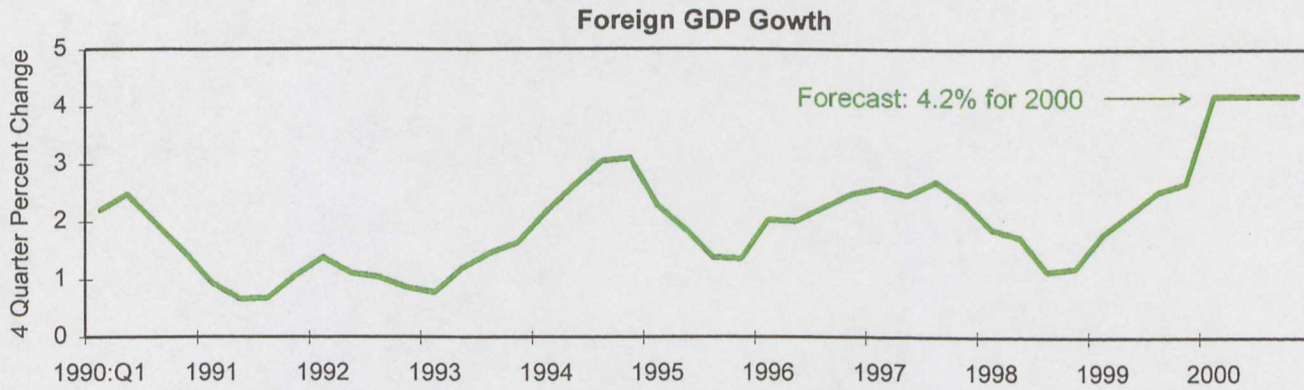
# Selected Investment Indicators



Sources: Bureau of Economic Analysis: Gross Domestic Product (Bil. Chn. Wgt. 1996\$, 4-qr % growth), Producers' Durable Equipment & Software (SAAR, Bil. Chn. Wgt. 1996\$, 4-qr % change). Bureau of the Census: Manufacturers' New Orders of Nondefense Capital Goods excl. Aircraft (SA, \$Mil, deflated by PPI: Finished Goods, Capital Equipment (BLS), 4-qr % change).

Chart 6

# Exports and Foreign Economic Growth



## Forecasts for Percent Change in Foreign Real GDP for 2000

Forecast Date	Blue Chip	Consensus		DRI	Boston Fed (Jane S. Little)
		Economics			
January 2000	3.5	3.6		3.1	3.7
March 2000	3.9	3.8		3.4	4.0
May 2000	3.9	4.0		3.7	4.1
June 2000	4.1	4.2		4.0	4.2

Note: Forecasts are for year over year percent change for 2000.

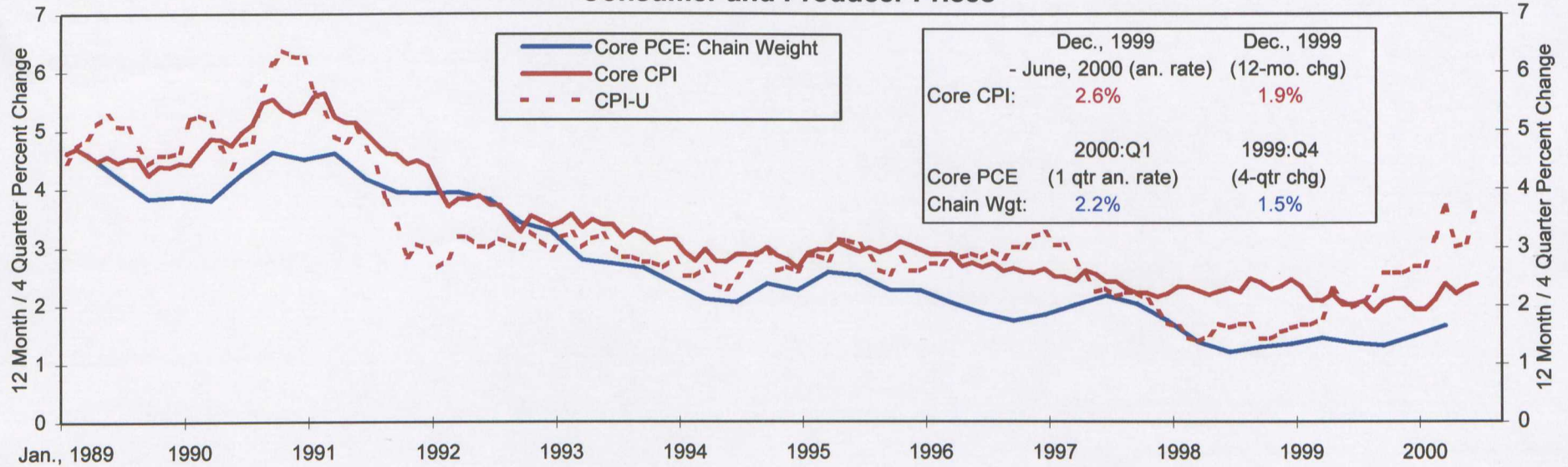
Sources: Bureau of Economic Analysis: Exports of Good and Services (SAAR, Bil. Chn Wgt. 1996\$, 4-qr % change).

Federal Reserve Board: Real Trade-Weighted Exchange Value of US\$ vs. Major Currencies (4 qtr moving average,

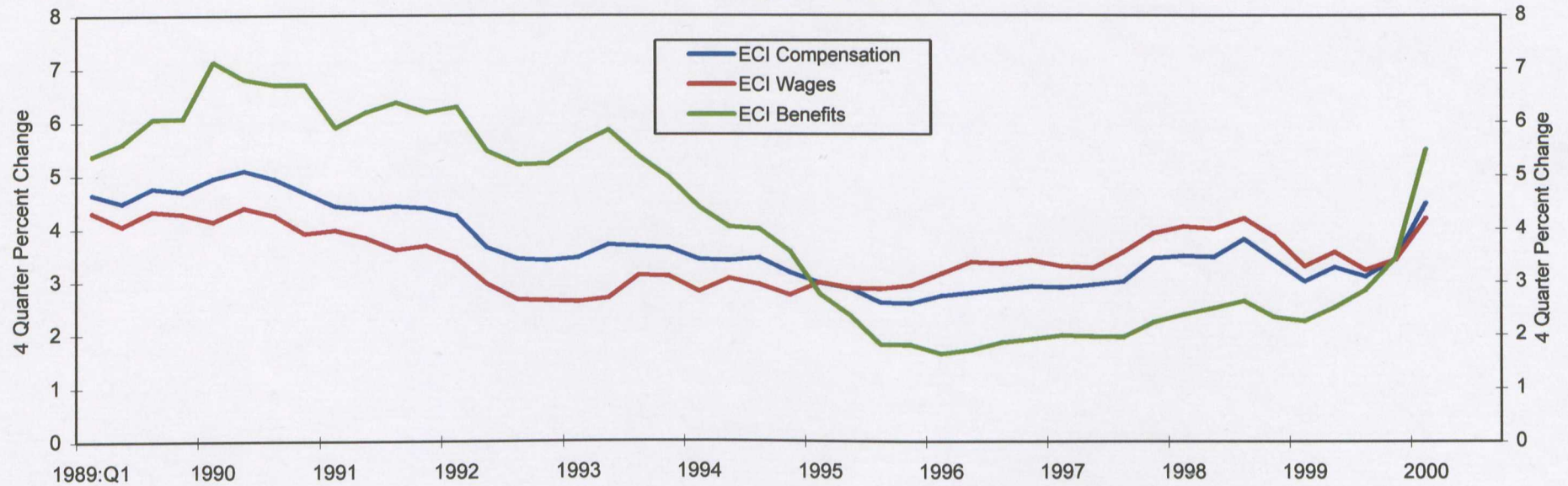
March, 1973 = 100). FRB Boston: Trade-Weighted Foreign GDP Growth (top ten US trading partners, 4-qr % change).

Blue Chip Economic Indicators. Consensus Economics, Inc.: Consensus Forecasts. Standard & Poor's DRI.

## Inflation Measures Consumer and Producer Prices

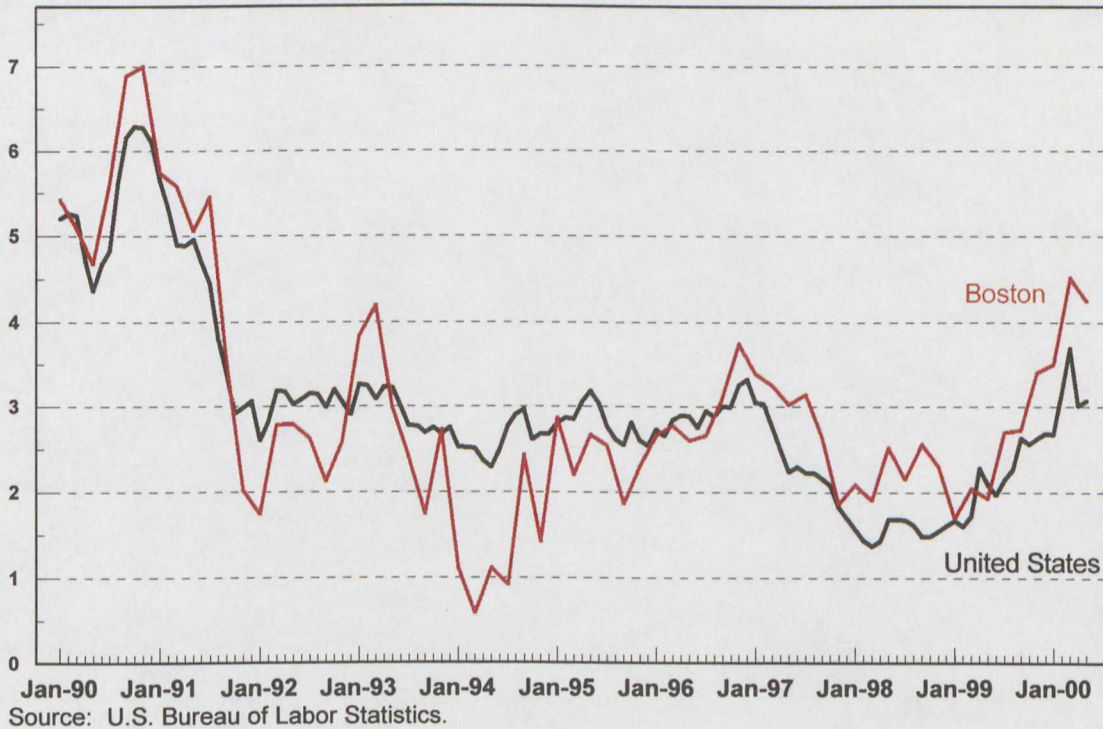


## Compensation



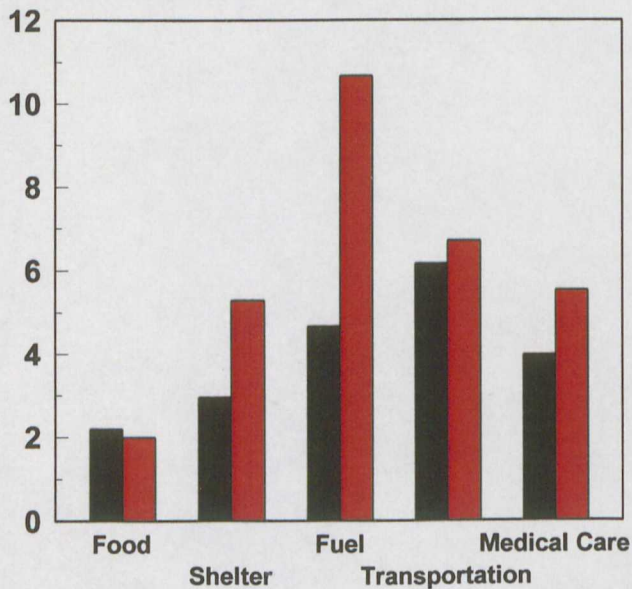
Sources: Bureau of Labor Statistics: CPI-U & CPI less Food & Energy (12-mo % change); Employment Cost Index: Compensation, Wages and Benefits of Private Industry Workers (SA, 4-qtr % change). Bureau of Economic Analysis: Personal Consumption Expenditures, less Food and Energy (Quantity Index - Chain Weights, 4-qtr % change).

**Consumer Price Index**  
Percent Change from Year Earlier



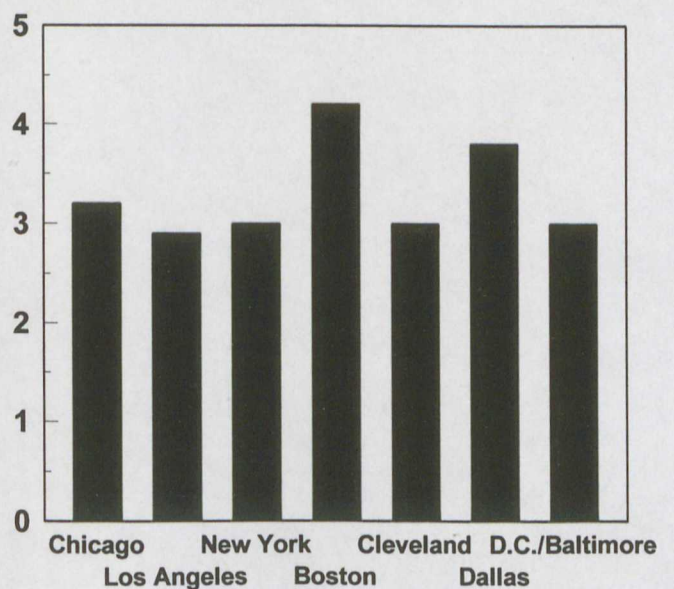
**Boston Consumer Price Index Components**

Percent change from a year earlier  
May



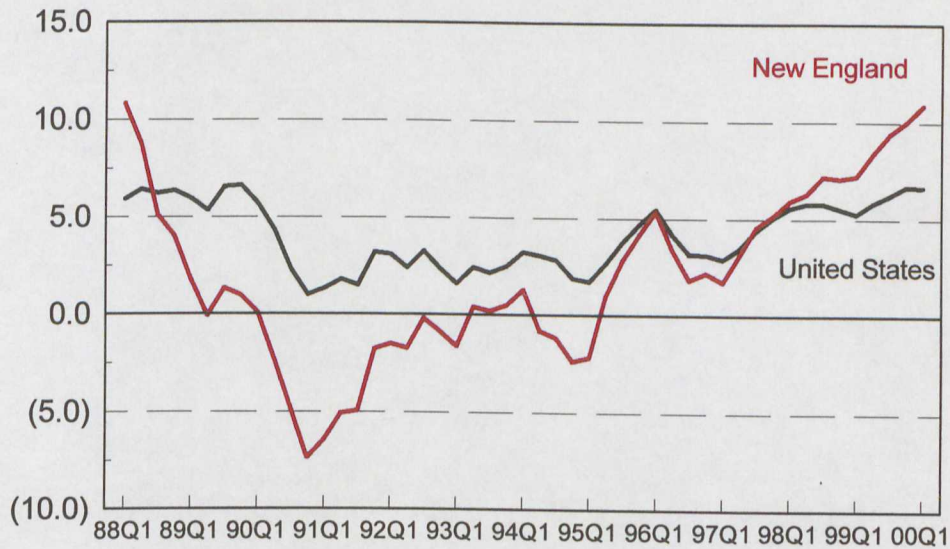
**Consumer Price Index by Metropolitan Area**

Percent change from a year earlier  
May



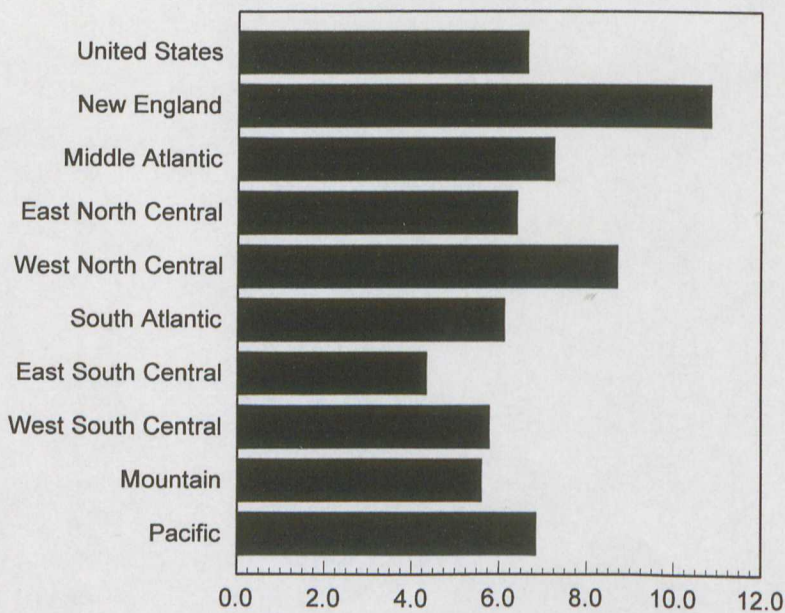
## Repeat-Sales Home Price Index

Percent Change from a year ago



Percent Change from a year ago

Q1



Percent Change from a year ago  
Q1

United States	6.7
New England	10.9
Connecticut	6.4
Maine	7.3
Massachusetts	14.1
New Hampshire	11.7
Rhode Island	5.8
Vermont	9.9