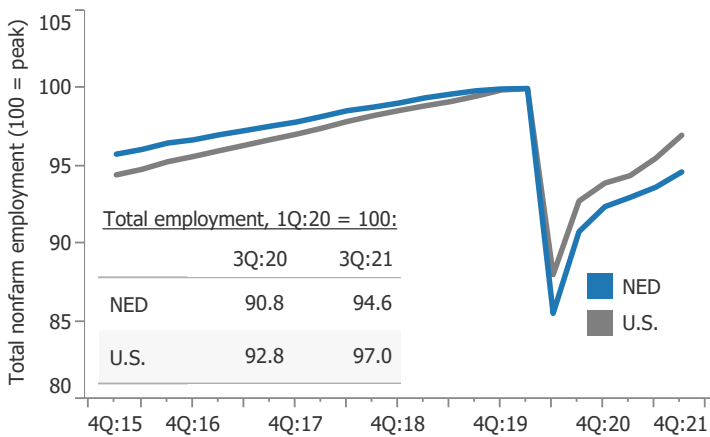


U.S. and NED hiring slowed in 3Q but rebound is underway

- Northeastern District (NED) employment remains well below its pre-pandemic peak, underperforming the U.S. average.** See Figure 1. District job growth slowed over the summer as the Delta surge restrained spending. But growth picked up in October as Delta headwinds faded. Supply chain issues persist but are expected to diminish, which could allow NED job growth to remain on a faster track into 2022. At the same time, workers have been slow to re-enter the labor force. Firms appear to be hiring the unemployed rather than attracting people from outside the labor force, despite higher wages. If low participation rates persist, this could eventually place a drag on NED job growth.
- NED sectors hardest hit by the pandemic, such as leisure and trade, have experienced the sharpest rebounds.** But job totals in these industries are still well below their prior peaks. Other sectors such as information and financial activities are close to regaining their pre-pandemic levels. Nonmanufacturing sectors experienced big job losses as pandemic restrictions depressed consumer spending on services. See Figure 2.

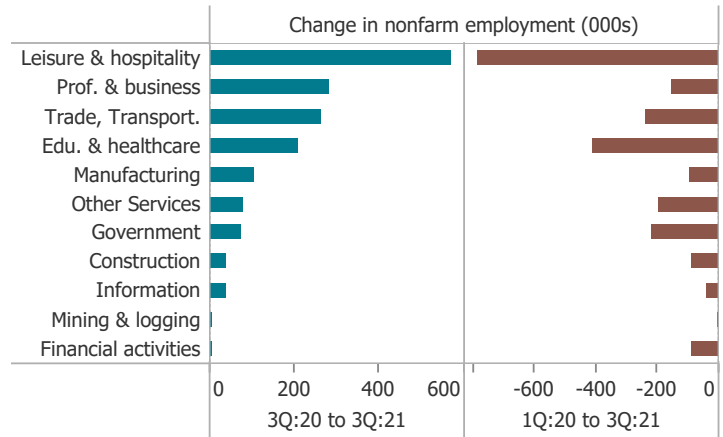
- States in the Southern portion of the NED generally experienced milder contractions than those in the Northern half due in large part to less severe lockdown restrictions.** Although in percentage terms the jobs' rebound in the Northern half has been slightly stronger due to base-year effects, Southern NED states are closer to regaining peak job levels. For example, NY employment is still 8.7 percent below its previous high, while MA and NJ remain more than 5.5 percent below their past peaks. By contrast, employment in the Carolinas is about 2 percent below pre-pandemic peaks. See Figure 3.
- Metros in the district's Southern half continued to outperform those in the Northern NED.** Employment is already above its pre-pandemic high in Greenville NC and close to peak levels in Raleigh as well as Durham-Chapel Hill NC. By contrast, New York/Newark/Jersey City, Atlantic City, Johnstown PA, and several other metros in the Northern NED experienced severe downturns and employment in these areas remains 8 percent or more below pre-pandemic peaks. See Figure 4.

Figure 1: NED economy is rebounding but continues to underperform the U.S.



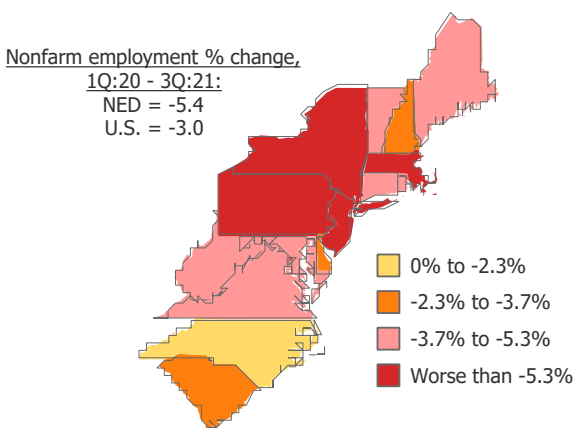
Source: BLS (data through September 2021)

Figure 2: Hardest hit sectors are recovering rapidly but employment remains well below peak levels



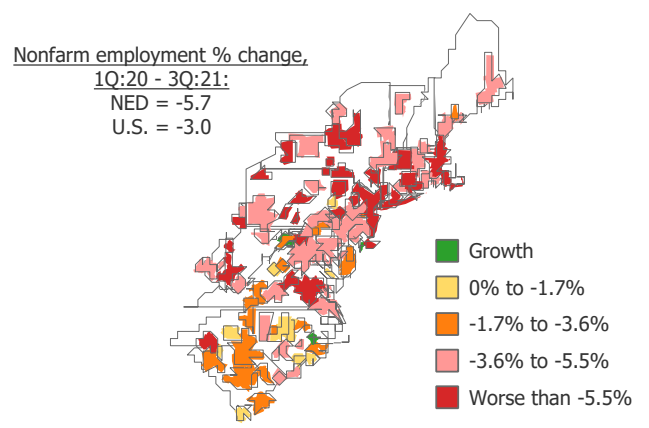
Source: BLS (data through September 2021)

Figure 3: States in the Southern NED continue to overperform those in the Northern portion



Source: BLS (data through September 2021)

Figure 4: Many Southern NED metros are close to recovering the jobs lost to the pandemic



Source: BLS (data through September 2021)