

Pioneer Valley Economic Indicators
1/30/2008

	October 2006	September 2007	October 2007	Change Since Same Month Last Year	Change Since Last Month
Unemployment Rate	5.0%	4.9%	4.3%	-0.7%	-0.6%
Labor Force	315,141	308,892	312,087	-1.0%	1.0%
Total Employment	299,333	293,836	298,648	-0.2%	1.6%
New Unemployment Insurance Claims	3,081	2,424	3,063	-0.6%	26.4%
Total Unemployment Insurance Claims	6,746	6,804	6,740	-0.1%	-0.9%
Manufacturing Employment	38,400	35,300	35,600	-7.3%	0.8%
Manufacturing Average Weekly Wage ¹	\$609.62	\$596.40	\$ 599.85	-1.6%	0.6%
Residential Building Permits	65	74	70	7.7%	-5.4%
Single Family Home Sales	494	425	418	-15.4%	-1.6%
Single Family Home Median Price ¹	\$ 157,273	\$ 153,345	\$ 153,403	-2.5%	0.0%

1 - Constant 2000 dollars, adjusted using the Consumer Price Index for Urban Consumers in the Northeast.

Sources: U.S. Bureau of Labor Statistics, CES and LAUS; U.S. Department of Housing and Urban Development, State of the Cities Data System (SOCDS); Massachusetts Department of Employment and Training; the Warren Group.

Analysis

The October 2007 unemployment rate in the Pioneer Valley region, at 4.3 percent, was down 0.7 percentage points from October of 2006, and down 0.6 percentage points from the prior month (September 2007).

The decrease in the region's unemployment rate resulted from the size of the region's labor force decreasing more than total employment. Between October of 2006 and October of 2007, labor force size and total employment decreased by 0.1 and 0.2 percent respectively.

Between October of 2006 and October of 2007, new and total claims for unemployment insurance decreased by 0.6 and 0.1 percent respectively. Also, the October 2007 claims were up from September by 26.4 percent for new claims and -0.9 percent for total claims.

While manufacturing employment and wages were relatively stable in 2005, the downward trend appears to have returned in 2006 and continues in 2007, with manufacturing employment and average weekly wages (after adjusting for inflation) falling by 7.3 and 1.6 percent respectively between October of 2006 and October of 2007.

Even though new residential unit permits rose by 7.7 percent from October 2006, there is still an overall trend in the continued slowdown in new residential construction.

Finally, the slowing pace of the housing market nationally is being felt in the Pioneer Valley region as the number of existing single family homes sold in October of 2007 was down 15.4 percent from the same month in 2006. Furthermore, the median price of existing single family homes that have sold fell by 2.5 percent between October of 2006 and October of 2007. A October 2007 median price of \$153,403 is the lowest November median price since 2003, indicating the loss of some housing value gains made in the last two years.