



Labor Market Trends in the Metro South/West Region

By Robert Clifford

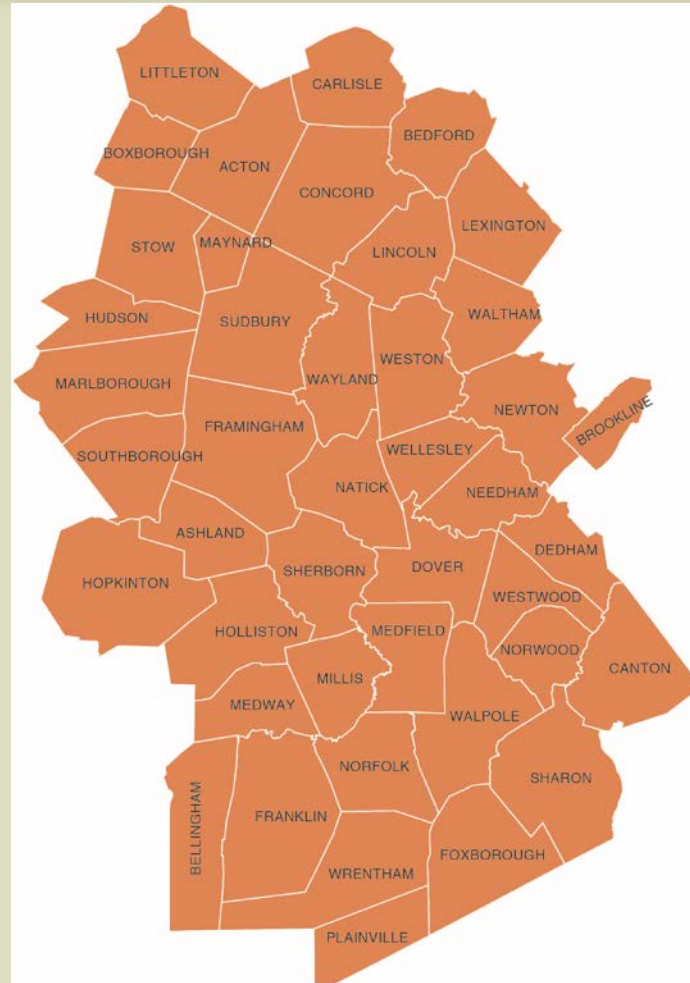
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A joint project of Commonwealth Corporation
and New England Public Policy Center of the
Federal Reserve Bank of Boston

Motivation

- Promote better public policy by conducting objective research and analysis of regional economic/policy issues.
- Understand the long-term labor force challenges facing the regional labor markets in Massachusetts.
- Provide detailed data on labor supply and demand trends to support workforce development policy discussions at a local level.
- Build off the labor market work of Harrington and Fogg (2008) and the demographics research of Sasser Modestino (2009, 2010).

Metro South/West



Summary

- Metro South/West has had one of the strongest labor market recoveries coming out of the Great Recession.
- The region employs one of the most highly educated work forces in the state and has a strong demand for post-secondary educated labor.
- Demographics present the biggest challenge to the region due to a rapidly aging population.
- Metro South/West residents and employees are highly mobile, and the region's ability to attract mobile populations *may* mitigate *some* of these challenges.

Outline

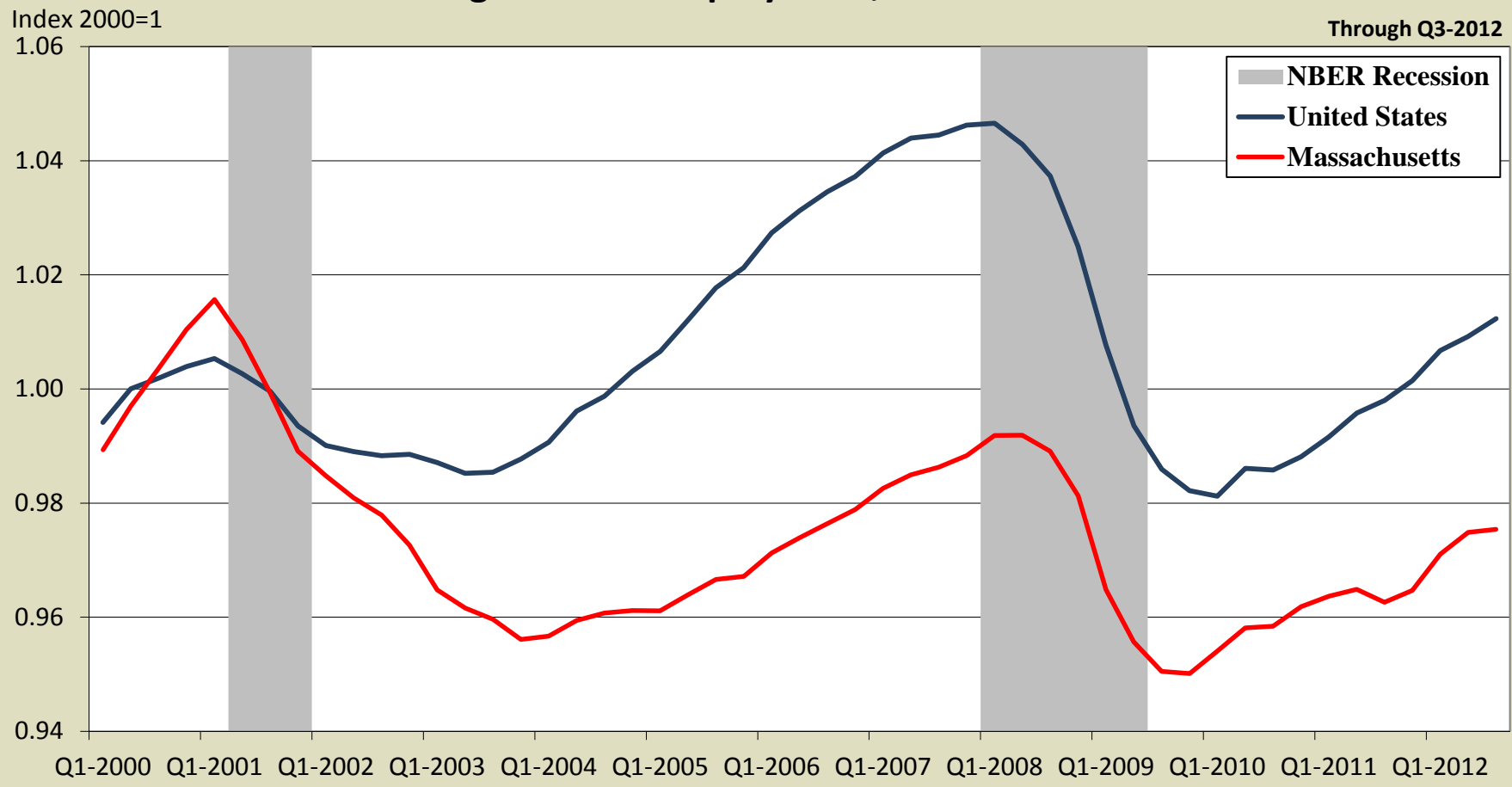
- Labor Market Performance
- Labor Supply
- Labor Demand
- The Pipeline: Educational Supply of Post-Secondary Degrees

Labor Market Performance

- National and State Employment Trends
- Performance of Regional Labor Markets
- Employment Trends by Industry in Metro South/West and Massachusetts

Massachusetts is still far below its peak employment levels of the early 2000's.

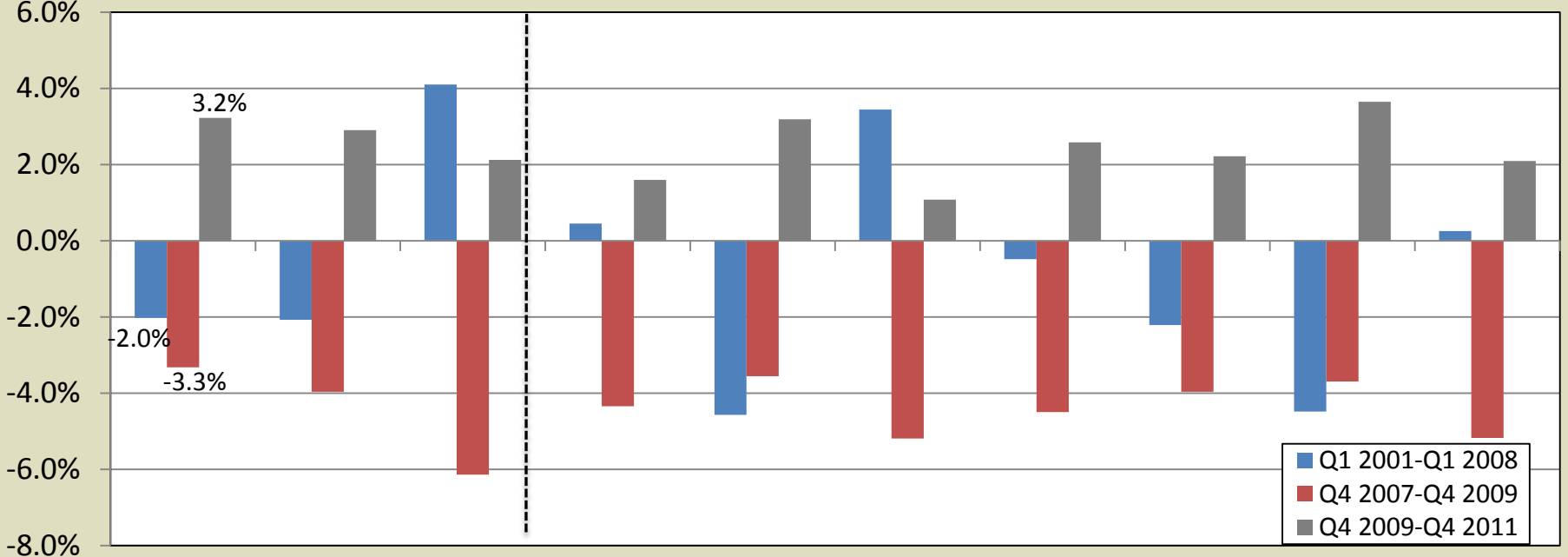
Total Non-Agricultural Employment, Q1-2000 to Q3-2012



Sources: U.S. Bureau of Labor Statistics, Current Employment Statistics.

Metro South/West leads regional employment growth through the earliest stages of the recovery.

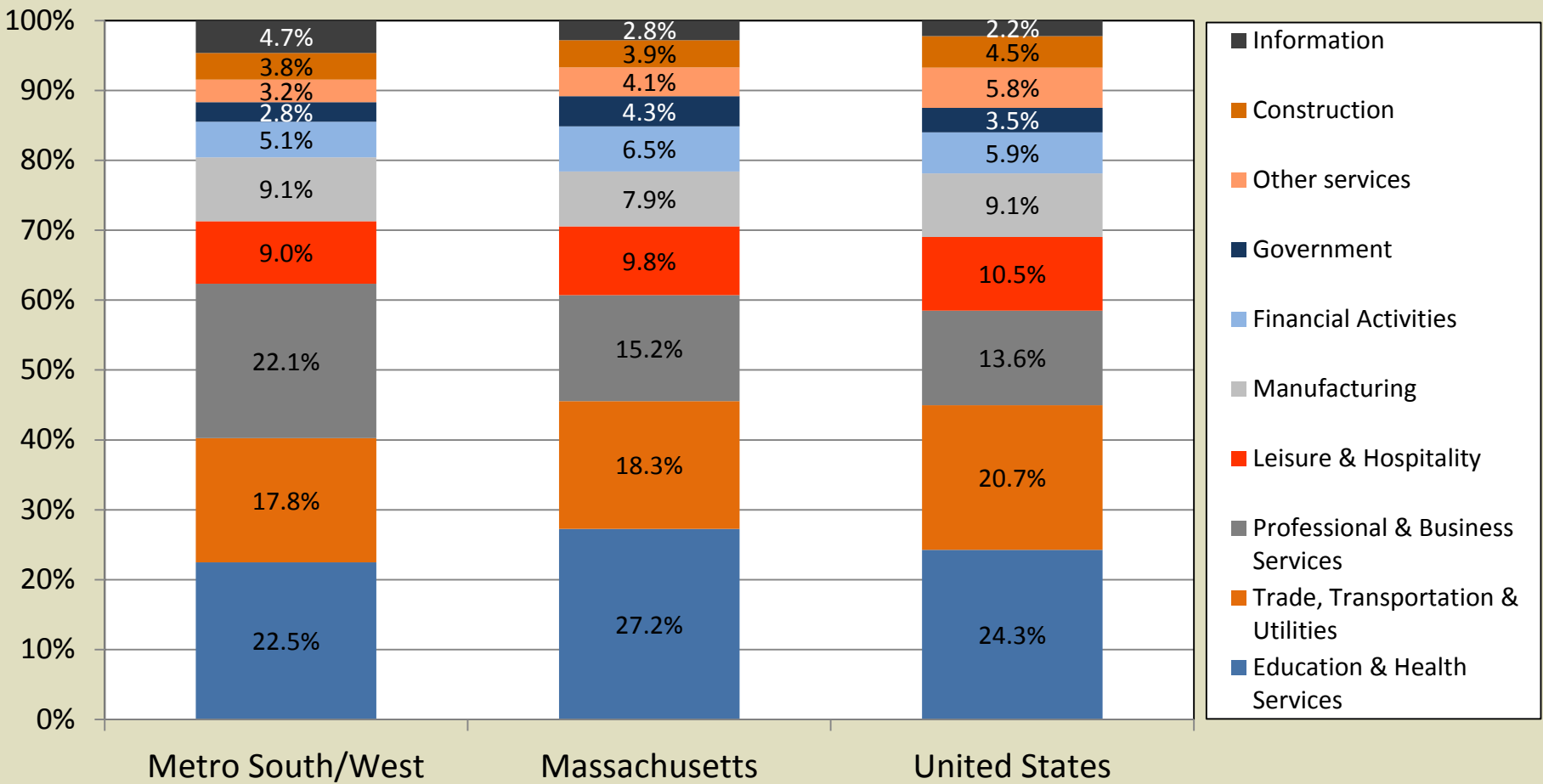
Total Growth Rates in Employment



Sources: Massachusetts Executive Office of Labor and Workforce Development (EOLWD), ES-202 and U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW).

The Metro South/West has a strong concentration in the Professional & Business Services industry.

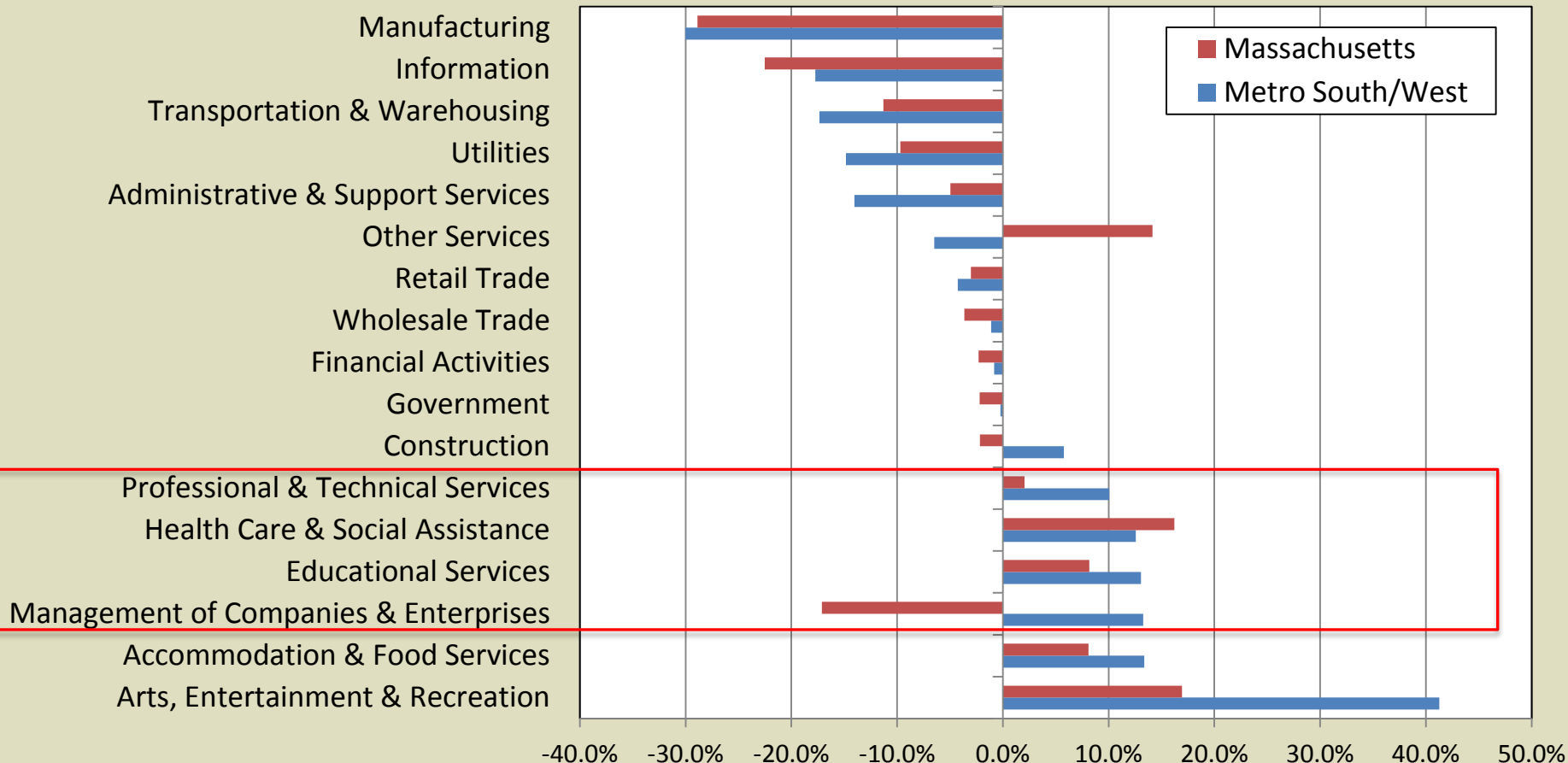
Employment Distribution by Supersector, Q4 2011



Sources: Massachusetts EOLWD, ES-202 and U.S. Bureau of Labor Statistics, QCEW.

Employment growth in major industries between recessions were concentrated in high-skill industries.

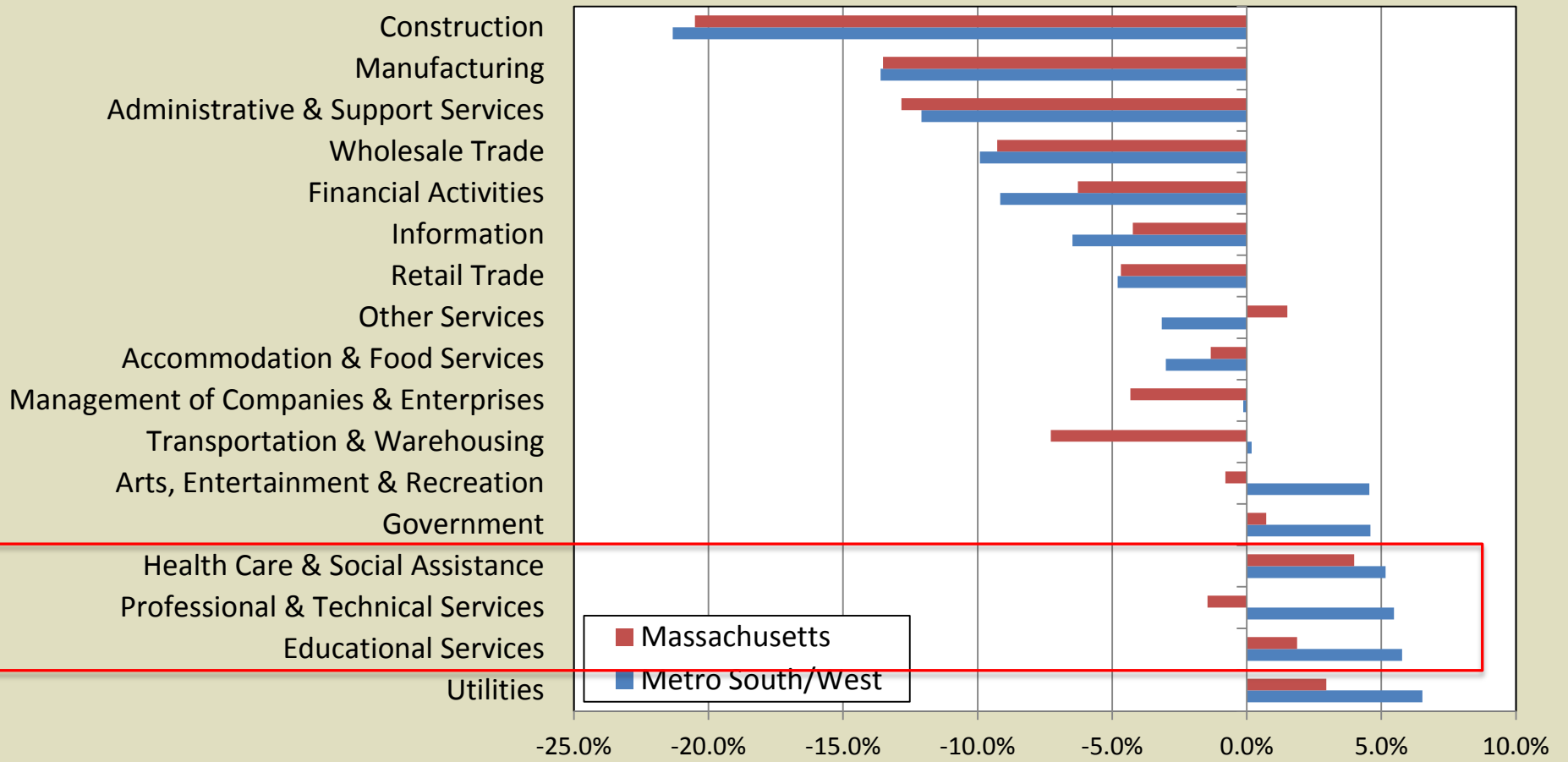
Employment Changes, Q1-2001 to Q1-2008



Sources: Massachusetts EOLWD, ES-202.

In the Great Recession Metro South/West continued to add jobs in its largest industries.

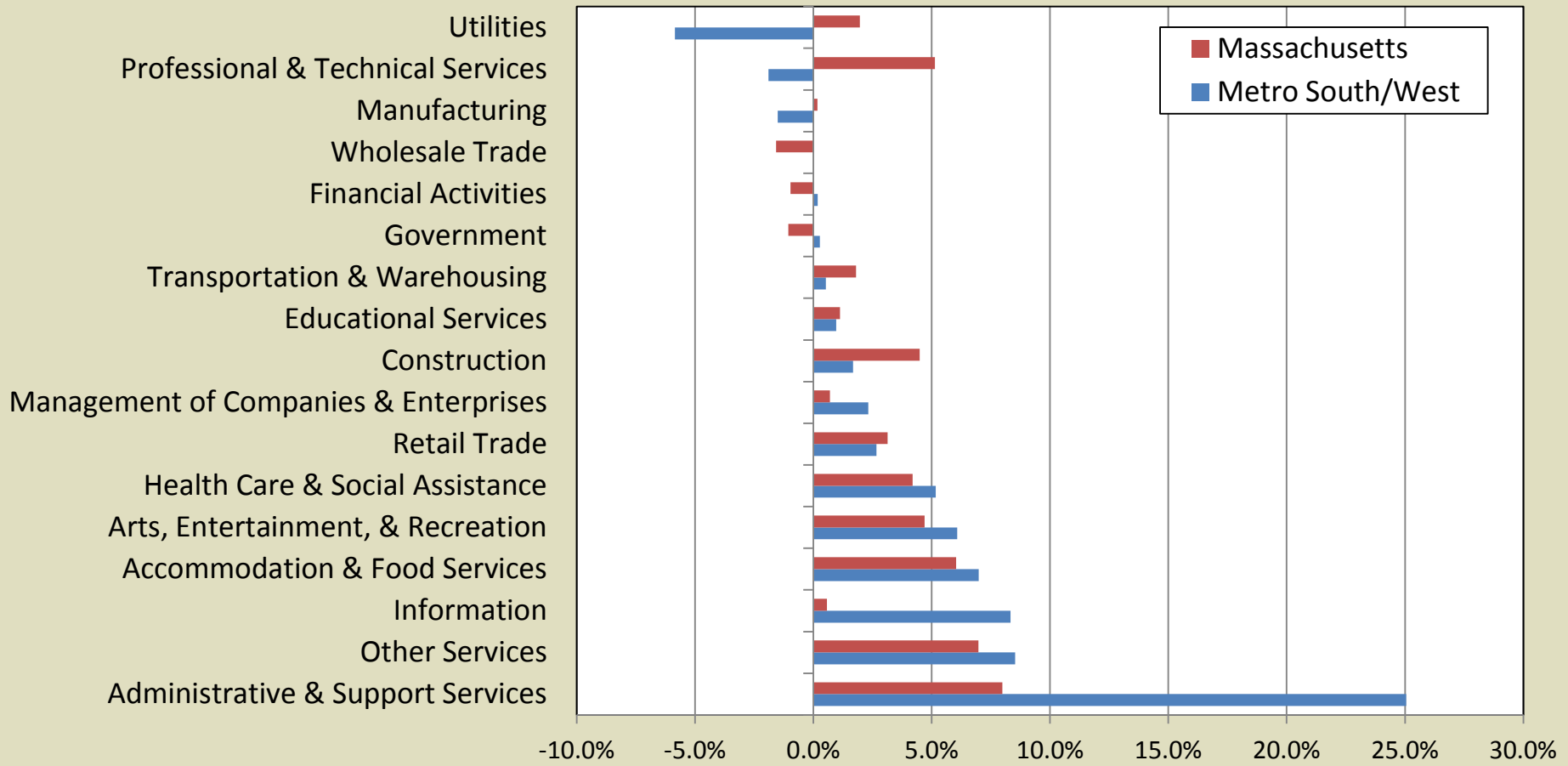
Employment Changes, Q4-2007 to Q4-2009



Sources: Massachusetts EOLWD, ES-202.

In the early stages of the labor market recovery Metro South/West has outpaced the state in most industries.

Employment Changes, Q4-2009 to Q4-2011



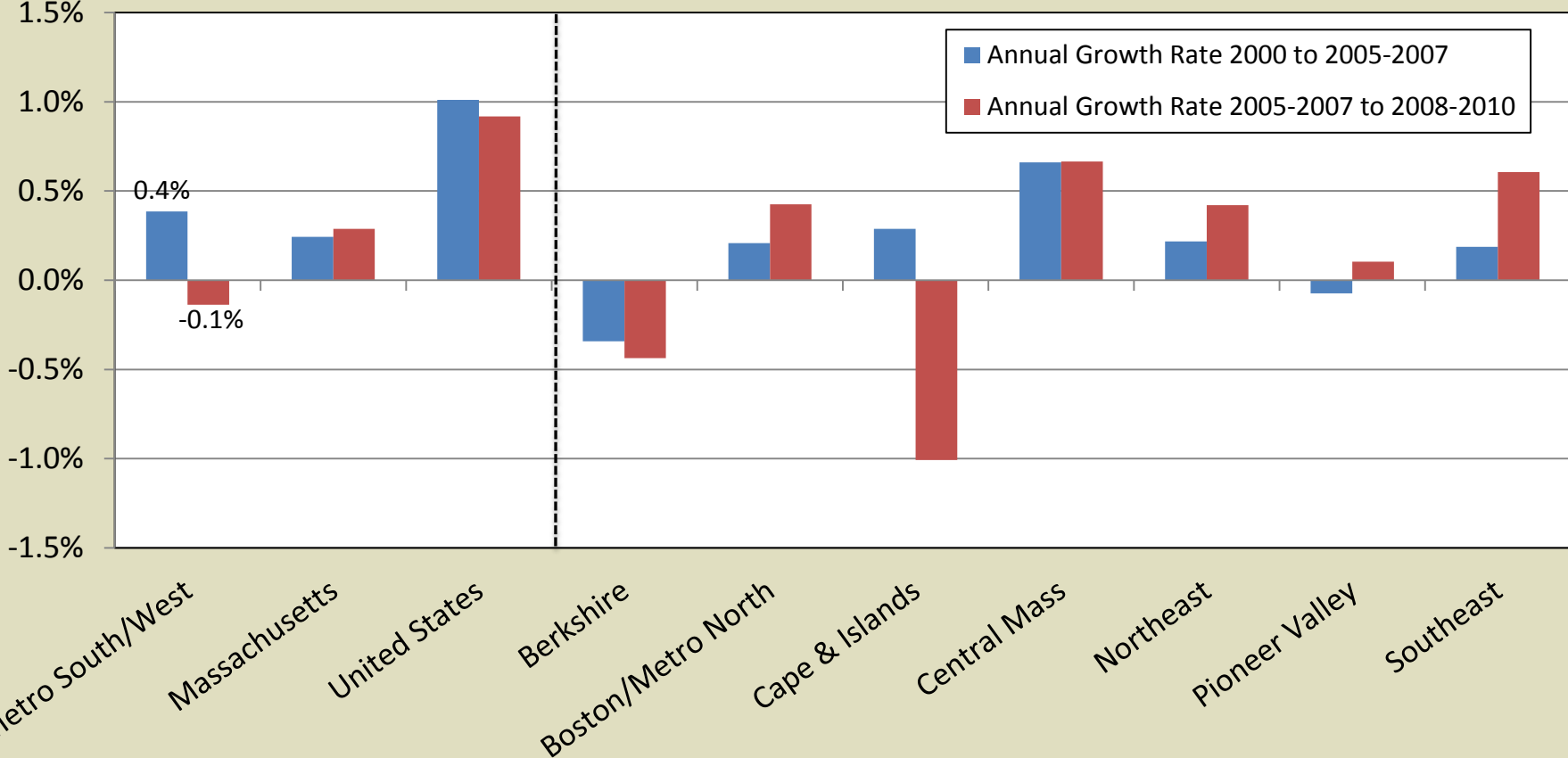
Sources: Massachusetts EOLWD, ES-202.

Labor Supply

- Residential Population Changes and Characteristics
- Age and Education of the Civilian Labor Force
- Trends and Characteristics of the Unemployed
- Commuting Patterns

After growing over the first half of the decade the population of Metro South/West has declined in recent years.

Total Residential Population Growth



Source: U.S. Census Bureau 2000 Decennial Census Public Use Microdata Samples (PUMS) data files, 2005-2007 and 2008-2010 American Community Survey (ACS) Public Use Micro Sample (PUMS) data files.

The region's population has become more diverse in the past decade.

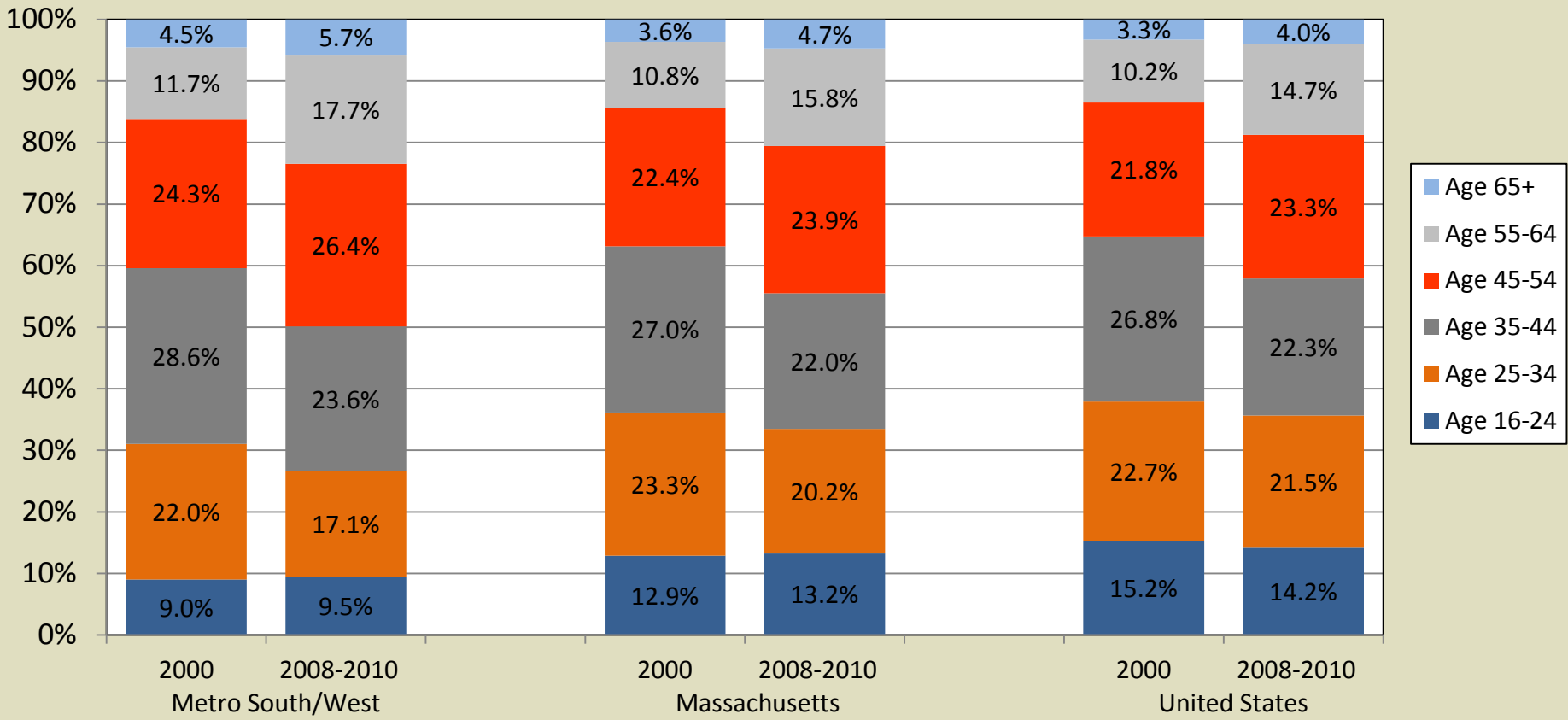
Demographic Characteristics of Metro South/West

	2000	2008-2010	Absolute Change	Annual Growth Rate
Resident Population	1,019,337	1,038,784	19,447	0.2%
<u>Gender</u>				
Male	486,222	504,845	18,623	0.4%
Female	533,115	533,939	824	0.0%
<u>Nativity</u>				
Native Born	877,860	859,444	-18,416	-0.2%
Immigrant	141,477	179,340	37,863	2.7%
<u>Race/Ethnicity</u>				
White, non-Hispanic	909,509	868,184	-41,325	-0.5%
Black, non-Hispanic	16,142	22,322	6,180	3.7%
Asian, non-Hispanic	47,857	75,701	27,844	5.2%
Hispanic	27,933	48,259	20,326	6.3%
Other race, non-Hispanic	17,896	24,318	6,422	3.5%

Source: U.S. Census Bureau 2000 Decennial Census PUMS data files and 2008-2010 ACS PUMS data files.

Metro South/West has one of the older labor forces in Massachusetts with 50 percent over 45 years old.

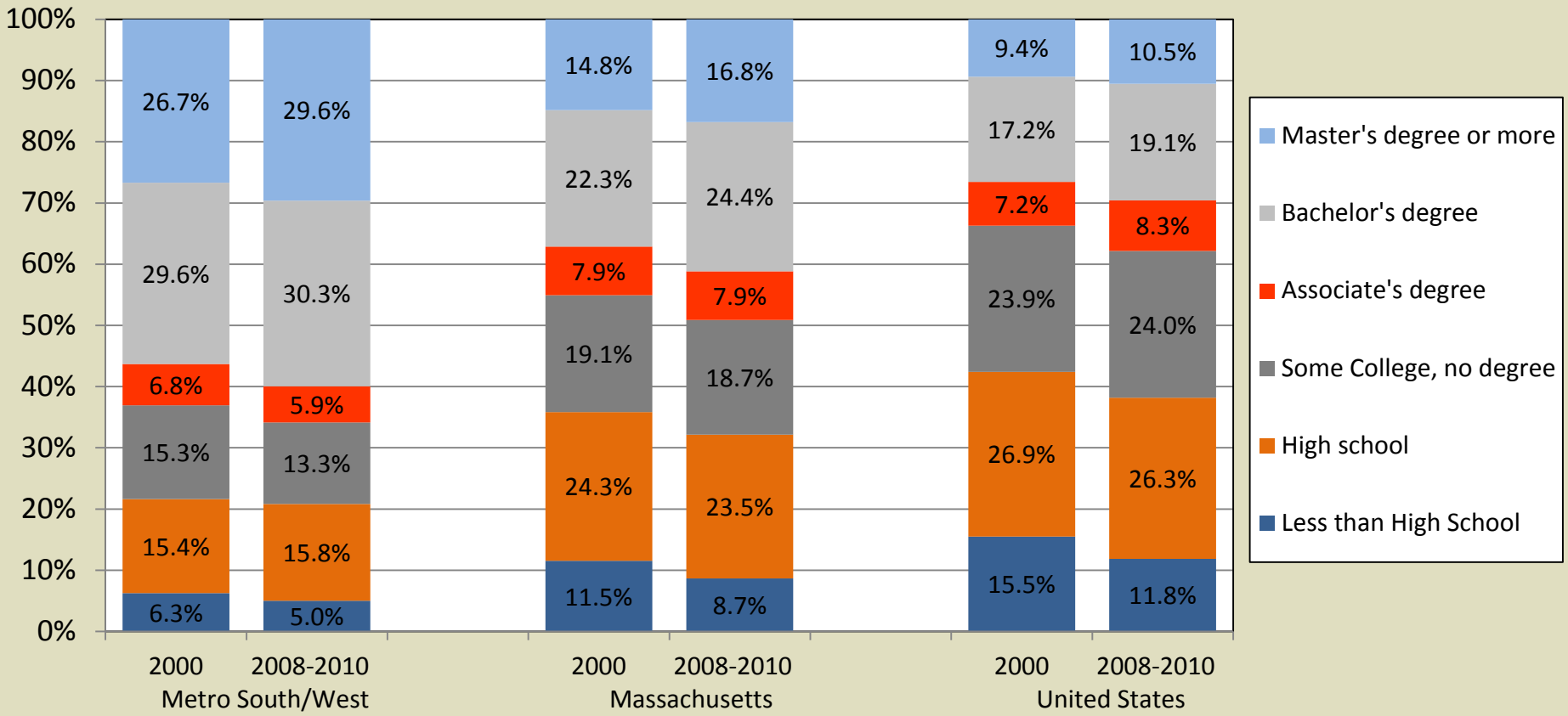
Age Distribution of the Civilian Labor Force



Source: U.S. Census Bureau 2000 Decennial Census PUMS data files and 2008-2010 ACS PUMS data files.

The region also has the most educated labor force with over 60 percent having a Bachelor's Degree or higher.

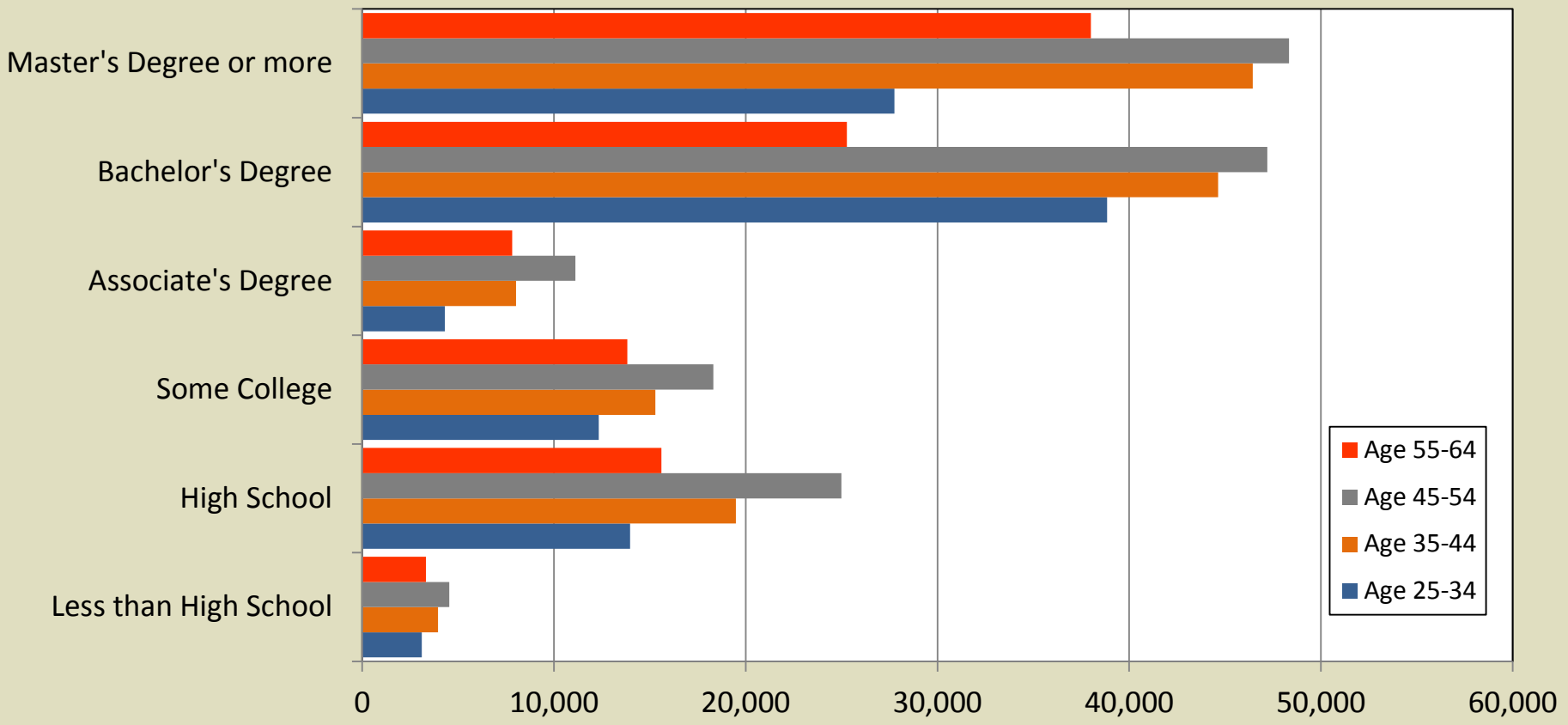
Educational Attainment of the Civilian Labor Force



Source: U.S. Census Bureau 2000 Decennial Census PUMS data files and 2008-2010 ACS PUMS data files.

When looking at education and age together we see the challenges an aging labor force poses for the region.

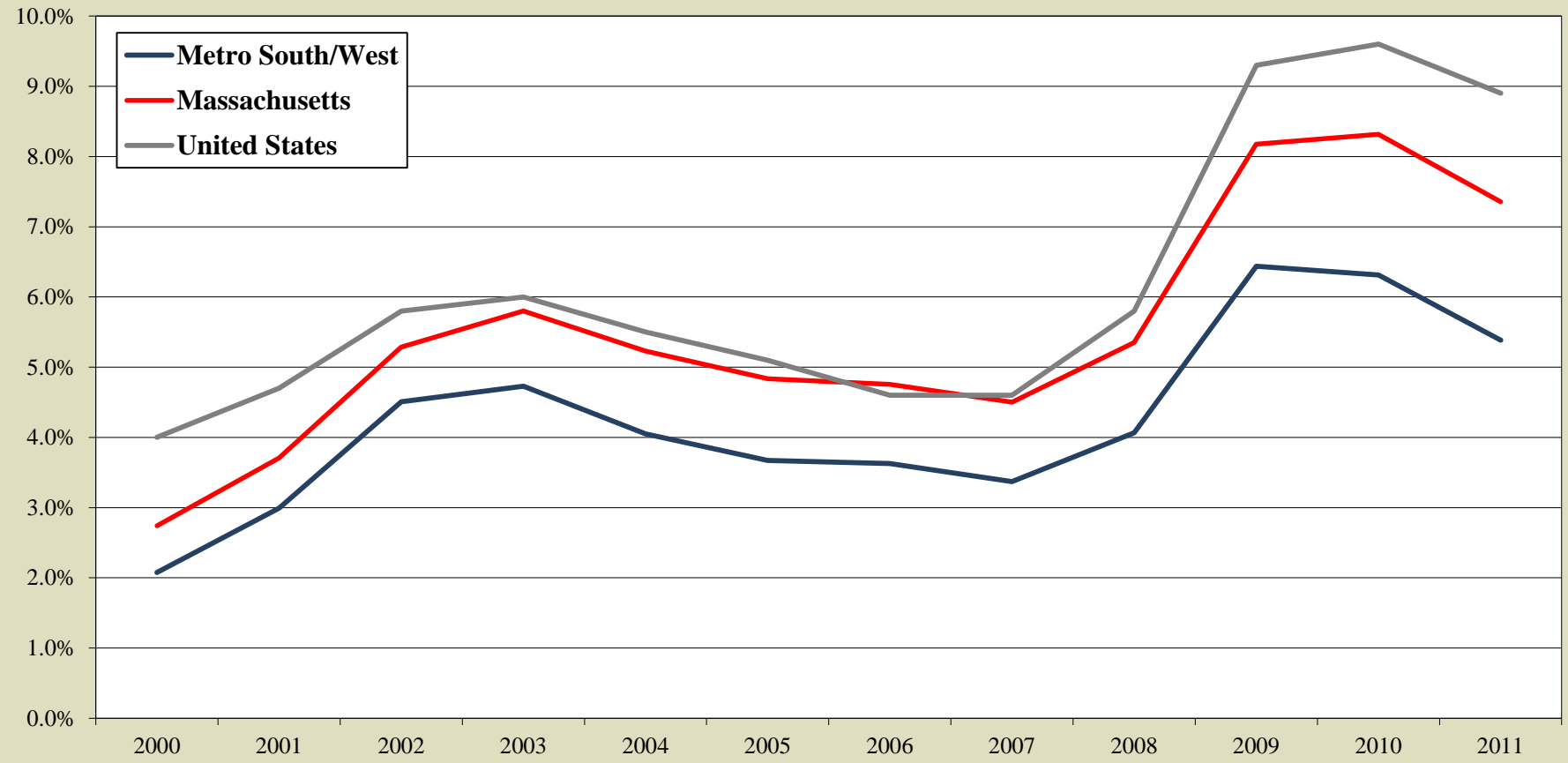
Educational Attainment of the Civilian Labor Force in Metro South/West



Source: U.S. Census Bureau 2008-2010 ACS PUMS data files.

Along with strong employment gains, Metro South/West has the lowest unemployment rate of all regions.

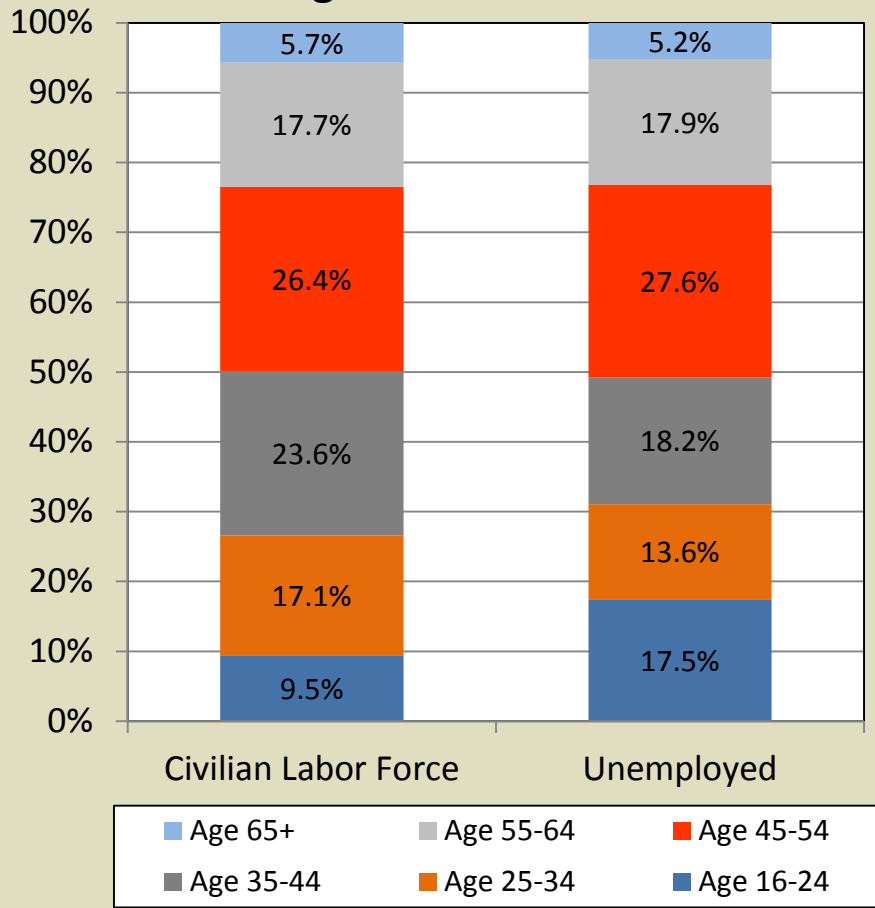
Unemployment Rates, 2000 to 2011



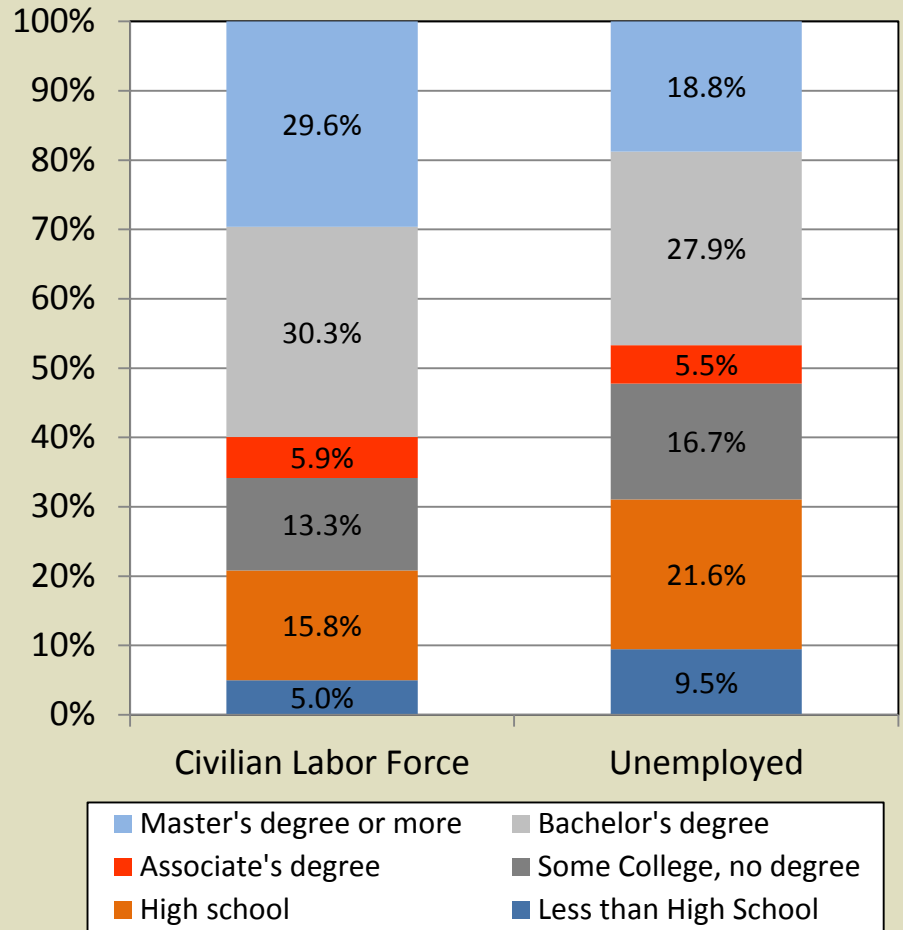
Sources: U.S. Bureau of Labor Statistics, Current Employment Statistics.

The unemployed in Metro South/West are disproportionately younger and have lower levels of educational attainment.

Age Distribution



Education Distribution



Source: U.S. Census Bureau 2008-2010 ACS PUMS data files.

Metro South/West is a magnet for commuters and interconnected with a number of labor markets.

	Number	Percent of Total
Total number of employed persons living in Metro South/West...	538,965	100.0%
...who work in:		
Metro South/West	312,625	58.0%
Boston/Metro North	143,259	26.6%
Southeast	26,439	4.9%
Central Mass	23,306	4.3%
Northeast	18,260	3.4%
Other parts of Massachusetts	1,706	0.3%
New Hampshire	2,559	0.5%
Rhode Island	6,361	1.2%
Other places outside Massachusetts	4,450	0.8%
Total number of persons working in Metro South/West...	599,083	100.0%
...who live in:		
Metro South/West	312,625	52.2%
Boston/Metro North	85,621	14.3%
Southeast	57,855	9.7%
Central Mass	56,392	9.4%
Northeast	45,878	7.7%
Other parts of Massachusetts	4,964	0.8%
New Hampshire	14,430	2.4%
Rhode Island	15,028	2.5%
Other places outside Massachusetts	6,290	1.0%
Net in-commuting	60,118	-

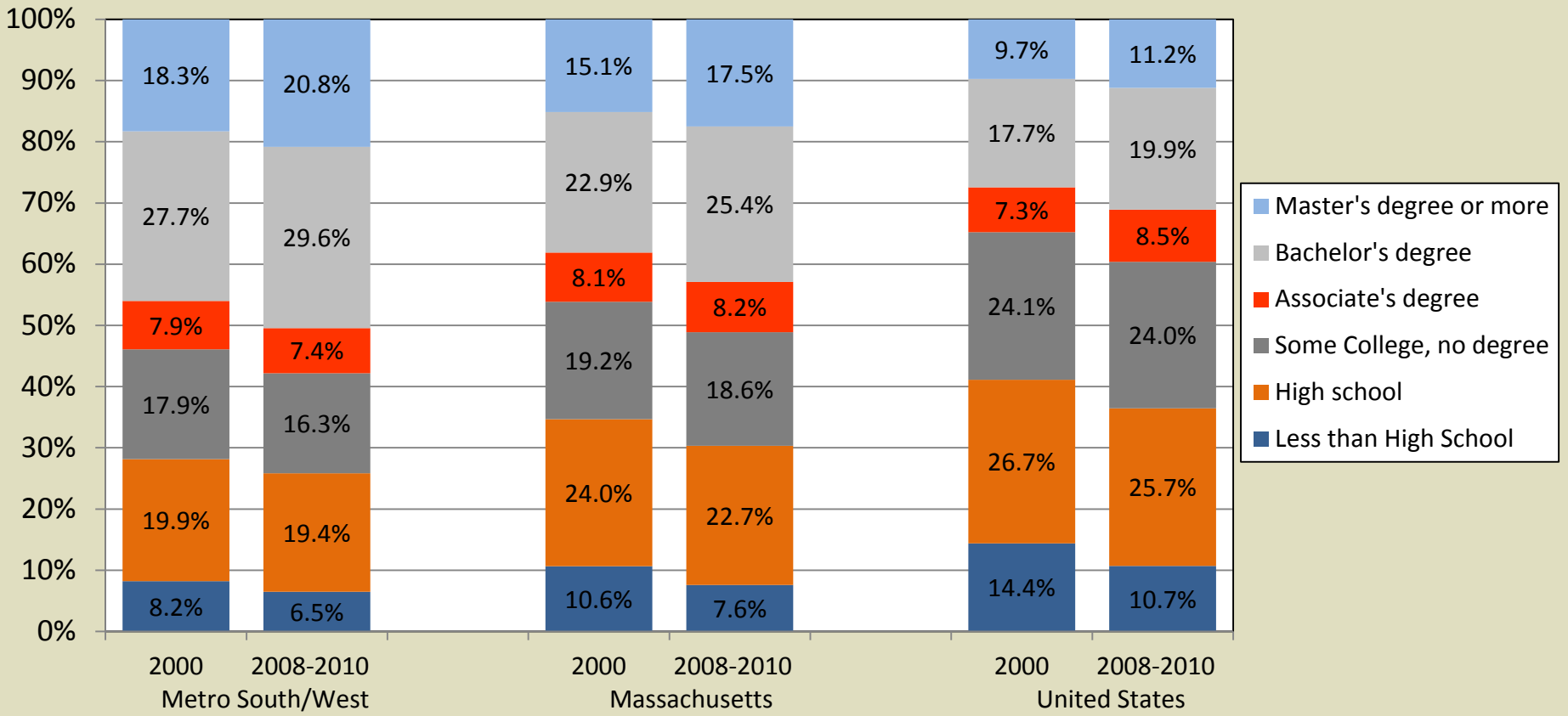
Source: U.S. Census Bureau 2008-2010 ACS PUMS data files.

Labor Demand

- Educational Attainment of Employed
- Educational Attainment and Composition of Industries and Occupations
- Demand of Post-Secondary Educated Labor Pre- and Post-Recession

The educational attainment of those working in the region is high, far exceeding state and national levels.

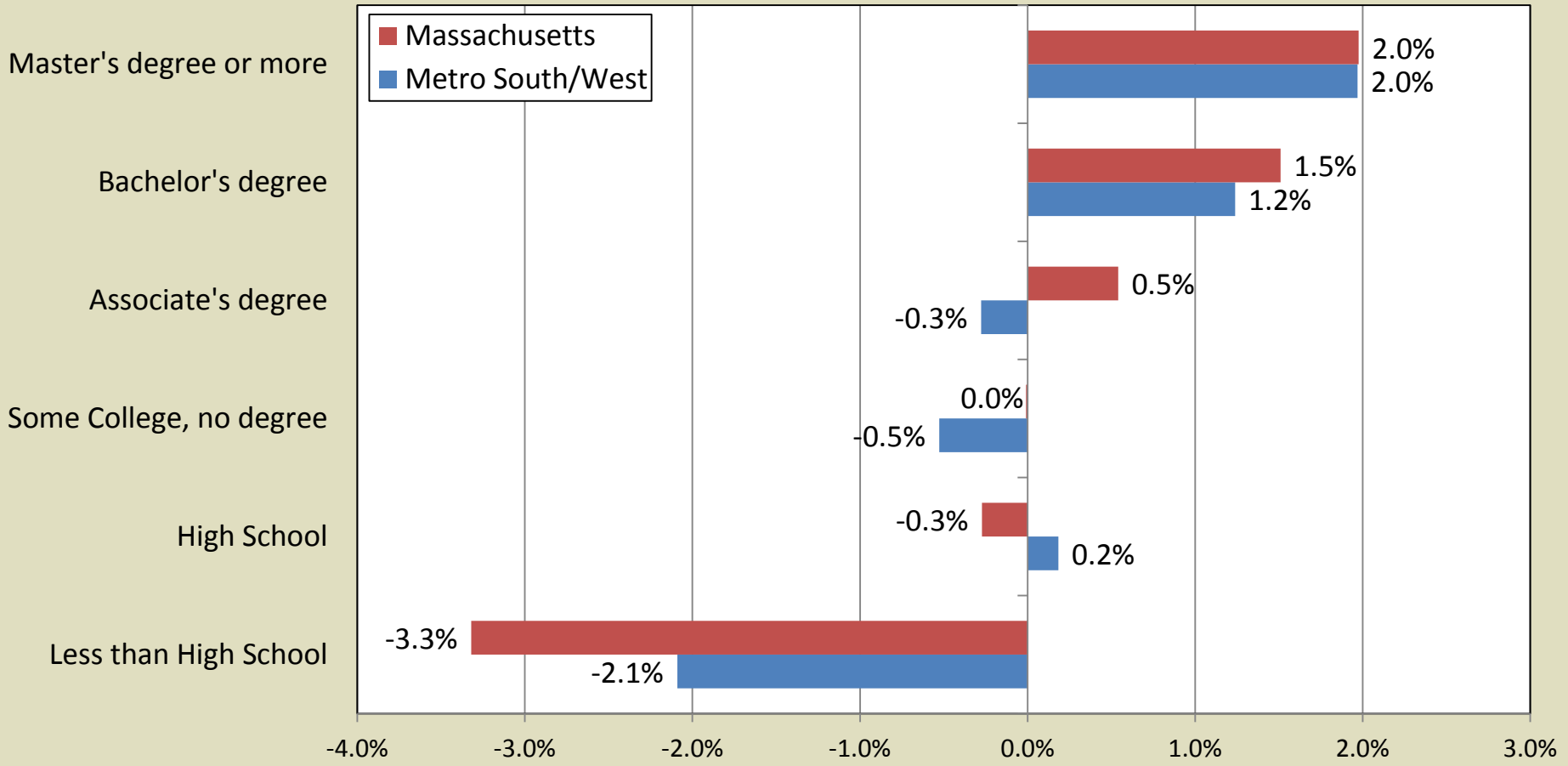
Educational Attainment of Individuals Employed in Region



Source: U.S. Census Bureau 2000 Decennial Census PUMS data files and 2008-2010 ACS PUMS data files.

A growing number of employees have an Bachelor's Degree or higher, while a shrinking number have lower levels of education.

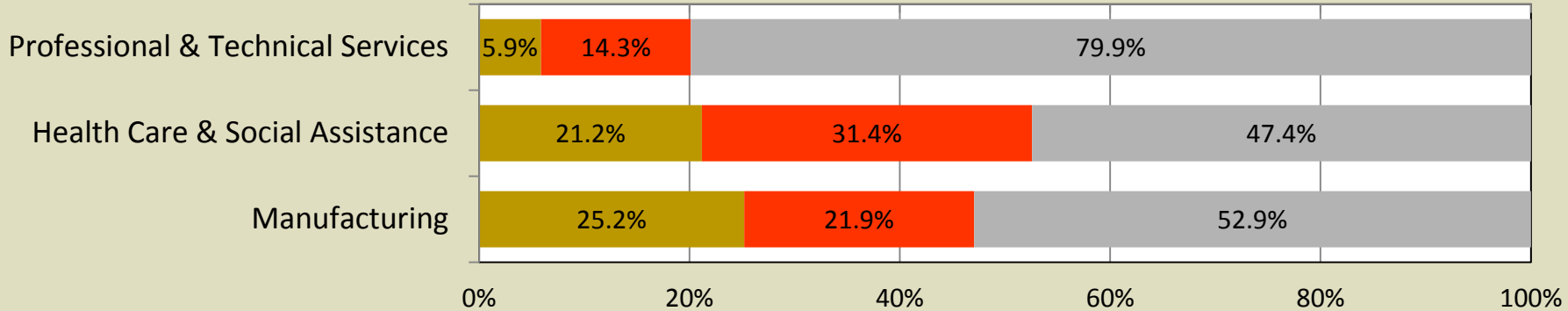
Annual Growth in the Employed by Education, 2000 to 2008-2010



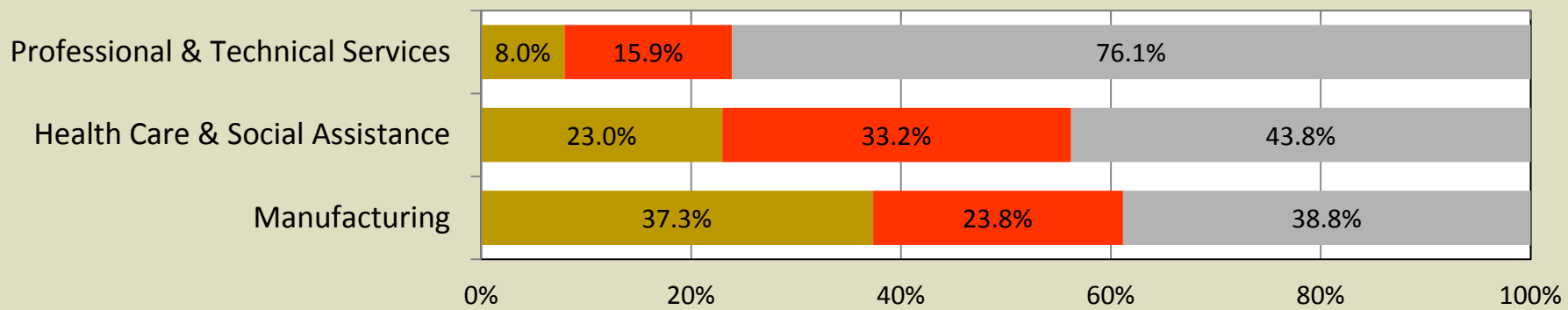
Source: U.S. Census Bureau 2000 Decennial Census PUMS data files and 2008-2010 ACS PUMS data files.

Industries in Metro South/West employ greater shares of employees with Bachelor's Degrees or higher than statewide.

Educational Attainment of Employees by Major Industry in Metro South/West



Educational Attainment of Employees by Major Industry in Massachusetts

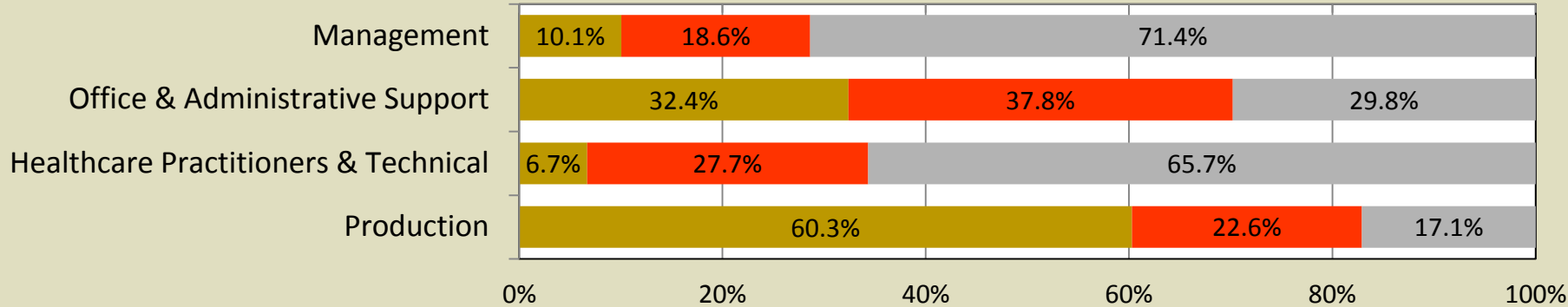


■ High School Degree or Less
 ■ Some College or Associate's Degree
 ■ Bachelor's Degree or Higher

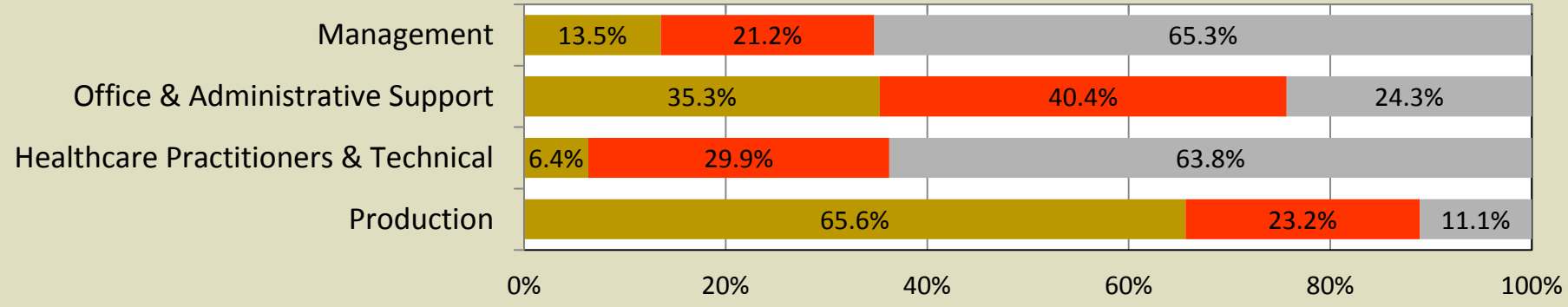
Source: U.S. Census Bureau 2008-2010 ACS PUMS data files.

Occupations in Metro South/West are also occupied by higher shares of employees with Bachelor's Degrees.

Educational Attainment of Employees by Occupation in Metro South/West



Educational Attainment of Employees by Occupation in Massachusetts

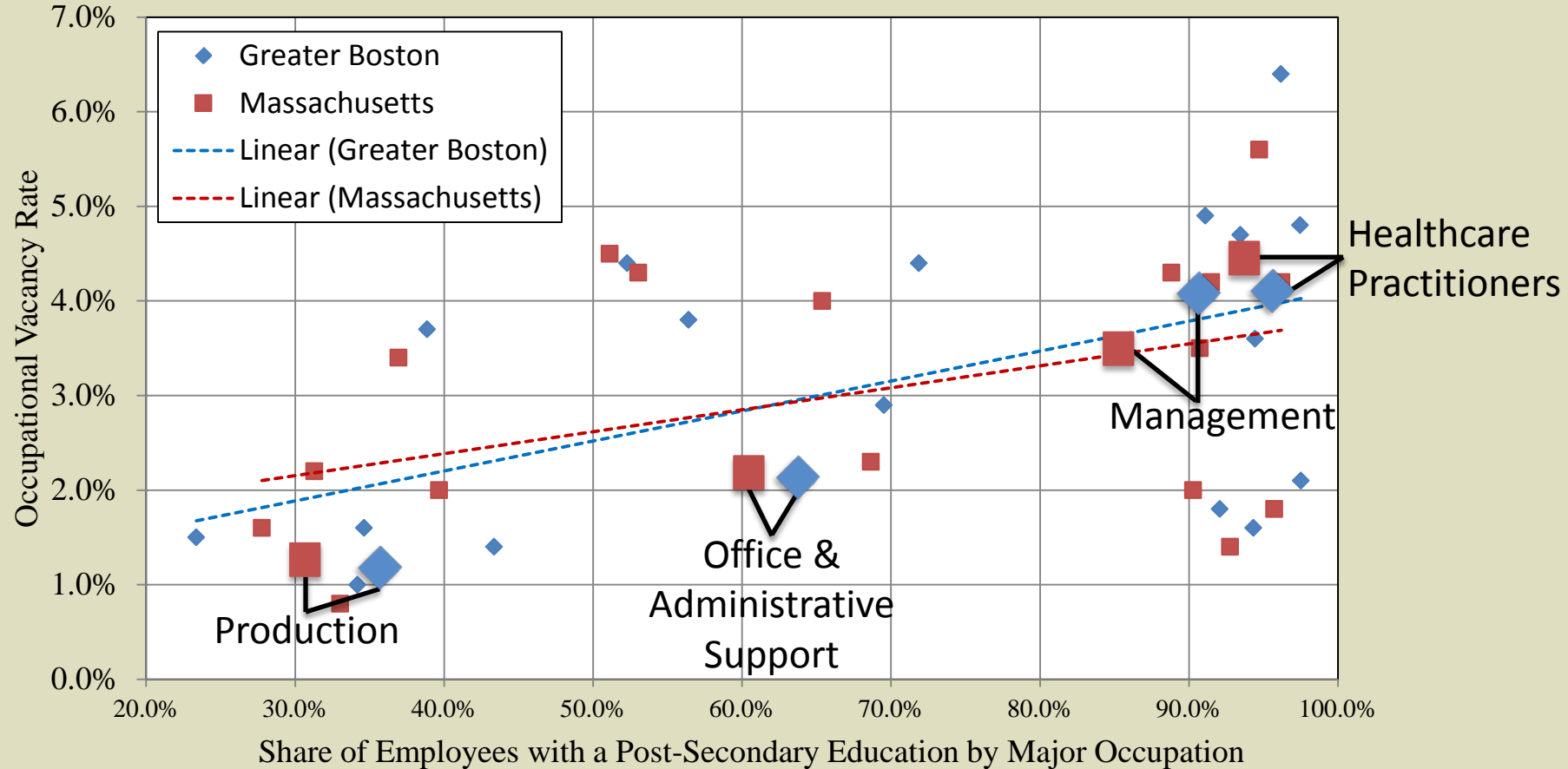


■ High School Degree or Less
 ■ Some College or Associate's Degree
 ■ Bachelor's Degree or Higher

Source: U.S. Census Bureau 2008-2010 ACS PUMS data files.

Prior to the recession there were higher vacancy rates in the more highly educated occupations than in the less educated.

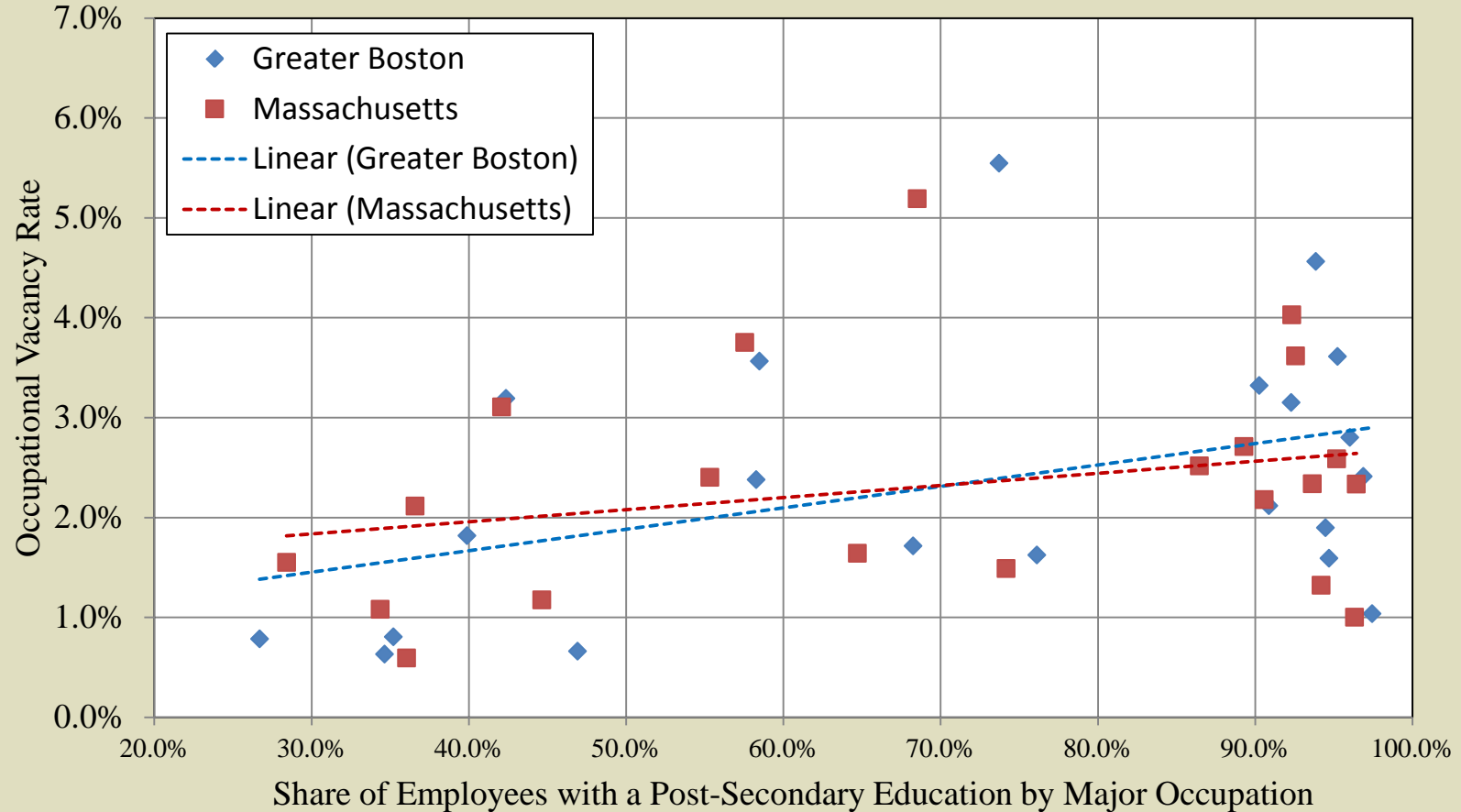
Job Vacancies and Educational Attainment by Occupation, Pre-Recession



Source: Massachusetts EOLWD, Job Vacancy Survey and U.S. Census Bureau 2005-2007 ACS PUMS data files.

In the early stages of the labor market recovery this pattern weakened but basically continued to hold.

Job Vacancies and Educational Attainment by Occupation, Post-Recession

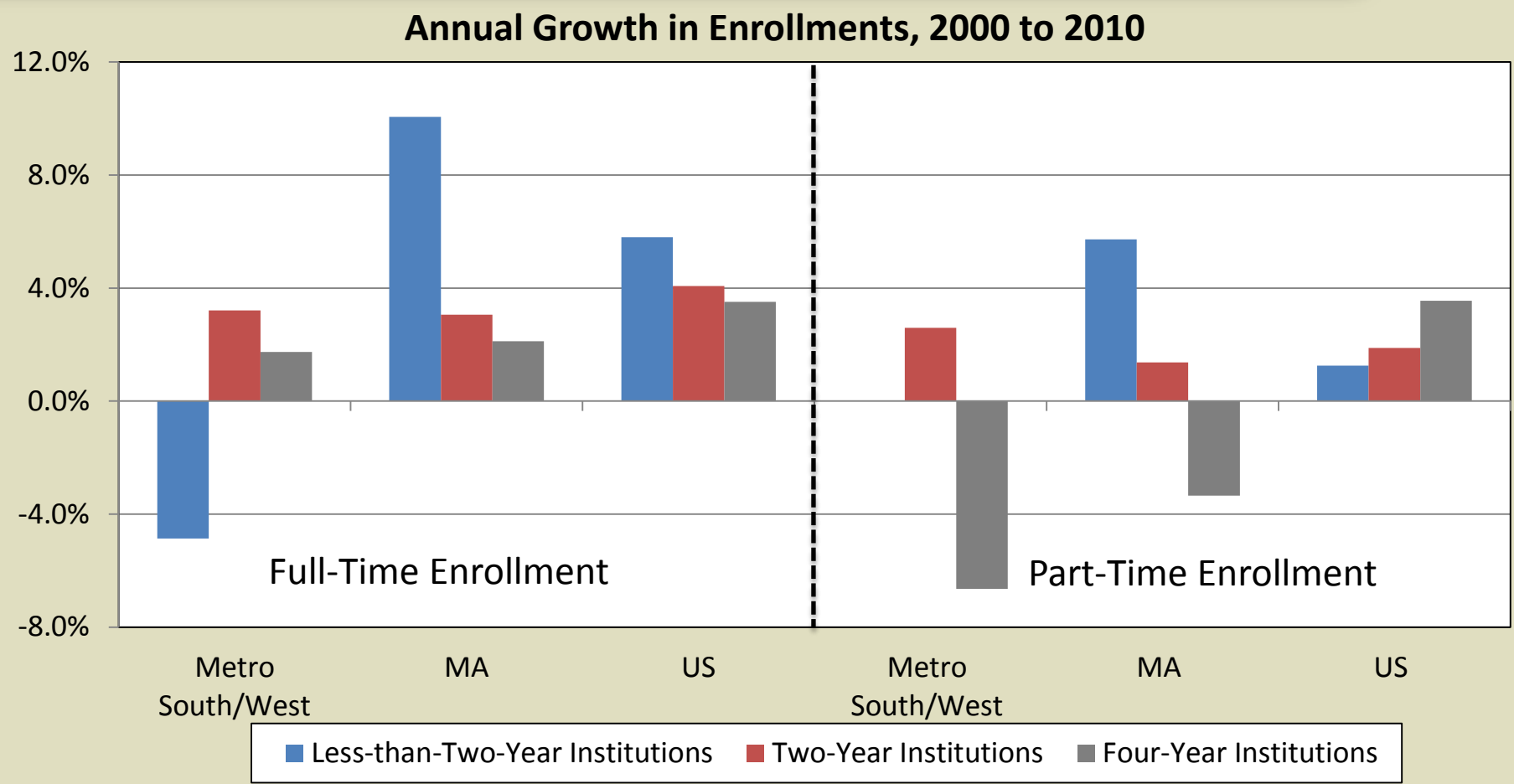


Source: Massachusetts EOLWD, Job Vacancy Survey and U.S. Census Bureau 2008-2010 ACS PUMS data files.

The Pipeline: Educational Supply of Post-Secondary Degrees

- Enrollment Patterns
- Degree Completions
- Major Fields of Study by Degree Type

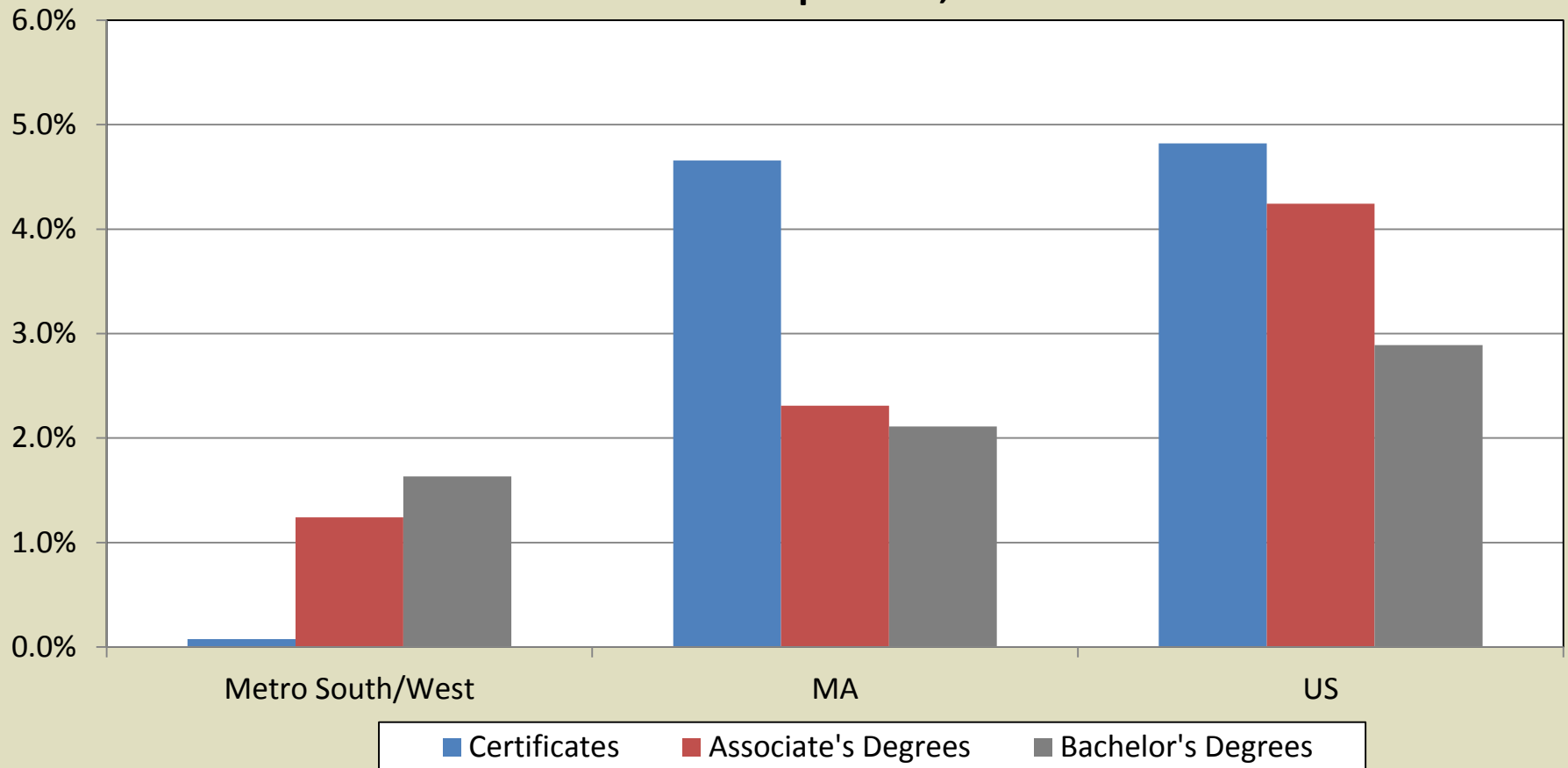
Over the past decade enrollment growth at two-year institutions in Metro South/West exceeded that of other institutions.



Source: National Center for Education Statistics, Integrated Post-Secondary Educational Data System.

Over the last decade completions of programs and degrees in Metro South/West have trailed state and national trends.

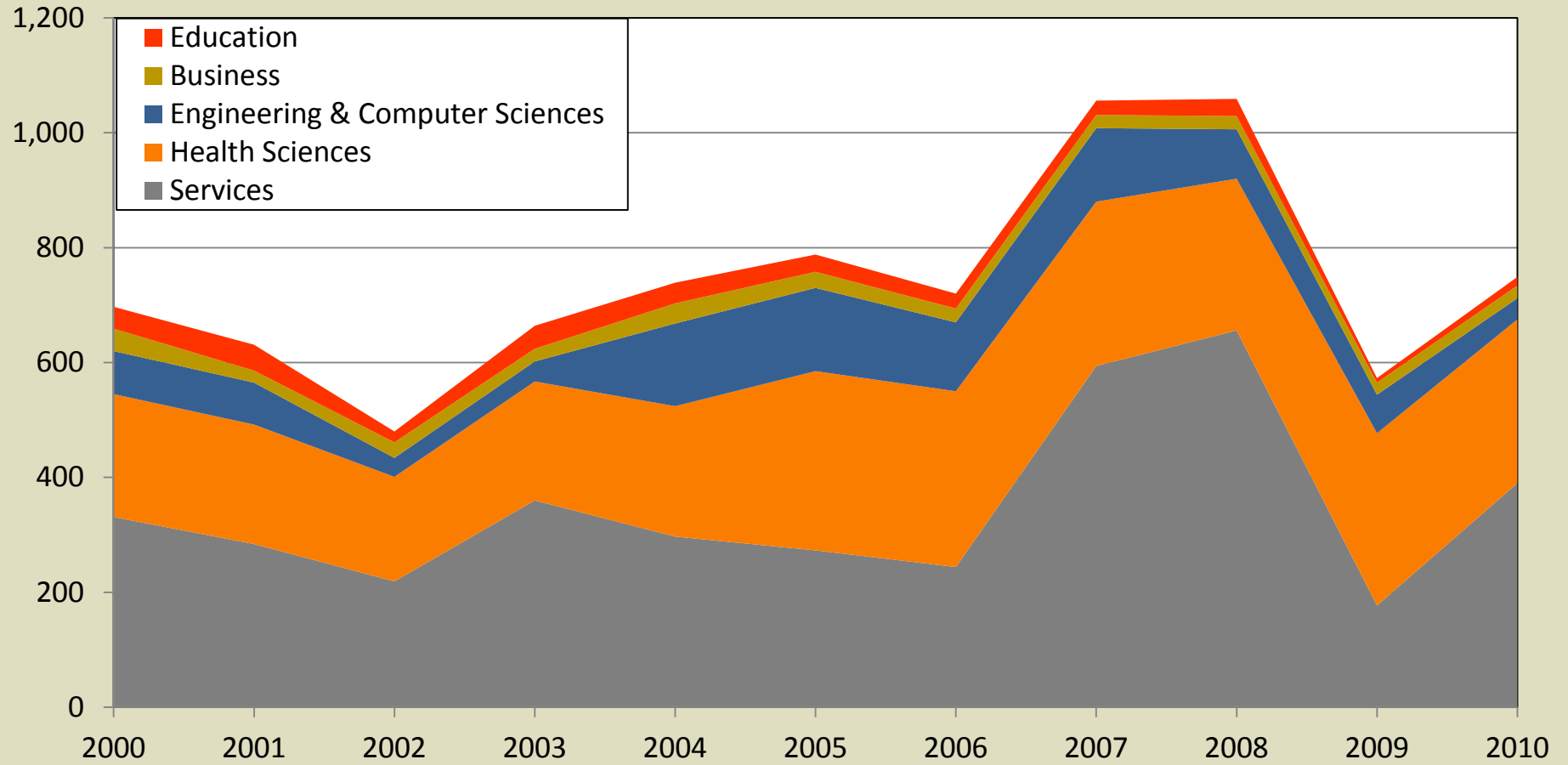
Annual Growth in Completions, 2000 to 2010



Source: National Center for Education Statistics, Integrated Post-Secondary Educational Data System.

The number and types of Certificates in Metro South/West vary widely from year to year.

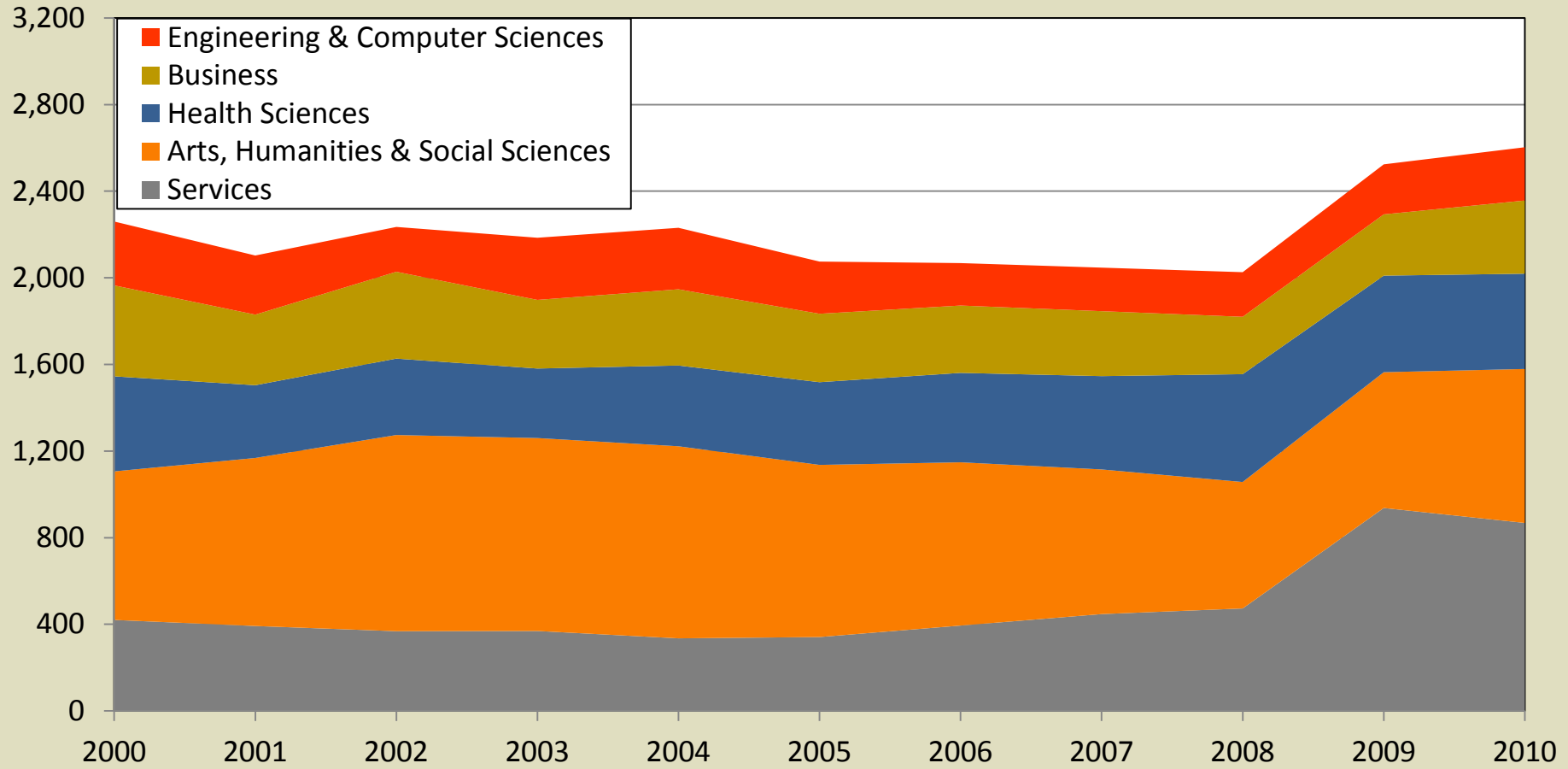
Annual Certificate Completions by Major in Metro South/West, 2000 to 2010



Source: National Center for Education Statistics, Integrated Post-Secondary Educational Data System.

Associate's Degree completions have surged in recent years in two fields: Arts, Humanities & Social Sciences and Services.

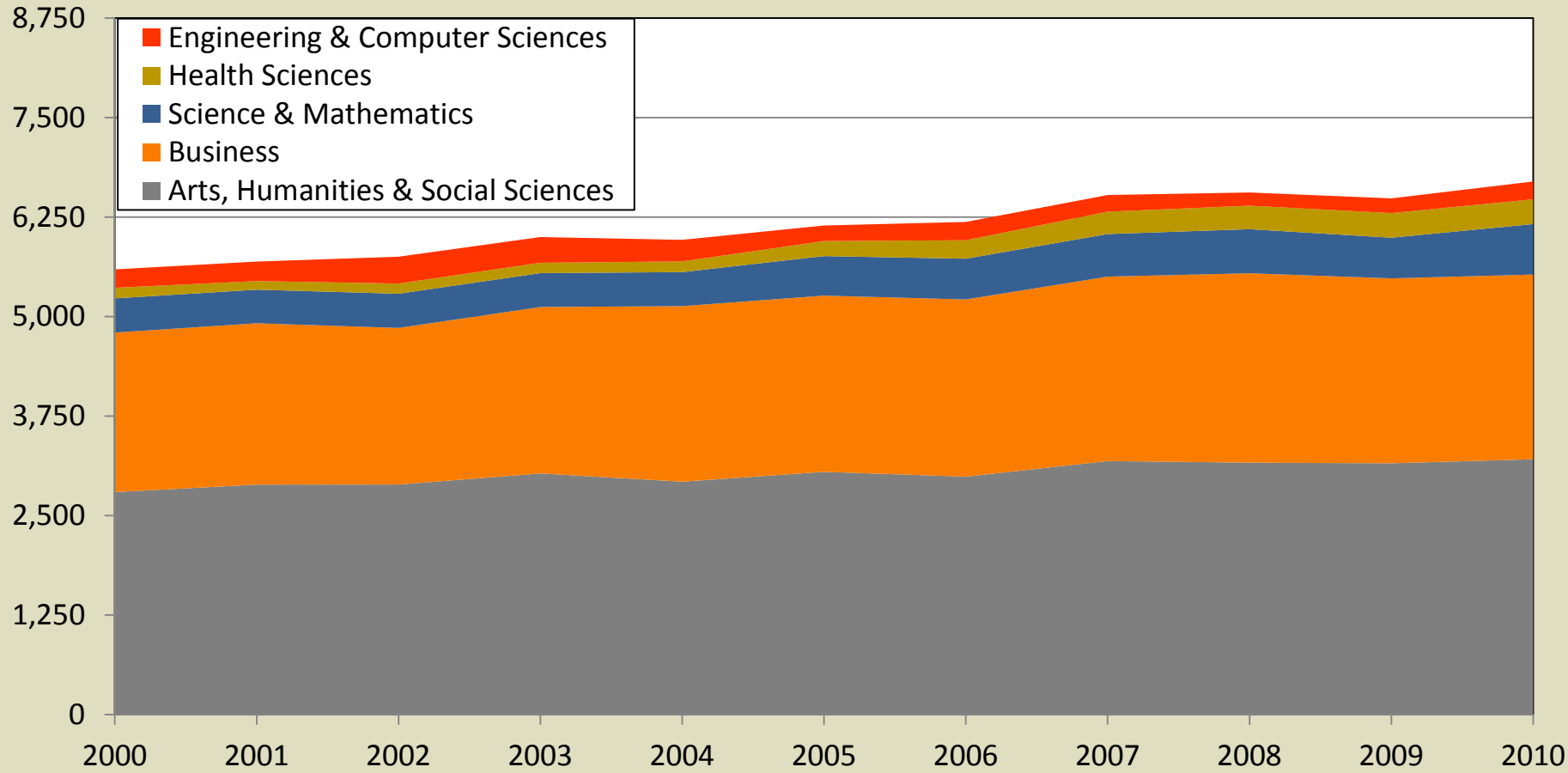
Annual Associate's Degree Completions by Major in Metro South/West, 2000 to 2010



Source: National Center for Education Statistics, Integrated Post-Secondary Educational Data System.

Bachelor's Degree completions are largely concentrated in two majors: Arts, Humanities & Social Sciences and Business.

Annual Bachelor's Degree Completions by Major in Metro South/West, 2000 to 2010



Source: National Center for Education Statistics, Integrated Post-Secondary Educational Data System.

Summary

- The recovery in employment has been stronger in Metro South/West than in most other regions.
- Firms in the region employ one of the most highly educated workforces in the state and continue to demand more post-secondary educated labor.
- With one of the oldest civilian labor forces in the state, Metro South/West will face the demographic challenges of an aging population sooner than other regions.
- Given such trends, what should be done to ensure the future economic vitality of Metro South/West moving forward?

Thank You

