



Current Economic Conditions in New England

Southern Vermont Economy Summit

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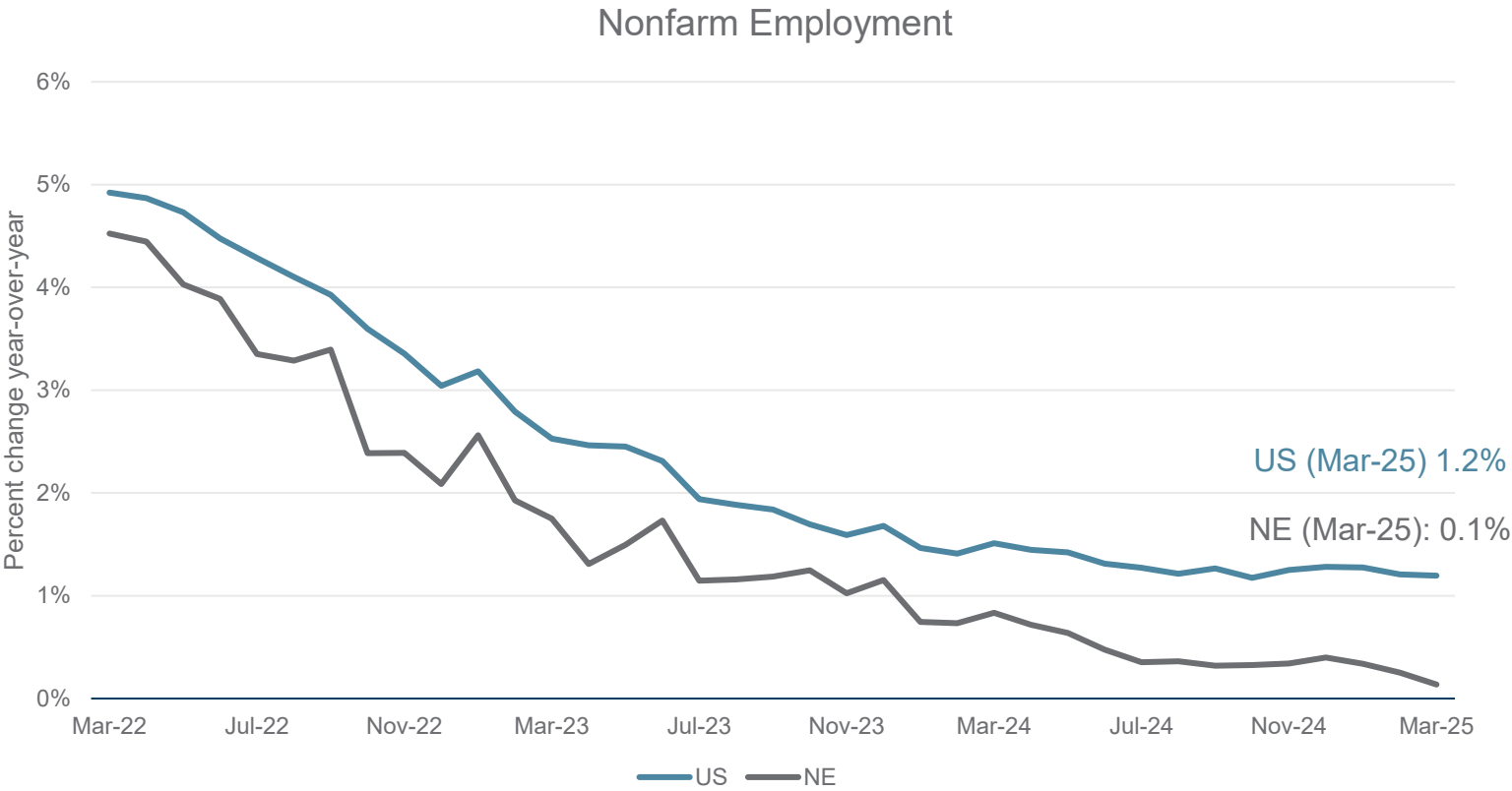
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Overview

- ▶ Available data on labor markets and prices point to strong, healthy economy – nationally and for Vermont:
 - ▶ The pace of employment growth is slowing, but is close to historic average growth, and unemployment remains at levels consistent with “full employment”;
 - ▶ Job openings and wage growth down from post-Covid highs, back to pre-Covid levels;
 - ▶ Consumer price inflation continues to moderate, getting closer to target levels; housing price growth returning to pre-Covid levels, and;
- ▶ Measures of sentiment, expectations and other forward-looking data indicate slowing activity:
 - ▶ Consumer and business confidence have suffered in recent months;
 - ▶ Inflation expectations up sharply and cross-border traffic into Vermont has slowed;
 - ▶ New state-level weekly index suggests diminished economic activity in March and April.
- ▶ Regional Focus:
 - ▶ Some Challenges Facing Vermont
 - ▶ Boston’s Beige Book

▶ Labor Markets and Prices

Pace of Job Growth Has Slowed, Particularly in MA

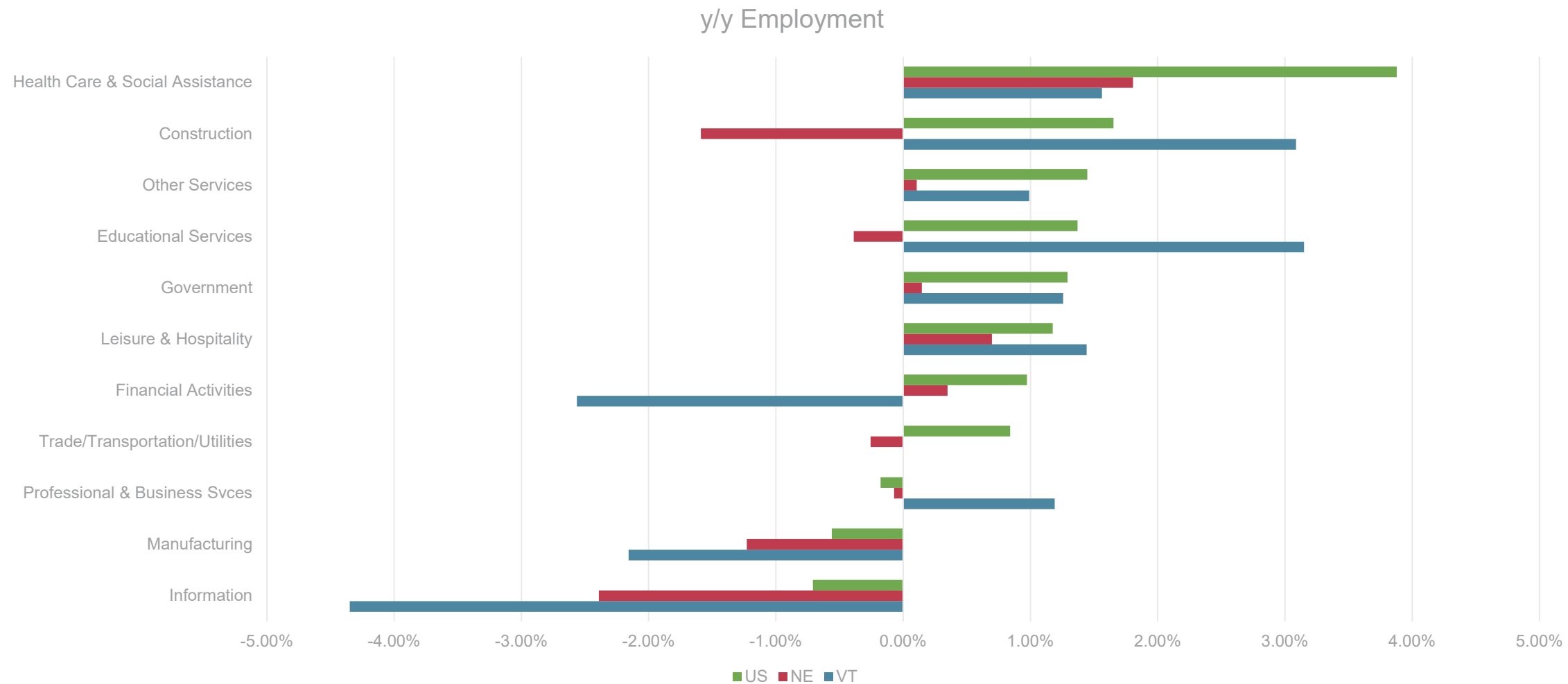


	Long-Term Trend	Last 12 months
	Percent	Percent
United States	1.0	1.2
New England	0.6	0.1
Connecticut	0.3	0.4
Maine	0.7	0.3
Massachusetts	0.8	-0.3
New Hampshire	0.9	1.1
Rhode Island	0.5	0.7
Vermont	0.5	0.8

Source: Bureau of Labor Statistics, Haver Analytics

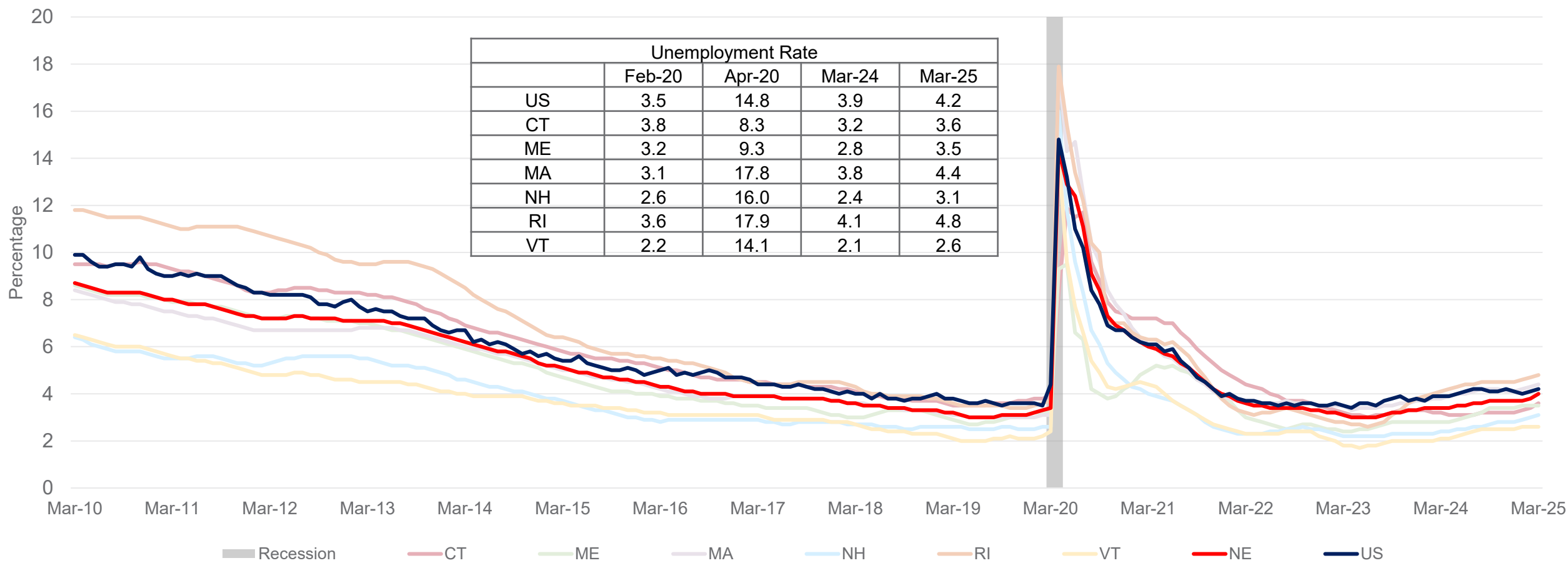
Righthand table: Long-term trend includes March 1995 to March 2025. Last 12 months include March 2024 to March 2025.

Education and Construction Sectors Had Robust Job Growth Past 12 Months; Manufacturing and Finance Sectors Lost Jobs (March 2024 to March 2025)



Source: Bureau of Labor Statistics, NBER, Haver Analytics

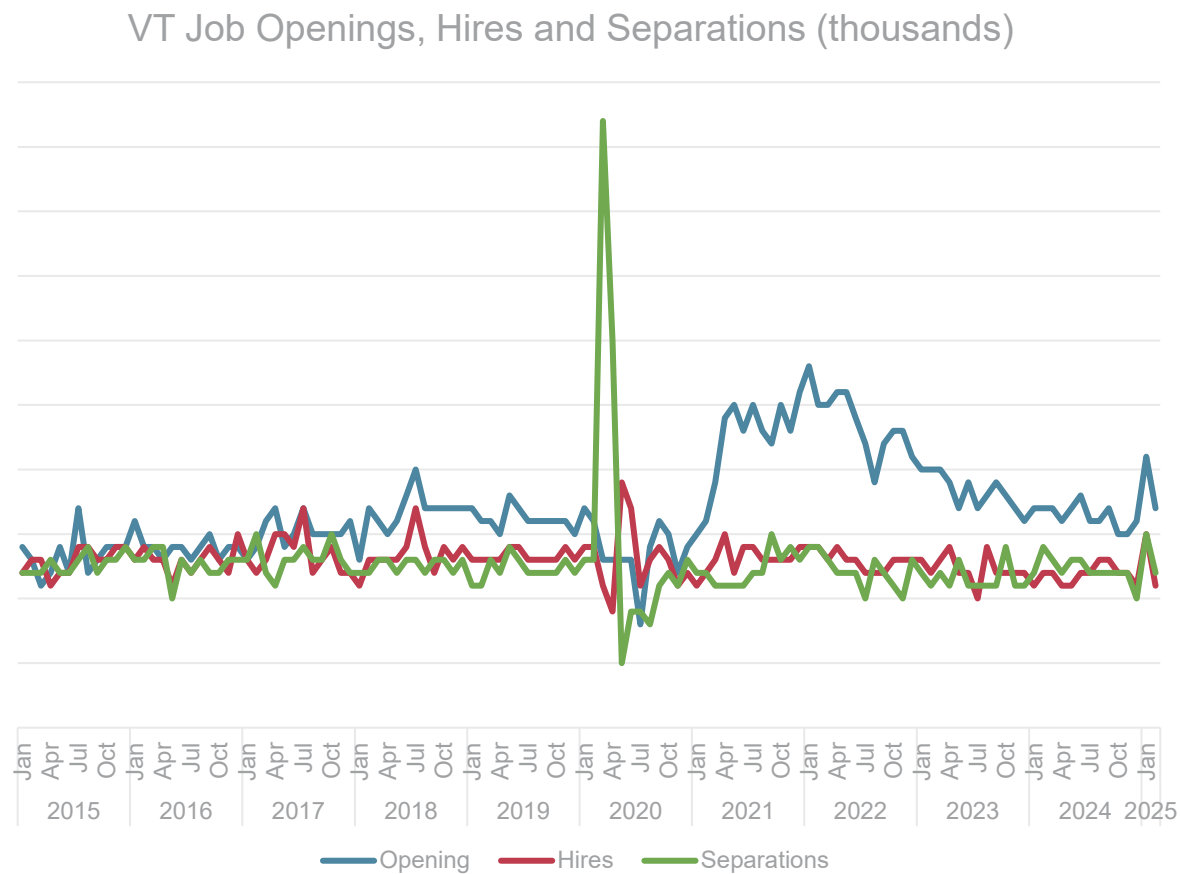
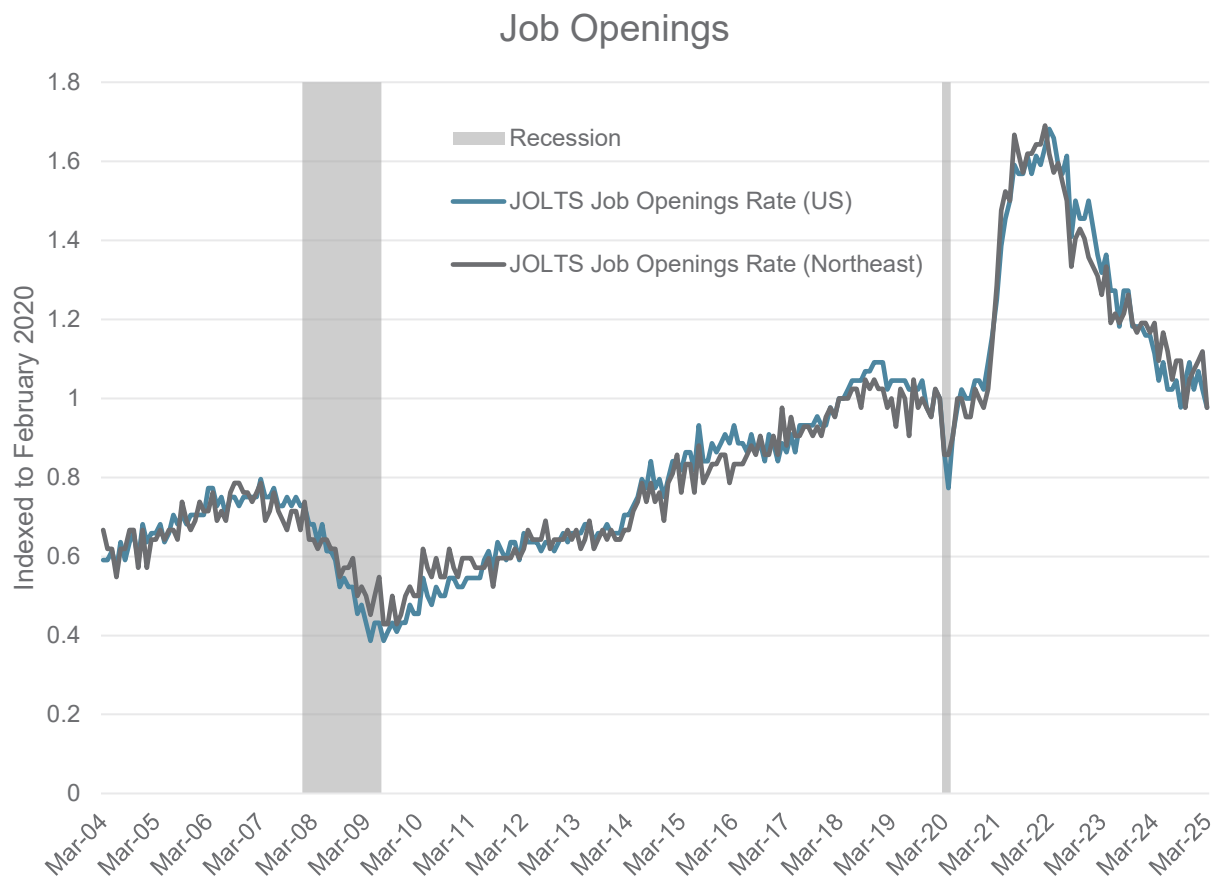
Unemployment Rising Modestly Since Mid-2023, but Remains at “Full Employment”



Seasonally adjusted

Source: Bureau of Labor Statistics, NBER, Haver Analytics

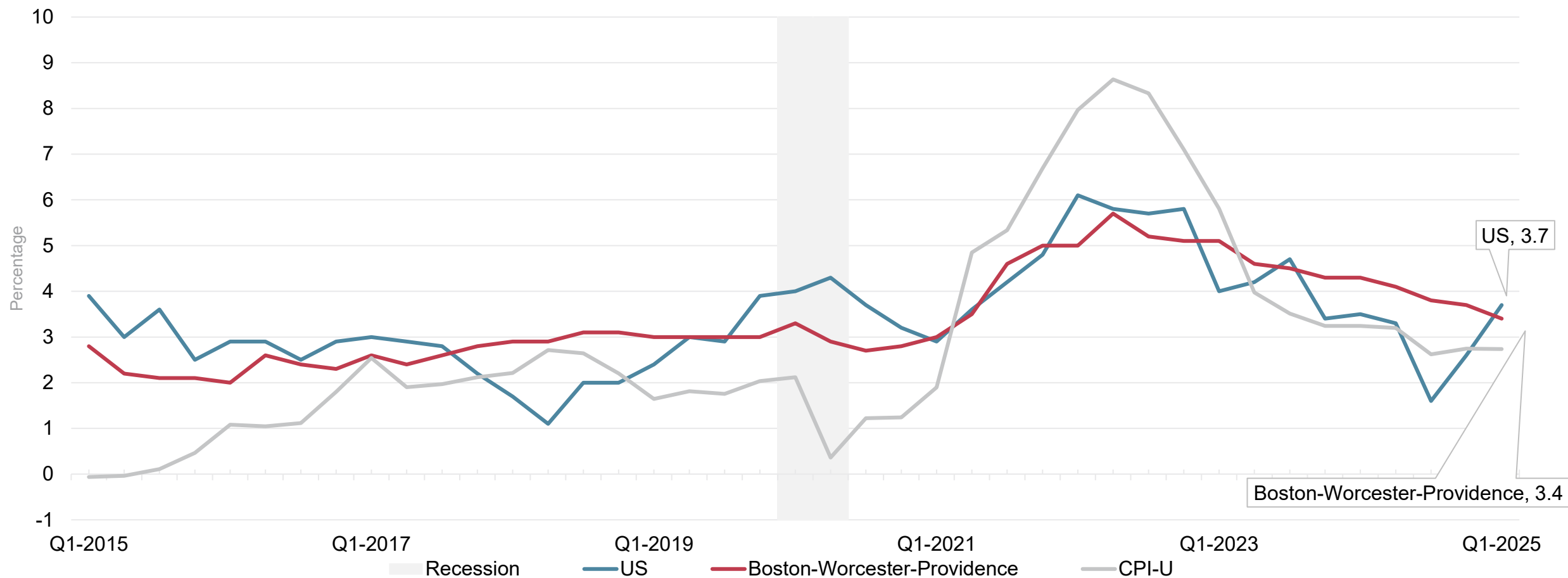
Job Openings Have Been Falling Since Early 2022, but Remain Plentiful



Source: JOLTS, Bureau of Labor Statistics, Indeed Hiring Lab, NBER, Haver Analytics

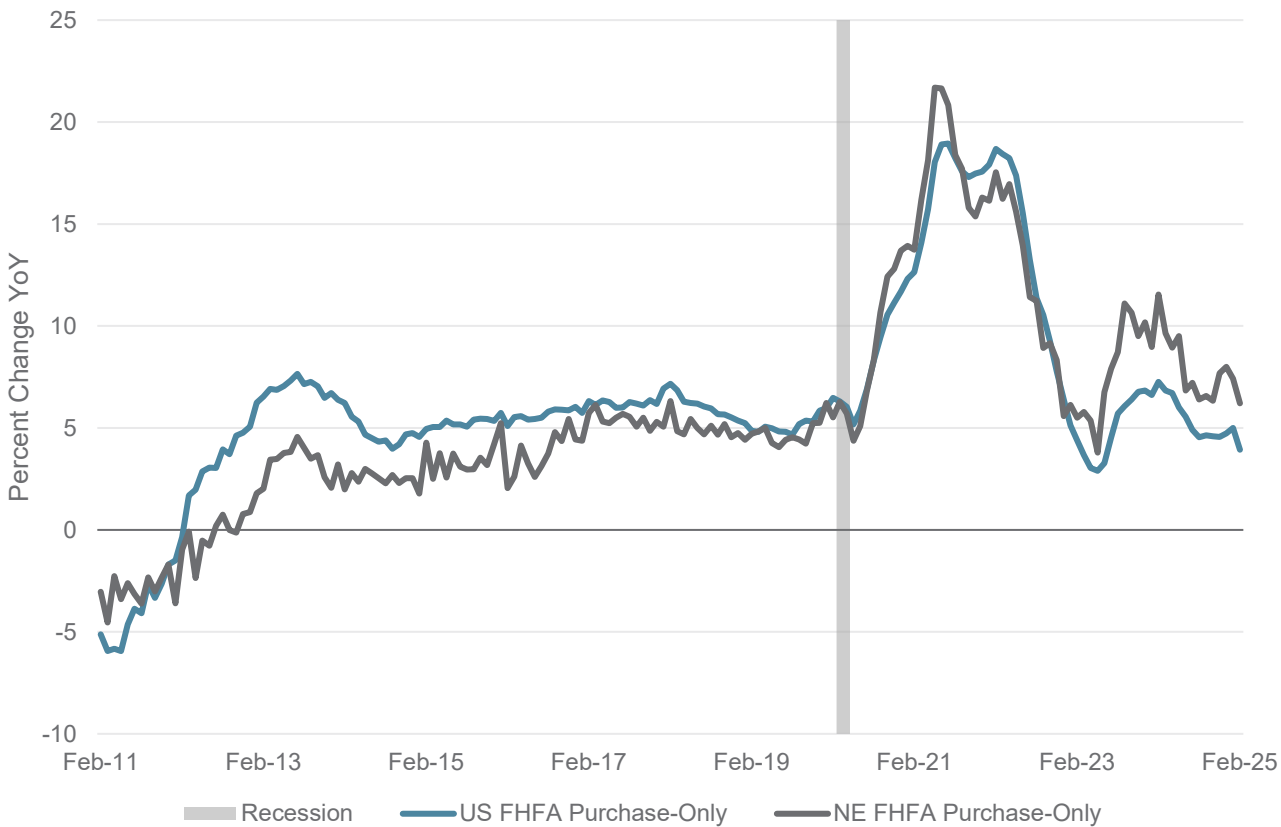
Wage Growth Continuing to Moderate; Falling Inflation Producing Real Wage Gains

Year-over-Year Change in Employment Cost Index



Homes sales price back in-line with longer-term average growth

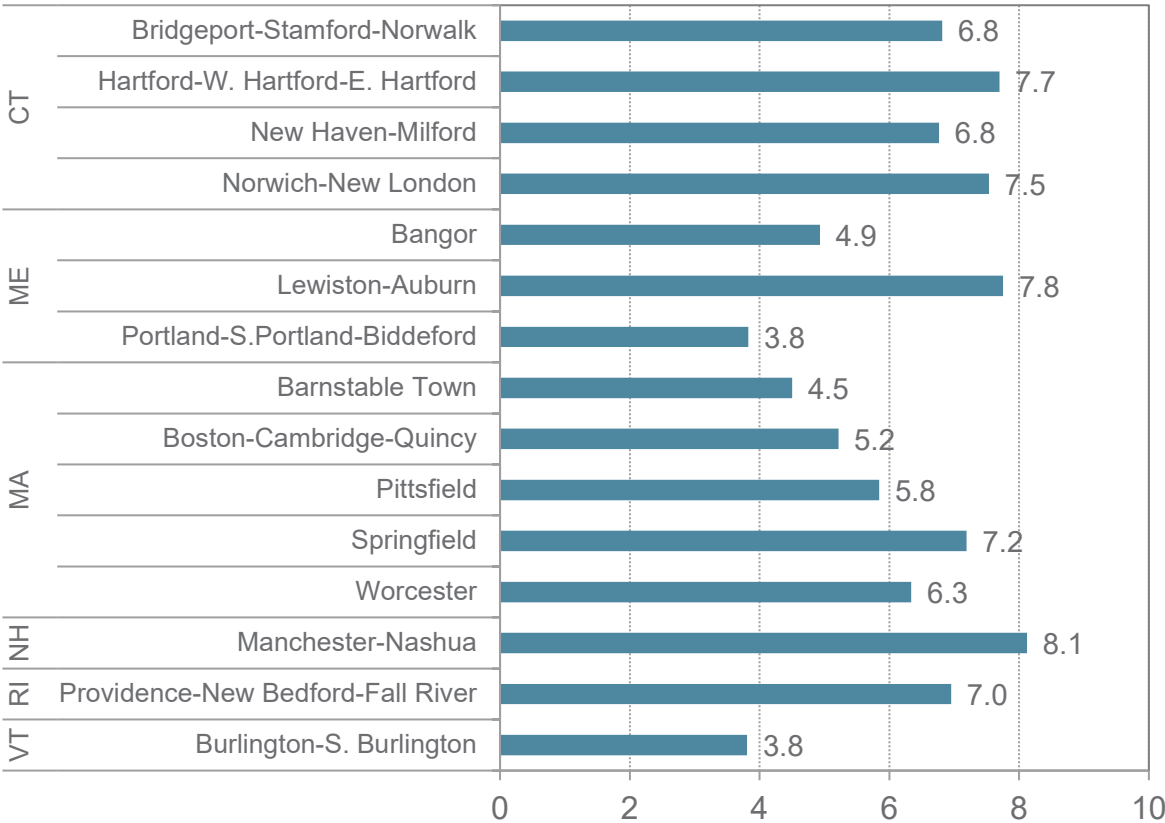
Repeat-Sales Home Price Index



Not seasonally adjusted.

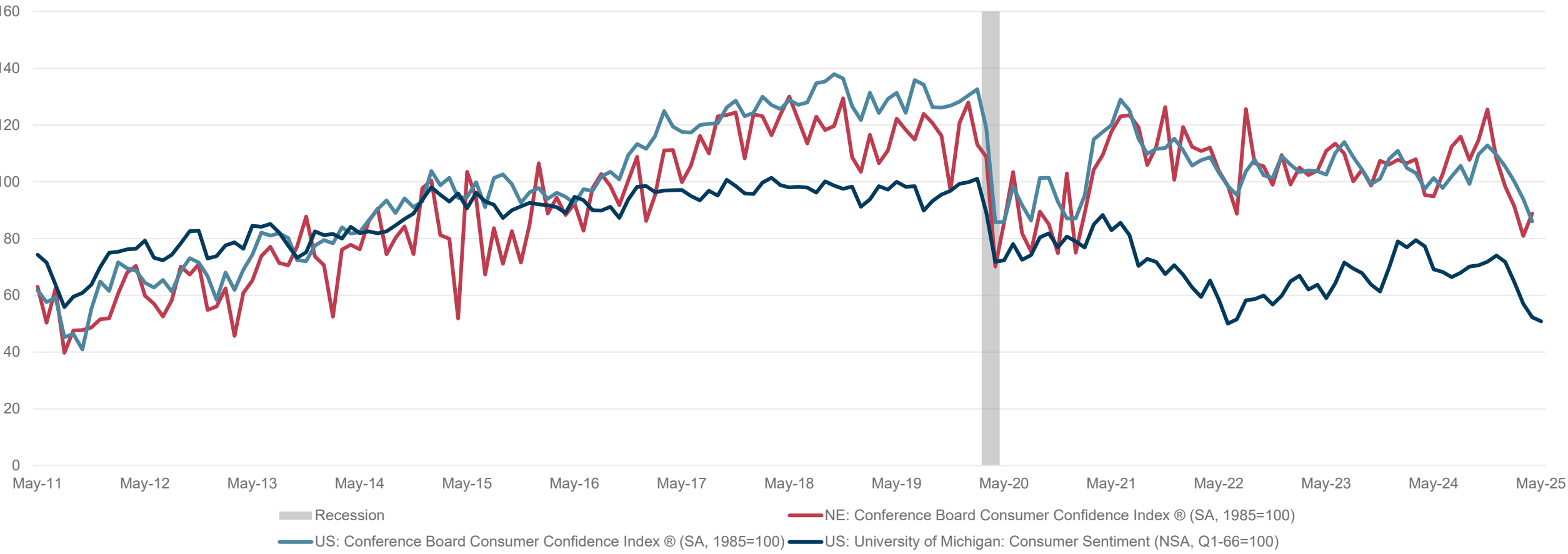
Source: FHFA, NBER, Haver Analytics, Federal Home Loan Mortgage Corporation

Percent Change, Q1 2024 - Q1 2025

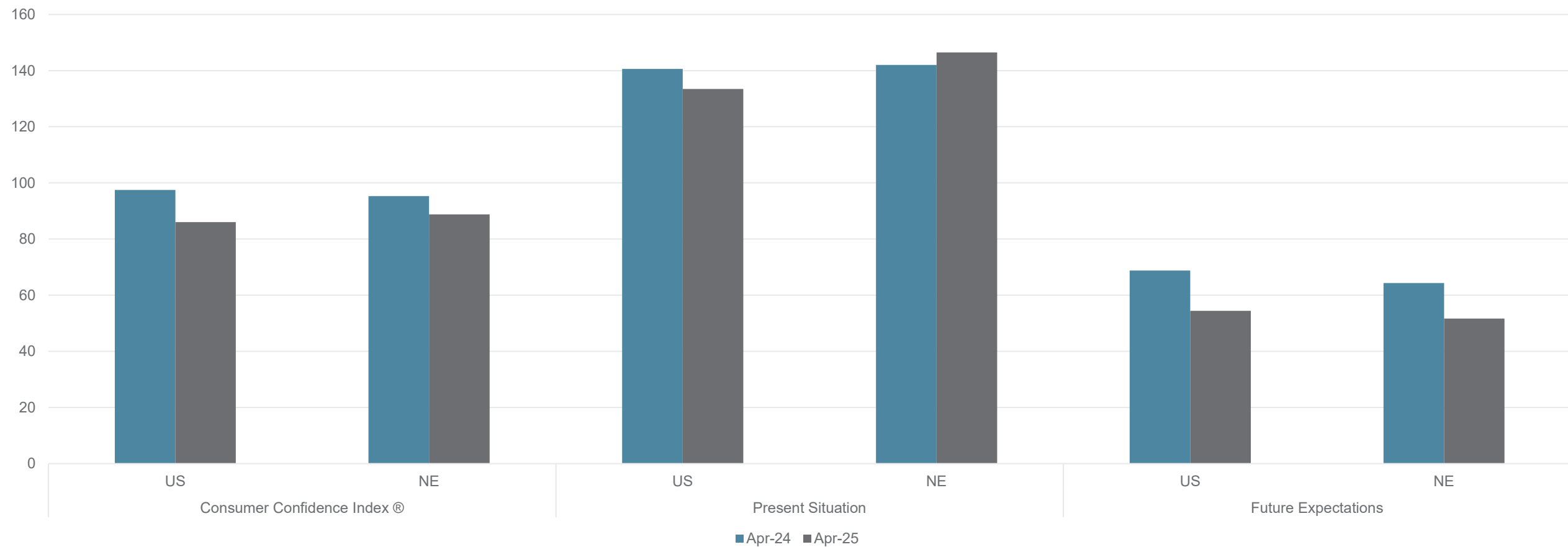


- ▶ Confidence and Expectations Measures
- ▶ A New state-level weekly economic activity index

Consumer Confidence Has Declined in Recent Months



Future expectations are the main drag on consumer confidence

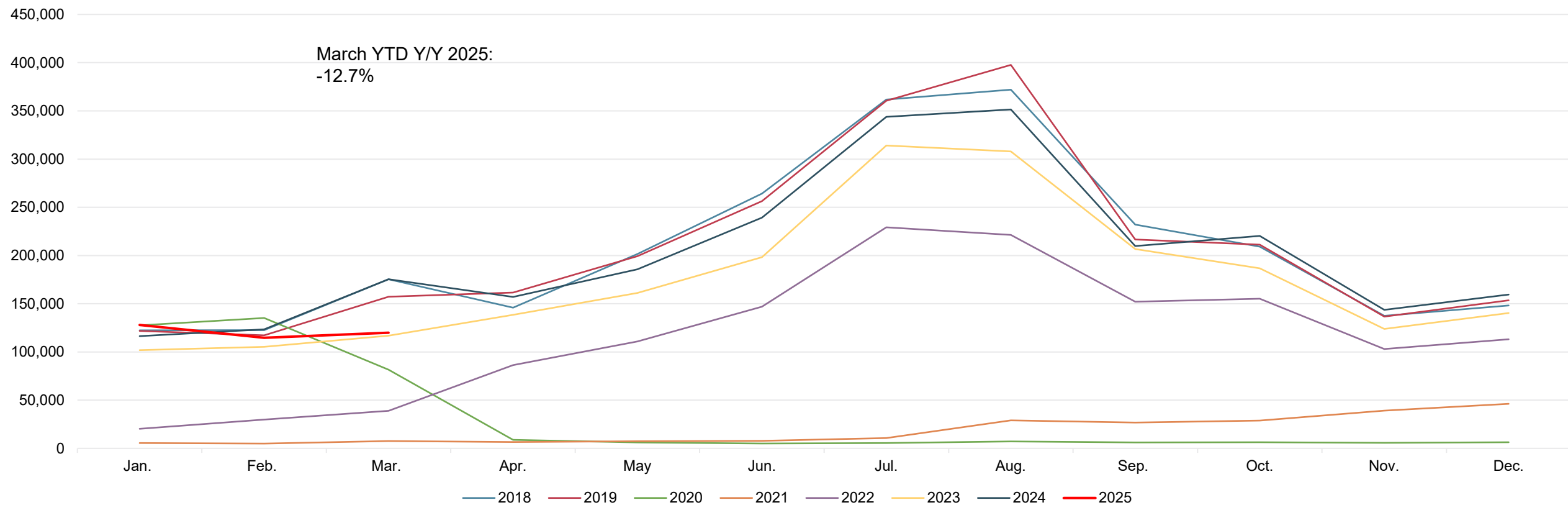


Seasonally adjusted

Source: The Conference Board, Haver Analytics

US Canada Border Crossings by Month 2018-2025

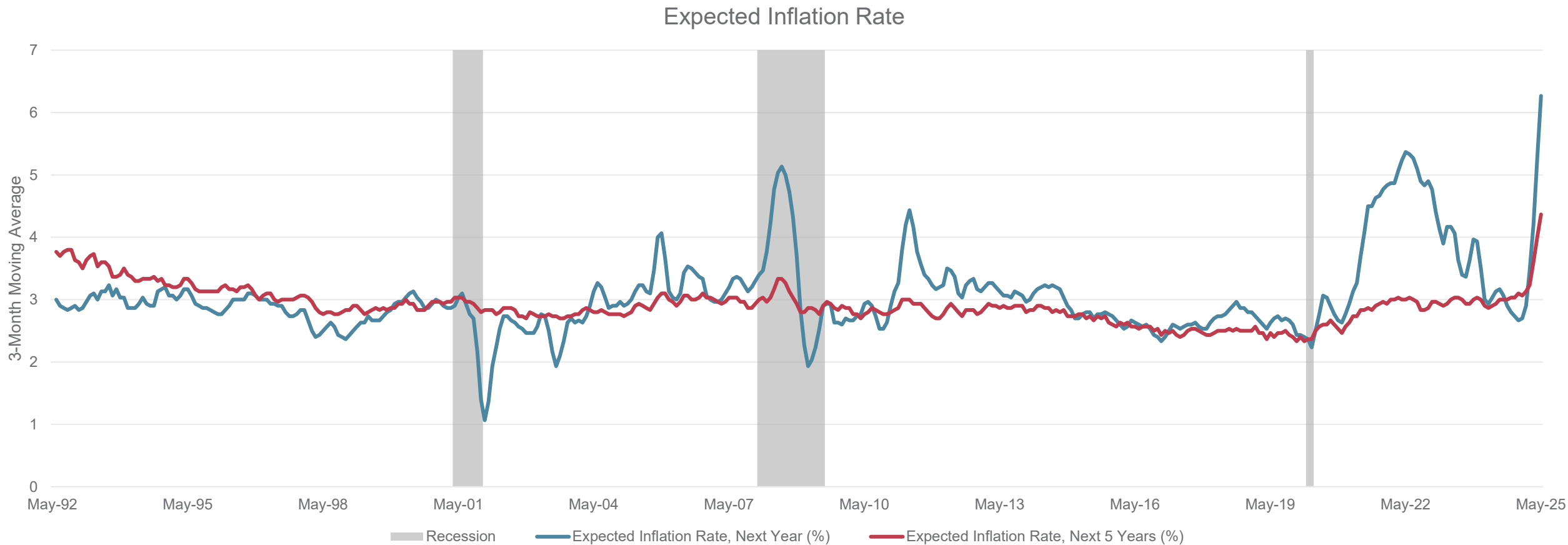
Vermont



Source: US Department of Transportation, Bureau of Transportation Statistics.

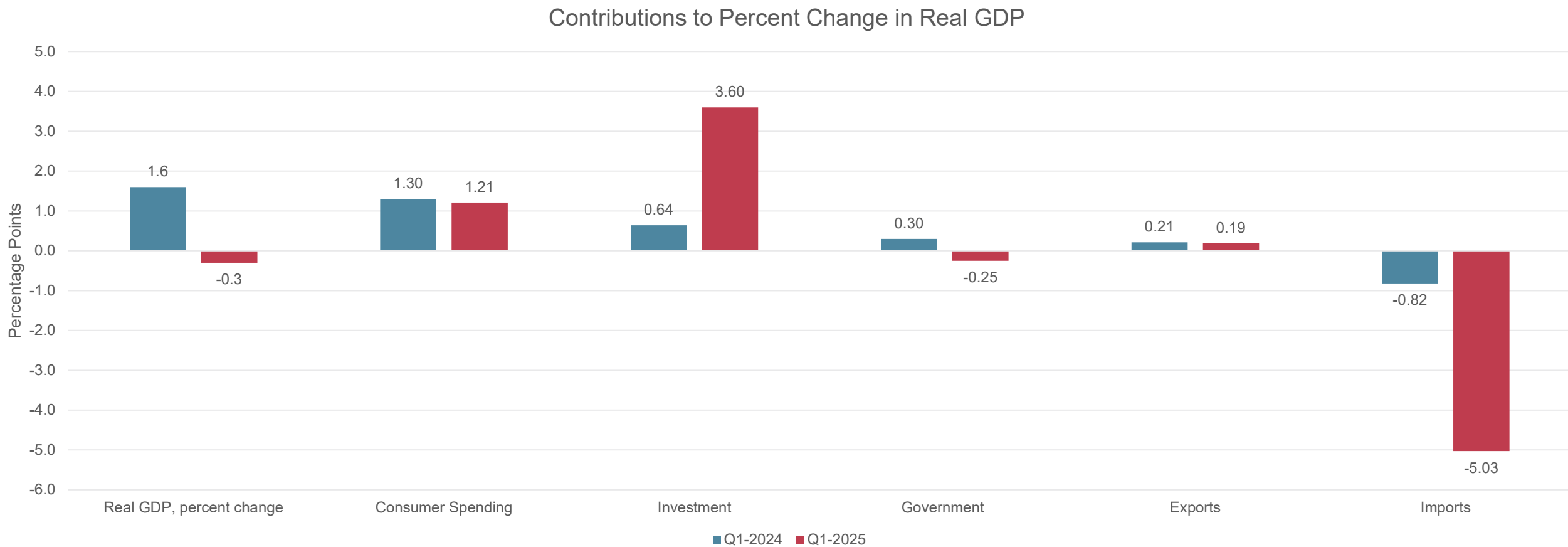
Note: Values represent the sum of pedestrians, bus passengers, personal vehicle passengers, and train passengers.

Expected Inflation Rate



Source: University of Michigan, NBER, Haver Analytics

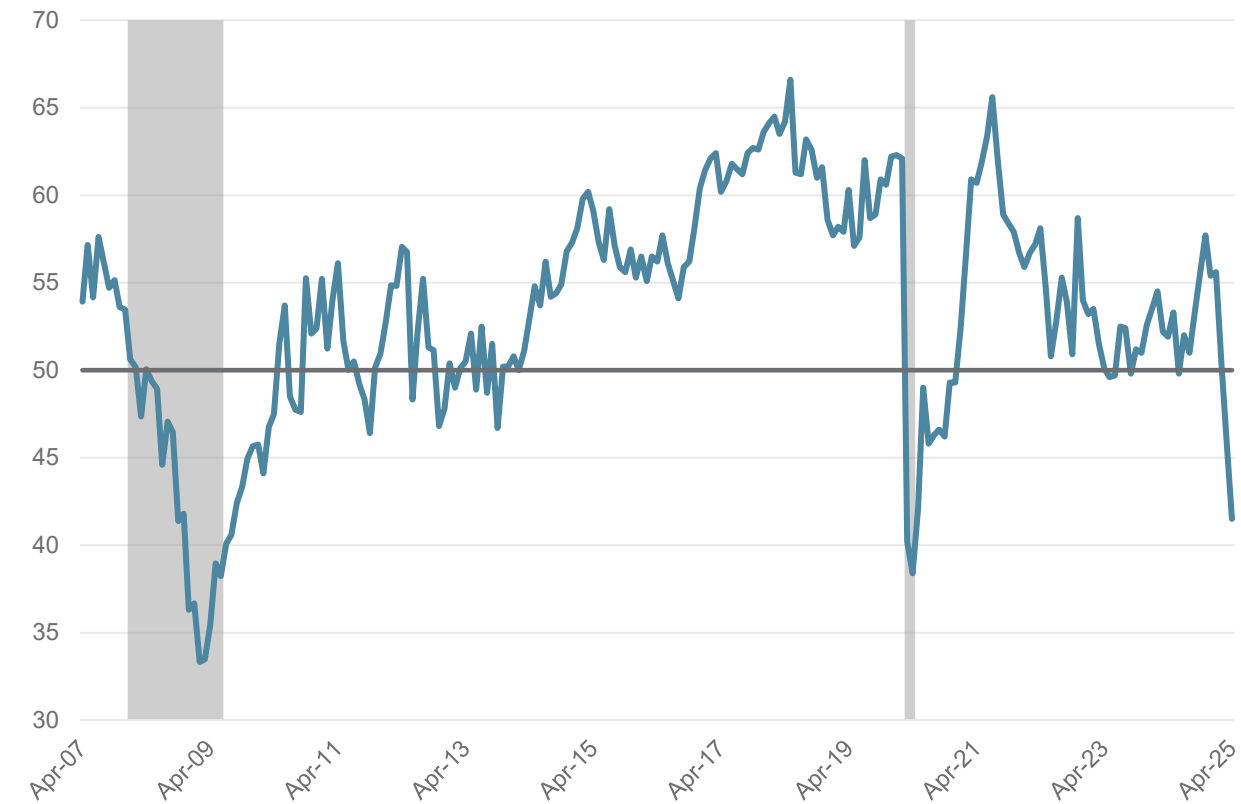
GDP Decomposition



Source: BEA

Business Confidence is in Contractionary Territory

Assoc. Industries of MA



ISM



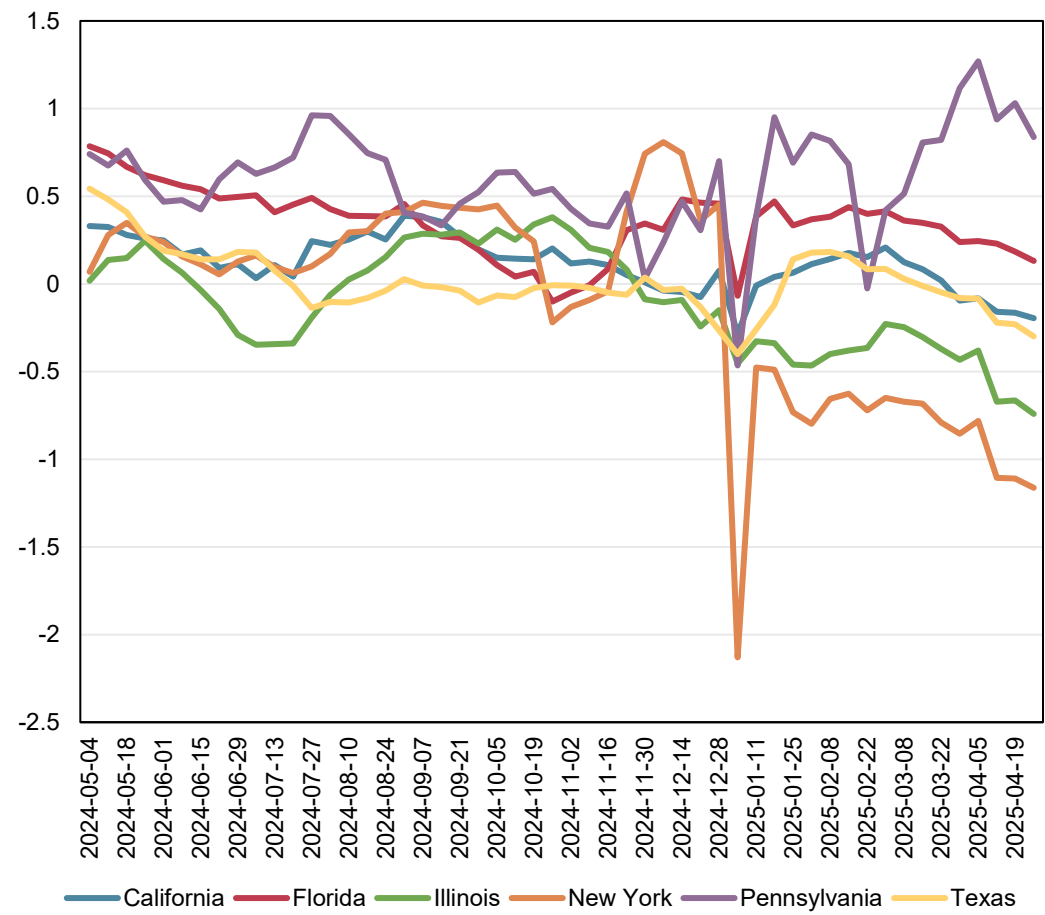
Source: Associated Industries of Massachusetts, Institute for Supply Management, NBER, Haver Analytics

▶ A New State-Level Economic Activity Index

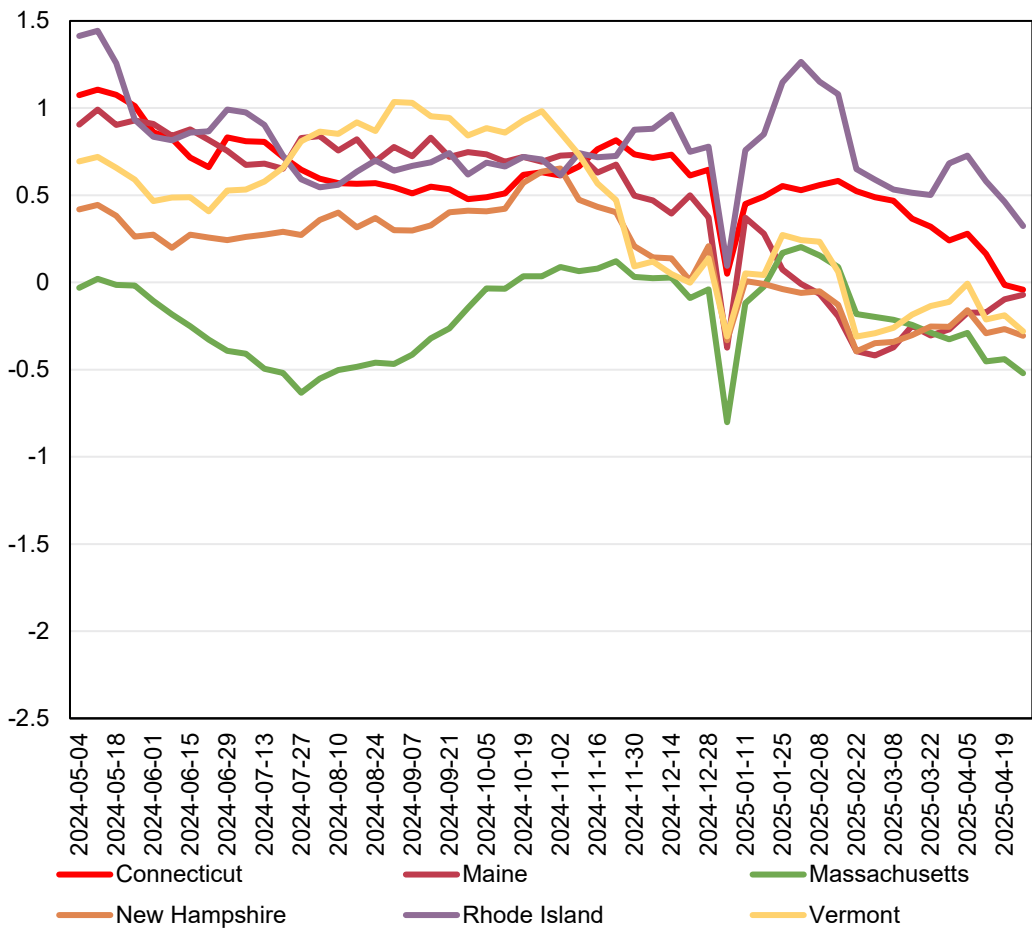
- ▶ Baumeister, Leiva-Leon, and Sims (2024) “Tracking Weekly State-Level Economic Conditions.” *The Review of Economics and Statistics* (2024) 106 (2): 483–504.

Weekly Economic Activity Index

a) States with Largest Population

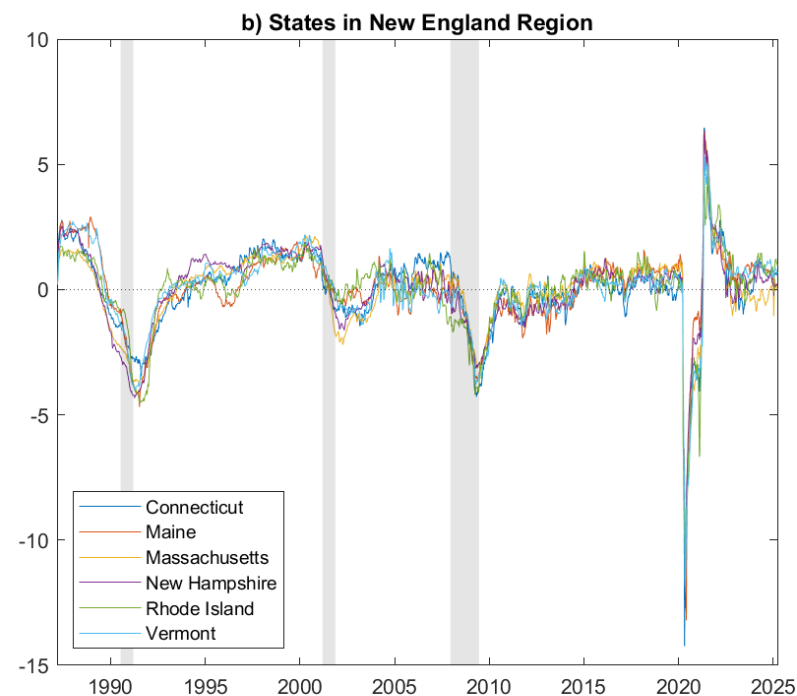
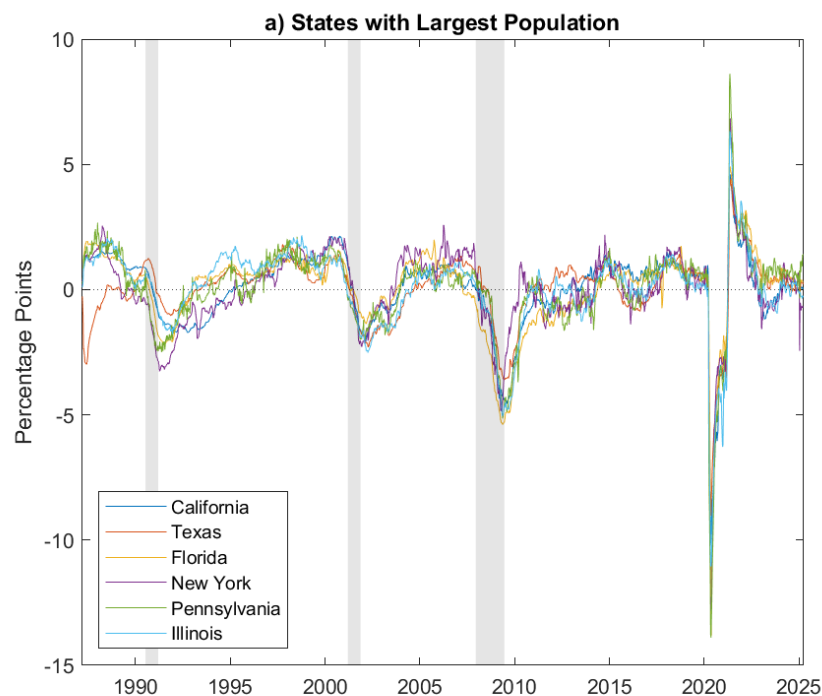


b) States in New England Region



Weekly State-Level Economic Conditions

Mar 7, 1987 – Mar 22, 2025



- ▶ The indices are expressed in percentage point deviation from four-quarter growth rates in U.S. national real GDP
- ▶ The weekly indices reproduce business cycle fluctuations at the state level

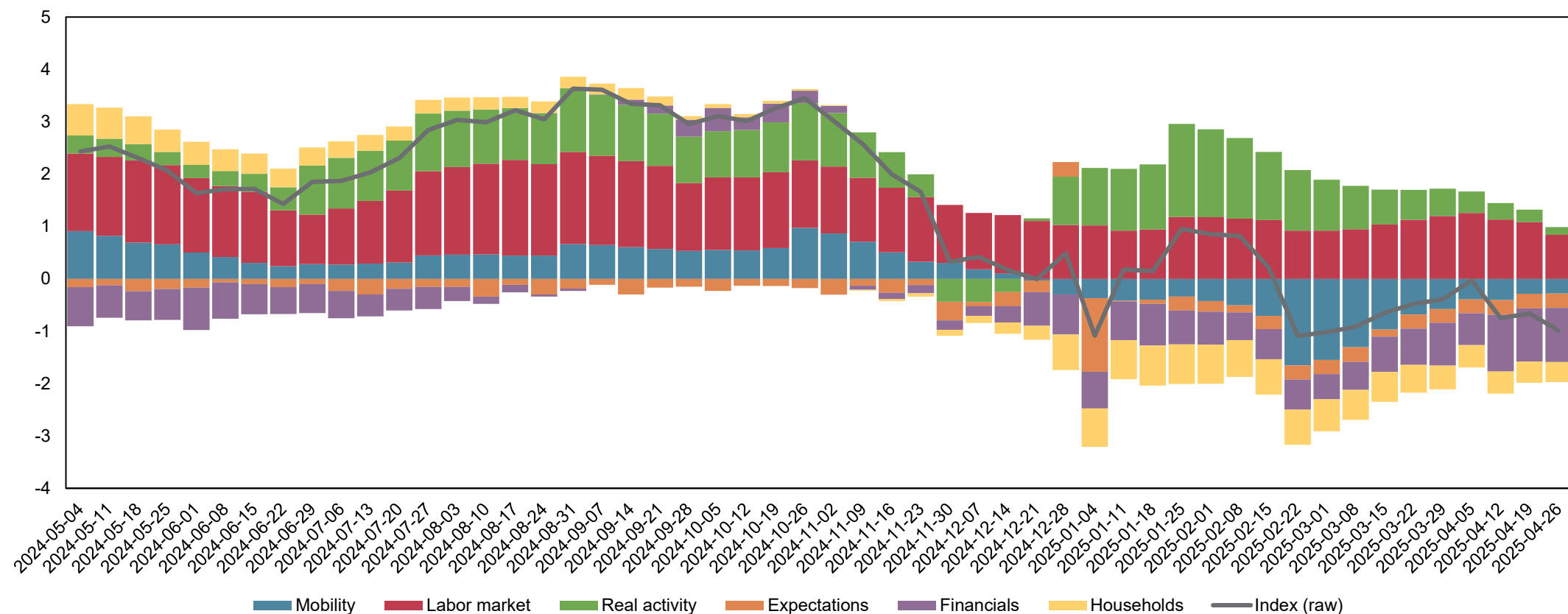
Database

Table 1. State-Level Dataset

Data category	Variables	Frequency	Geographic coverage	First observation
Mobility	Cellphone mobility index	Weekly	All States	Jan 13, 2020
	Retail gasoline price	Weekly	Subset**	May 22, 2000
	Vehicle miles traveled	Monthly	All States	Jan 2003
Labor Market	Initial unemployment insurance claims	Weekly	All States	Mar 1, 1986
	Continued unemployment insurance claims	Weekly	All States	Mar 1, 1986
	Total nonfarm employment	Monthly	All States	Jan 1960
	Unemployment rate	Monthly	All States	Jan 1976
	Average hours worked in manufacturing	Monthly	All States	Jan 2001
Real Activity	Coal production	Weekly	Subset**	Jan 7, 1984
	Oil rig counts	Weekly	Subset**	Jan 5, 1990
	Oil production	Monthly	Subset**	Jan 1981
	Electricity consumption	Monthly	All States	Jan 2003
	Real exports of goods [†]	Monthly	All States	Aug 1995
	Real GDP	Quarterly	All States	Q1:2005
Expectations	Business applications	Weekly	All States	Jan 7, 2006
	New housing permits	Monthly	All States	Jan 1988
	Consumer sentiment index	Monthly	All States	Mar 1978
	Manufacturing sentiment index	Monthly	Subset**	varying
Financials	Municipal bonds: yield to maturity	Weekly	All States	Dec 3, 2011
	Municipal bonds: performance	Weekly	All States	Jun 11, 2010
	Real trade-weighted value of the dollar	Monthly	All States	Jan 1988
Households	Credit and debit card spending	Weekly	All States	Jan 24, 2020
	Real wage and salary income [†]	Quarterly	All States	Q1:1980
	Real home price index [†]	Quarterly	All States	Q1:1975

Decomposition of Economic Activity Index

Vermont



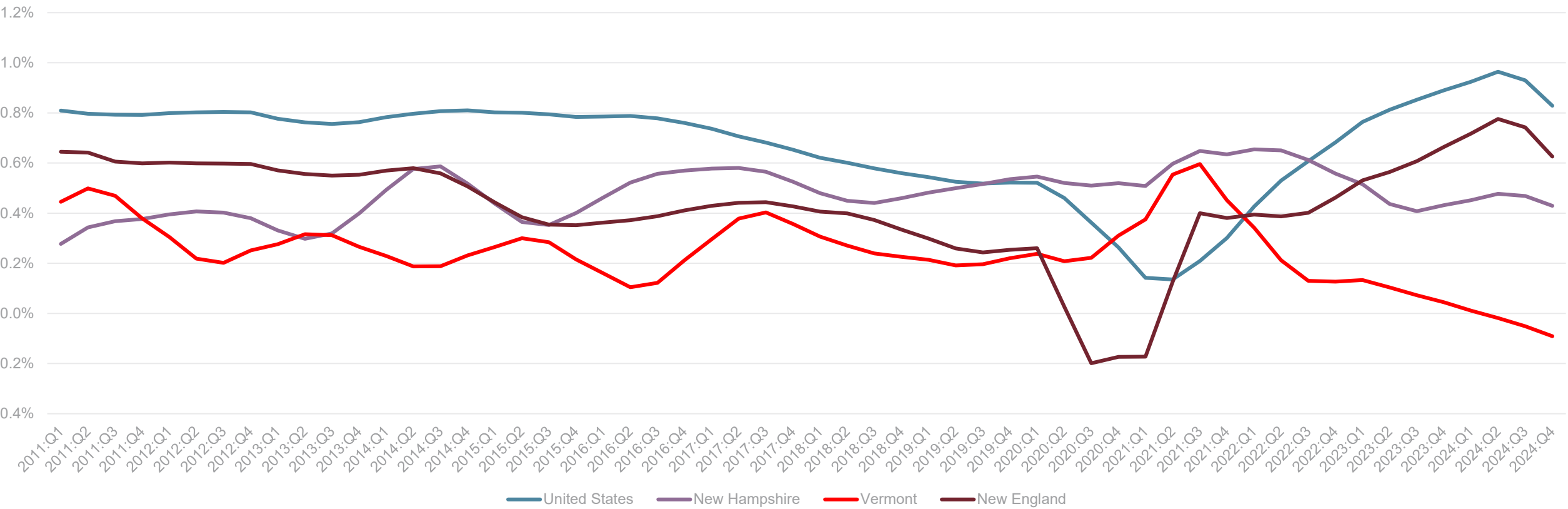
New England Regional Topics

- ▶ Challenges for Vermont – highlighted in NEPPC Research
 - ▶ Population Growth and Change
 - ▶ Access to Nursing Home Care
 - ▶ Availability of Child Care (VT)

- ▶ Boston's Beige Book

Population Growth.... Or Not?

Population Growth (y/y % change)



BEA Quarterly population data

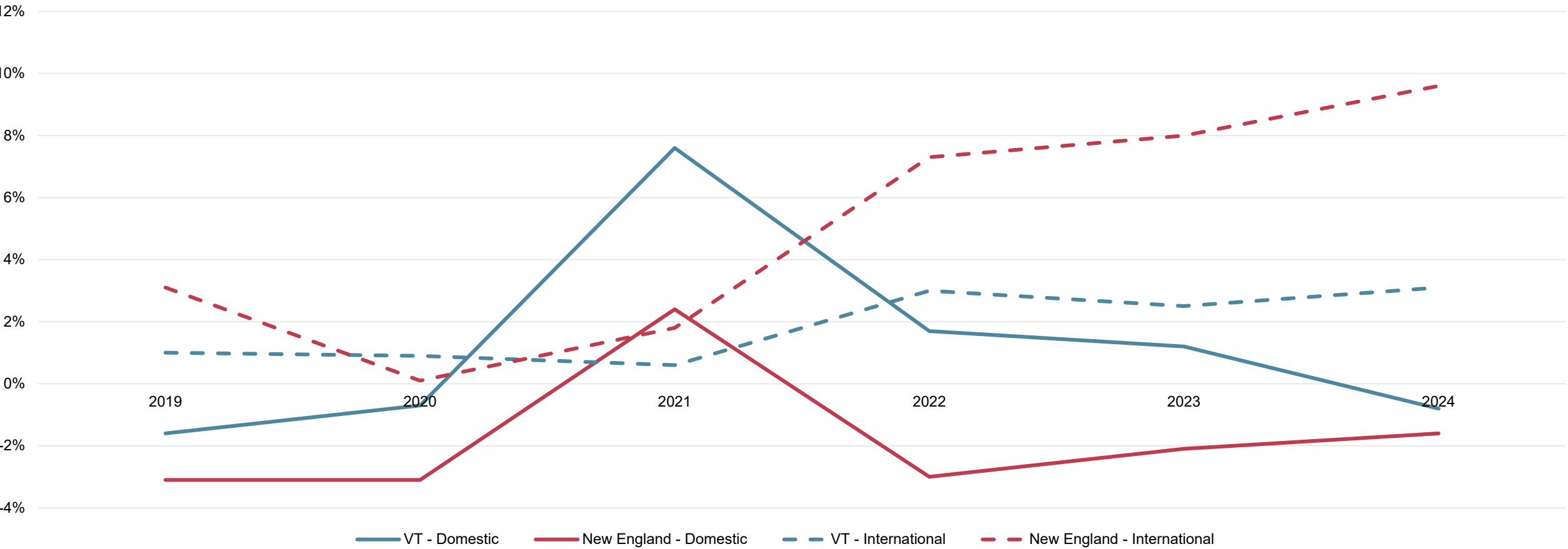
Figure 6: Average Quarterly Net Domestic Migration Rate, by Origin/Destination
New England States, 2017 to 2024



Note(s): Quarterly net domestic migration rates are calculated as the number of US residents who move to a geographic area minus the number who leave that area. The rate is expressed as the number per 1,000 residents aged 25 and older of the area and averaged by period (2017 through 2019, 2020 through 2022, and 2023 to 2024). The 2023–2024 estimate is based on quarterly rates from 2023:Q1 through 2024:Q2.

Source(s): Author's calculations based on data from the New York Fed/Equifax Consumer Credit Panel, years 2017 to 2024.

Domestic and International Migration 2019 to 2024

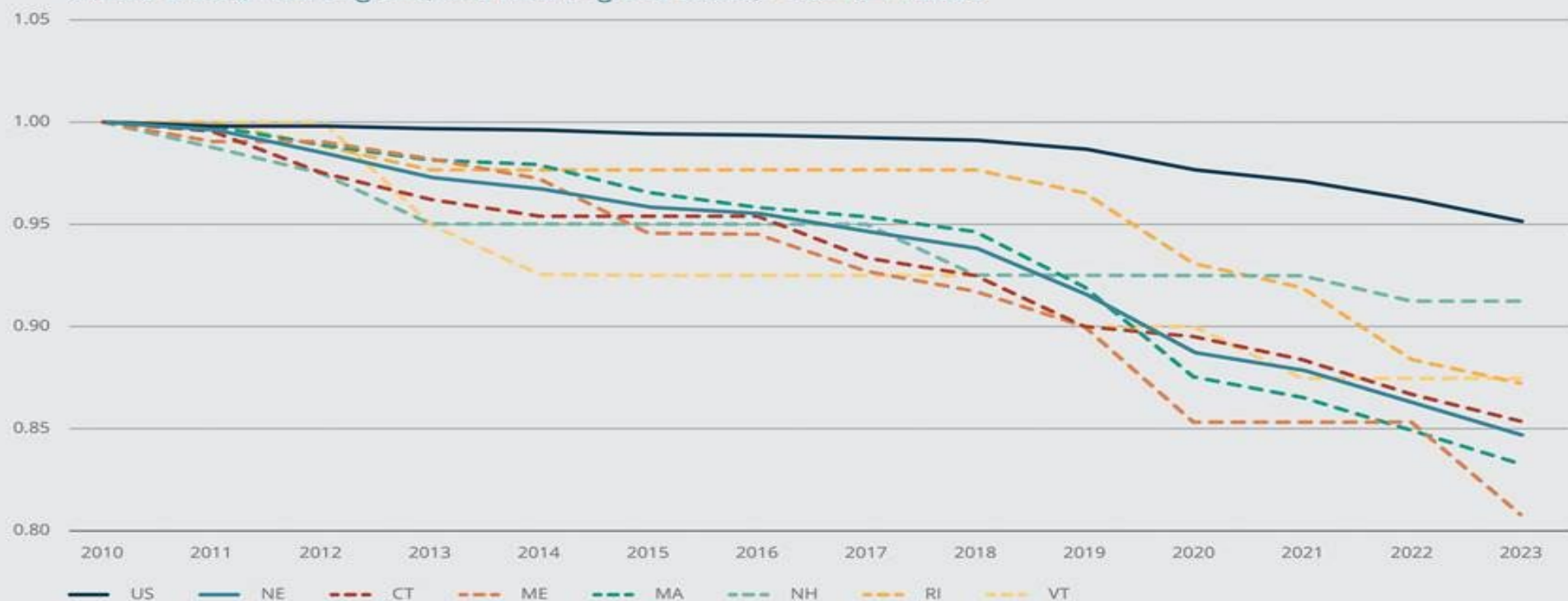


Sources: Staff's Calculations, Census Bureau, and Haver Analytics

Nursing Home Closures in New England: Impact on Long-term Care, Labor Markets

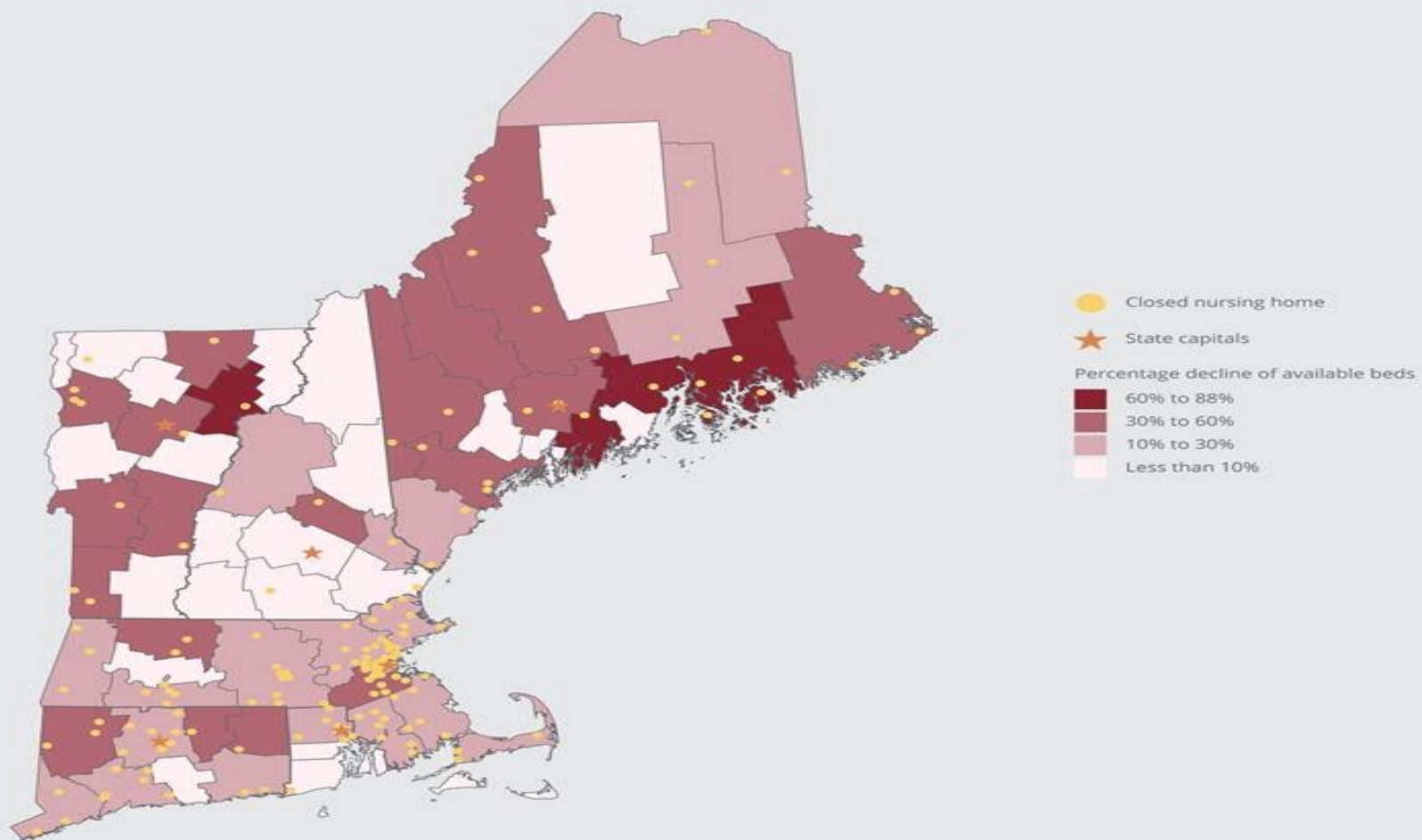
Figure 1: Number of Nursing Homes, Indexed to Fiscal Year 2010

United States, New England, and New England states, FY:2010–FY:2023



Source(s): Author's calculations from Centers for Medicare and Medicaid Services Quality, Certification & Oversight Reports, fiscal years 2010 through 2023.

Figure 2: Nursing Home Closures since FY:2011
New England states, to January 2024

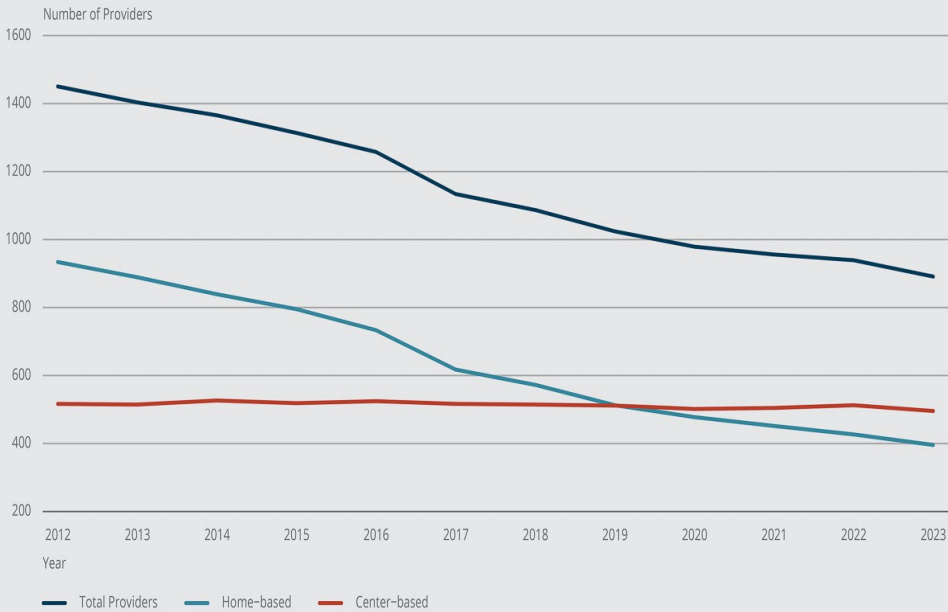


Source(s): Author's calculations from Centers for Medicare and Medicaid Services Quality, Certification & Oversight Reports, fiscal year 2011 through January 2024.

Recent Trends in Vermont Licensed Childcare Providers: Implications for Childcare Supply, Costs, and Quality

Figure 1: Number of Vermont Childcare Providers

By Provider Type, 2012–2023

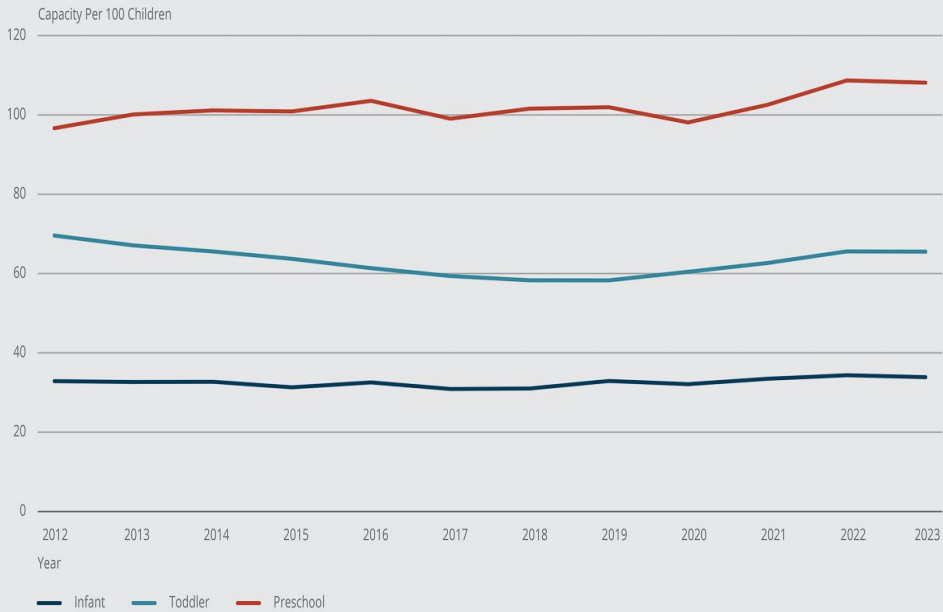


Note: Excluding school-age-only programs.

Source: Authors' calculations based on data from the Vermont Department for Children and Families.

Figure 3: Vermont Childcare Capacity per 100 Children

By Age Group, 2012–2023

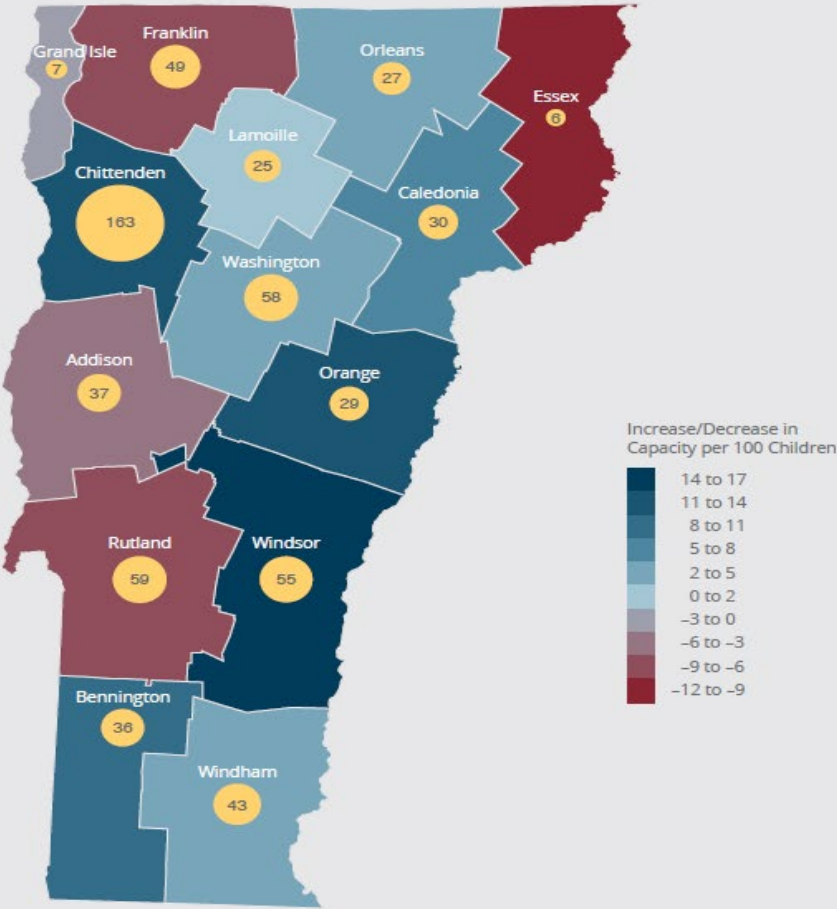


Note: Infants are defined as those younger than age 2, toddlers are age 2, and preschool age children are ages 3 and 4.

Source: Authors' calculations based on data from the Vermont Department for Children and Families. Population data from US Census Bureau.

Figure 4: Change in Vermont's Under-school-age Capacity per 100 Children, 2012 to 2023

By County, with 2023 Population in Thousands (in Yellow Circles)



Note: Under-school-age capacity per 100 children is equal to 100 times the sum of infant, toddler, and preschool capacity divided by the number of children younger than age 5. The number in each yellow circle denotes the 2023 population (in thousands) of the respective county. The size of the circle increases with the population.
Source: Authors' calculations based on data from the Vermont Department for Children and Families. Population data from the US Census Bureau.

▶ Boston's Beige Book

Continuing the Conversation – The Beige Book



- ▶ Qualitative report on economic conditions by Fed District
- ▶ Published eight times a year
- ▶ Gathers anecdotal information from businesses/other sources
- ▶ “The Beige Book offers valuable insights into real-time economic conditions across the region, providing essential information that helps guide our monetary policy decisions.” – Susan M. Collins, Boston Fed President and CEO

Help Improve Our Understanding of the Regional Economy



- ▶ The Boston Fed collects info for Beige Book through online surveys
- ▶ A survey takes ~10-15 minutes to complete
- ▶ Asks about revenues, cost pressures, local labor market trends, etc.
- ▶ Responses kept confidential and summarized for public Beige Book report
- ▶ To inquire about joining the sample, scan the QR code or e-mail riley.sullivan@bos.frb.org

Thank you.