



The Connecticut and New England Labor Markets: Recent Improvements, Remaining Challenges

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Whole Family Approach to Jobs Initiative

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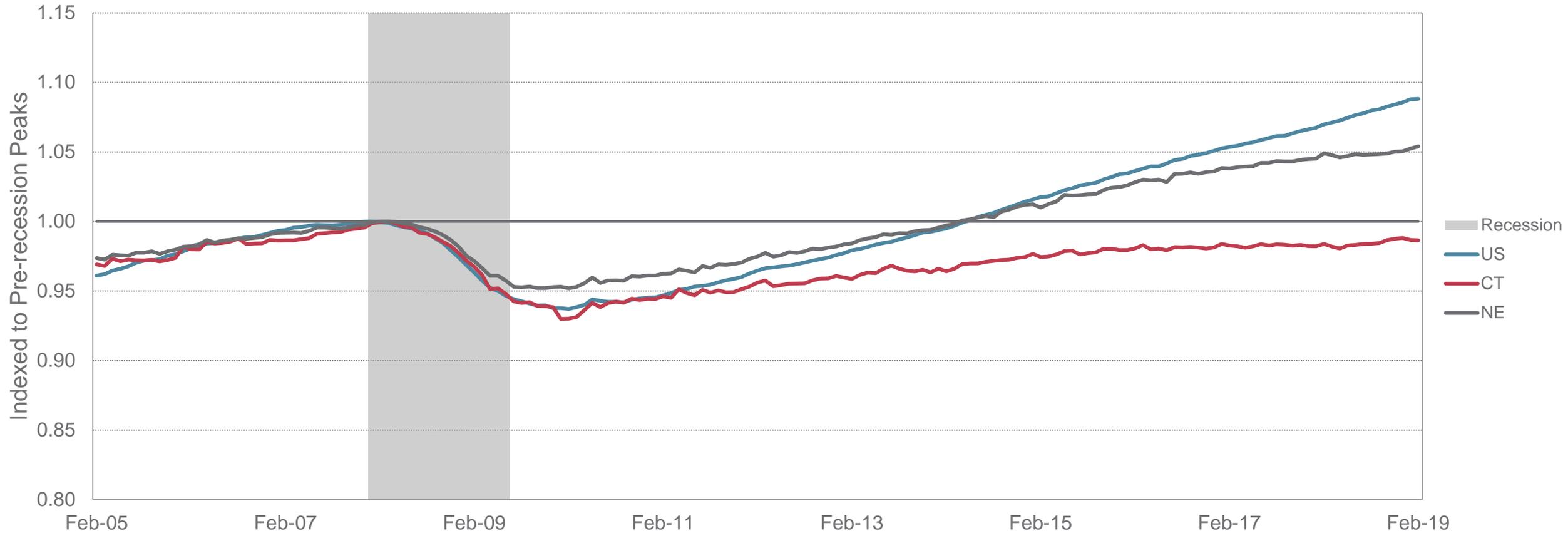


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Preview of Key Takeaways

- ▶ Substantial economic growth since the financial crisis, but gains not shared by all groups:
 - ▶ Black unemployment remains above pre-recession lows, in contrast to most other groups
 - ▶ The unemployed and NLF are more likely to be poor than in 2007
- ▶ Those still out of work face diverse barriers to employment
- ▶ Changes in the unemployed and NLF population pose challenges for economic development efforts and for human services agencies

Non-Agricultural Employment



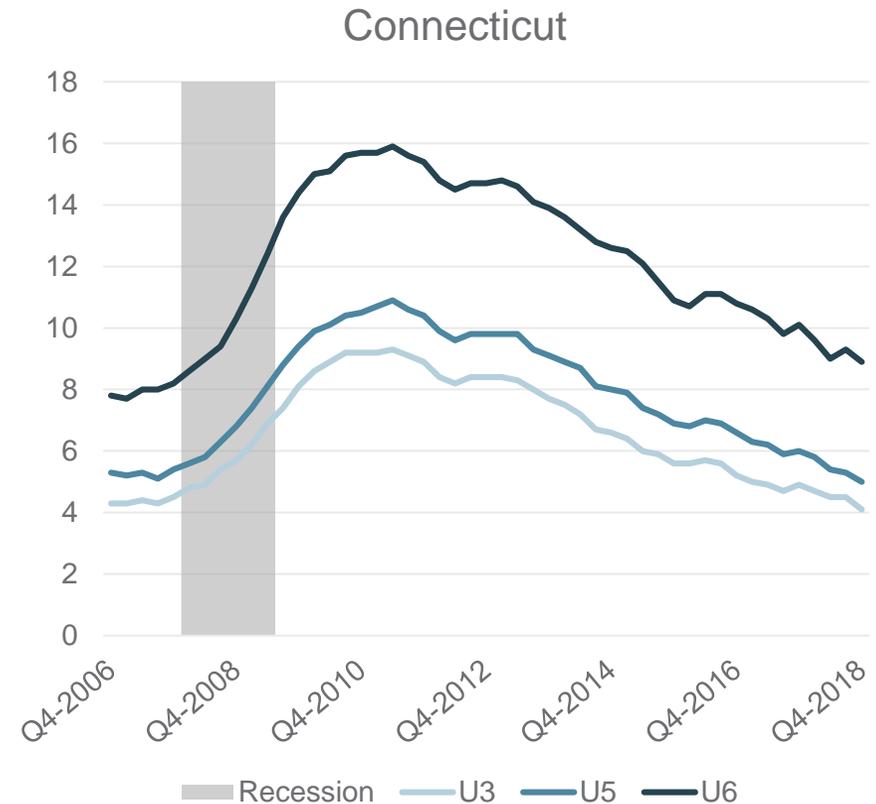
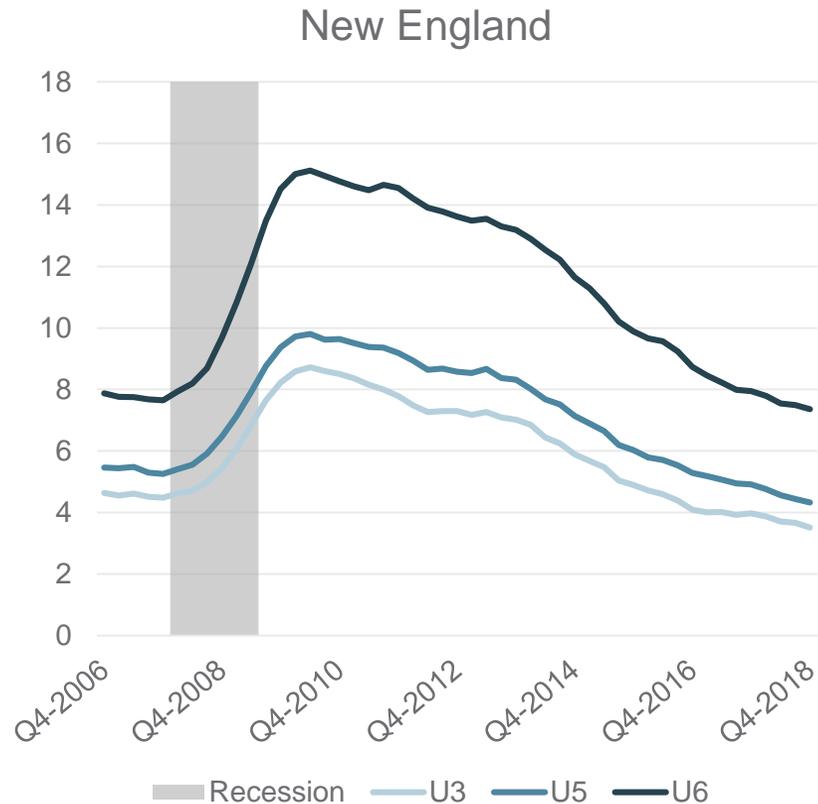
Source: Bureau of Labor Statistics and Haver Analytics

The Recession and the Recovery Have Both Changed Connecticut's Economy

Industry Share of Total Jobs, Connecticut, 2007-2019			
	2007	2013	2019
Educational & Health Services	16.8%	19.3%	19.9%
Leisure & Hospitality	8.0%	8.7%	9.5%
Transportation & Public Utilities	3.0%	2.8%	3.3%
Professional & Business Services	12.4%	12.7%	12.9%
Other Services	3.8%	3.8%	3.8%
Wholesale Trade	4.0%	3.8%	3.6%
Information	2.2%	2.0%	2.0%
Total Government	14.9%	14.9%	14.0%
Retail Trade	11.3%	11.1%	10.5%
Construction	4.0%	3.2%	3.7%
Manufacturing	11.2%	9.8%	9.5%
Finance, Insurance & Real Estate	8.6%	8.0%	7.5%

Source: Bureau of Labor Statistics/Haver Analytics

Unemployment and Underemployment Now Below Pre-Recession Levels – Involuntary Unemployment High in CT

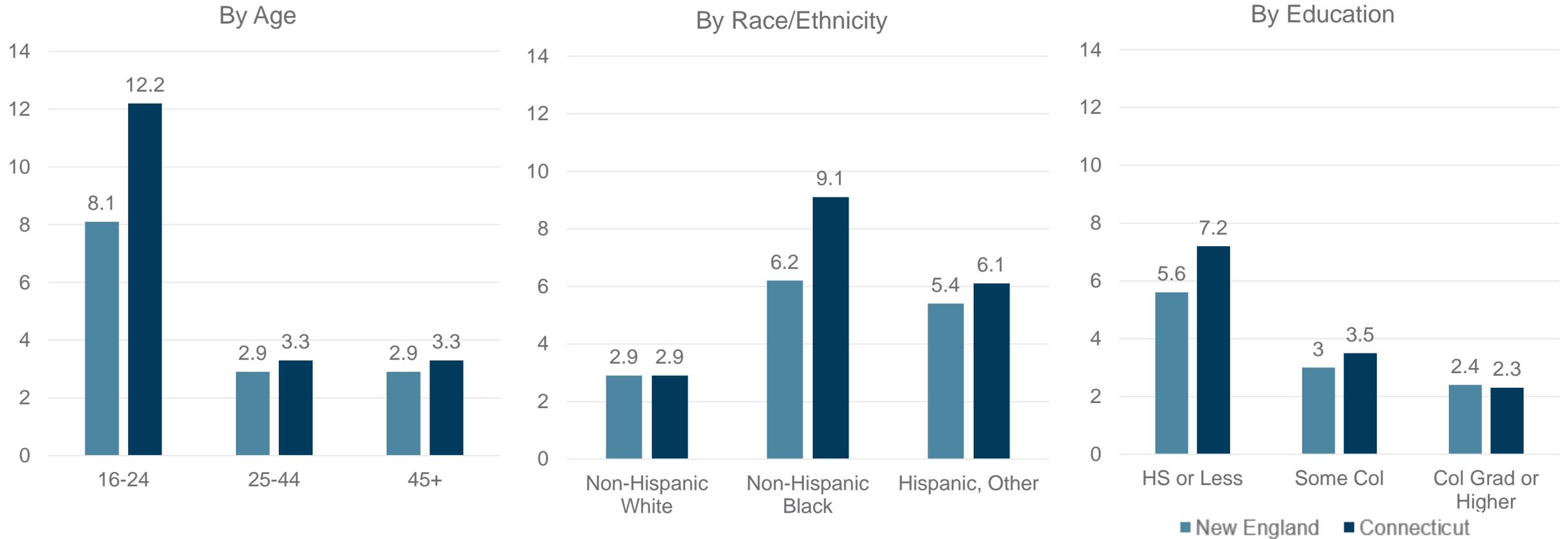


U-3: searched past 4 weeks (official measure); U-5: searched past year; U-6: adds involuntary part-time employment

Source: Bureau of Labor Statistics/Haver Analytics

Who are the Unemployed?

Unemployed are Disproportionately Young, Non-White, Less Educated



Source: 2018 Annual Average from Monthly Current Population Survey Integrated Public Use Microdata Series (IPUMS-CPS)

Unemployment Compared to Pre-Recession Low

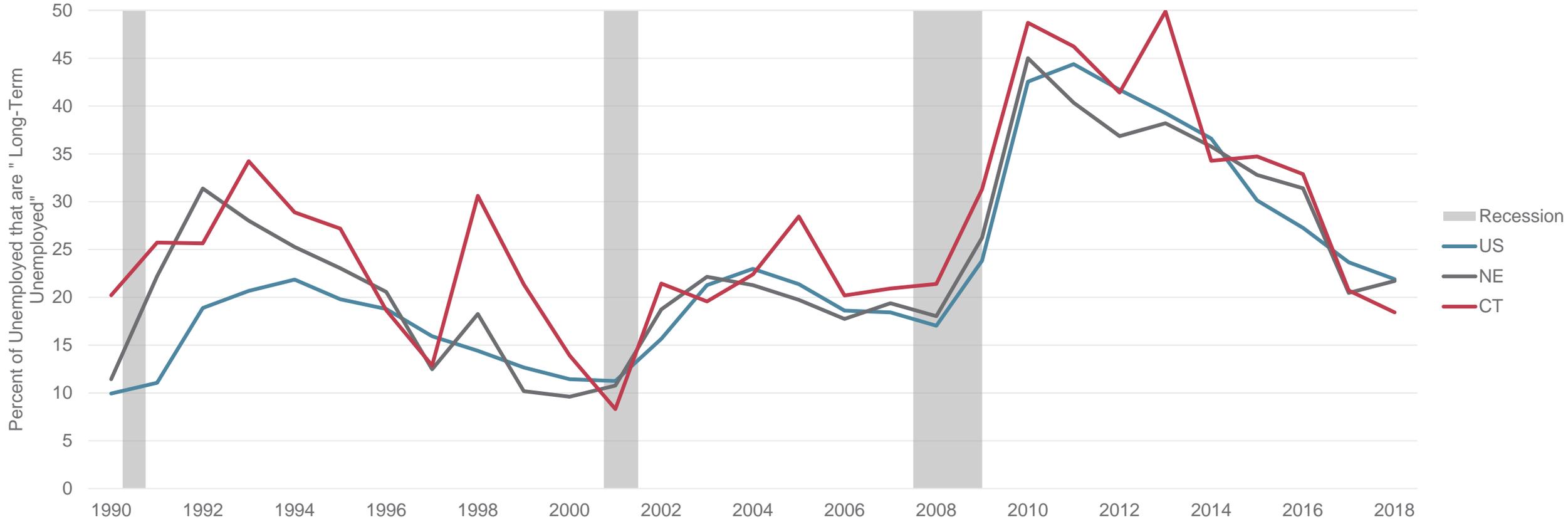


Source: Annual Average from Monthly Current Population Survey Integrated Public Use Microdata Series (IPUMS-CPS)

Who are the Long-Term Unemployed?

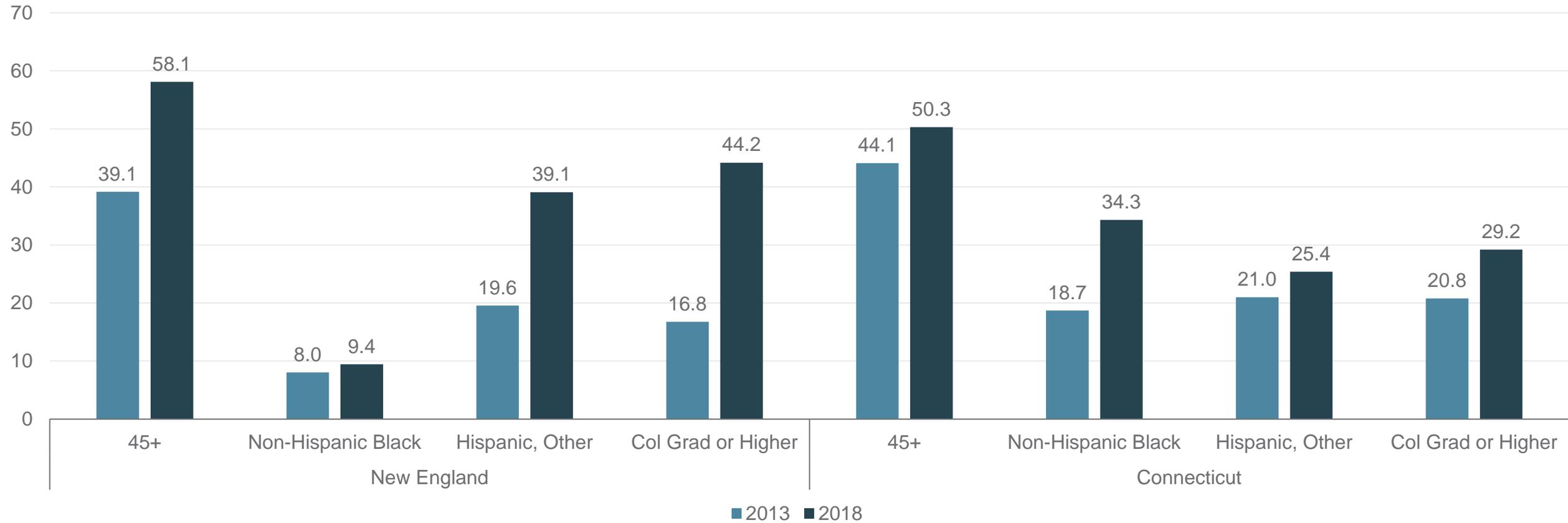
Long-Term Unemployment Down Since 2010, but Remains High

(unemployed 27 weeks or more, as share of all unemployment)



Source: IPUMS CPS ASEC 1990-2018

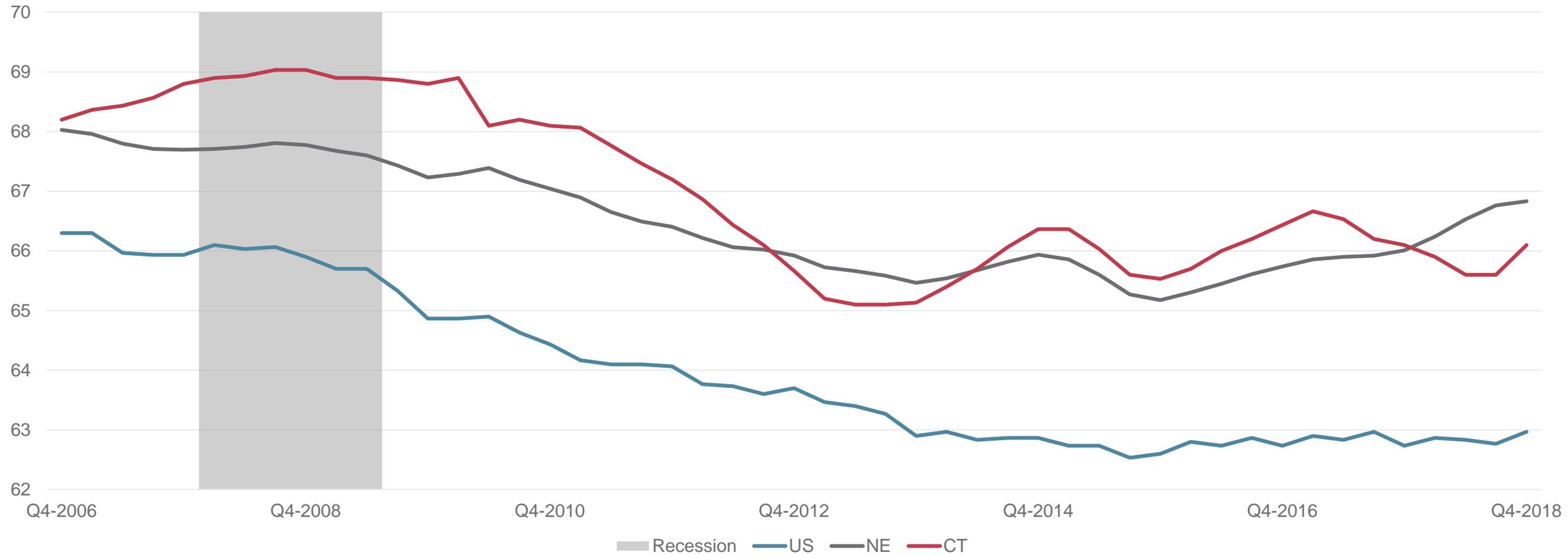
Since 2013, Long-Term Unemployed are Increasingly Older, Non-White, More Educated



Source: Annual Averages from Monthly Current Population Survey Integrated Public Use Microdata Series (IPUMS-CPS)

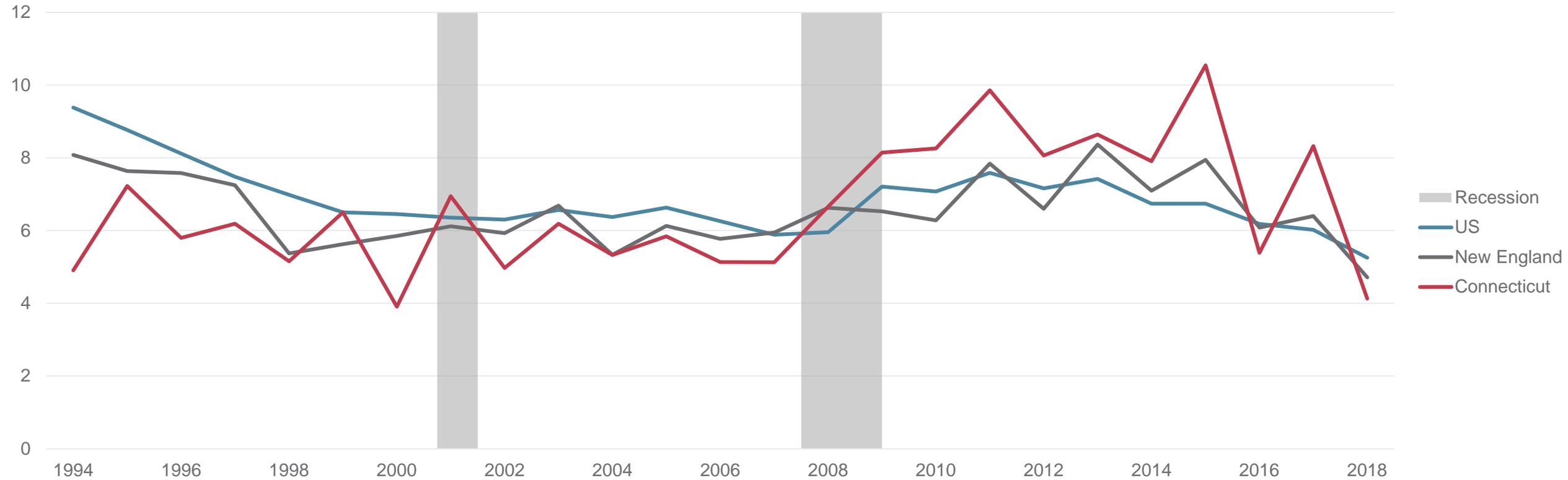
Labor Force Participation and Those Not in Labor Force Who Want Jobs

Labor Force Participation Rate Climbing in New England Since 2016; Still Below Pre-Recession



Source: Bureau of Labor Statistics/Haver Analytics

Share of Not in Labor Force Who Want a Job



Source: ASEC Current Population Survey Integrated Public Use Microdata Series (IPUMS-CPS)

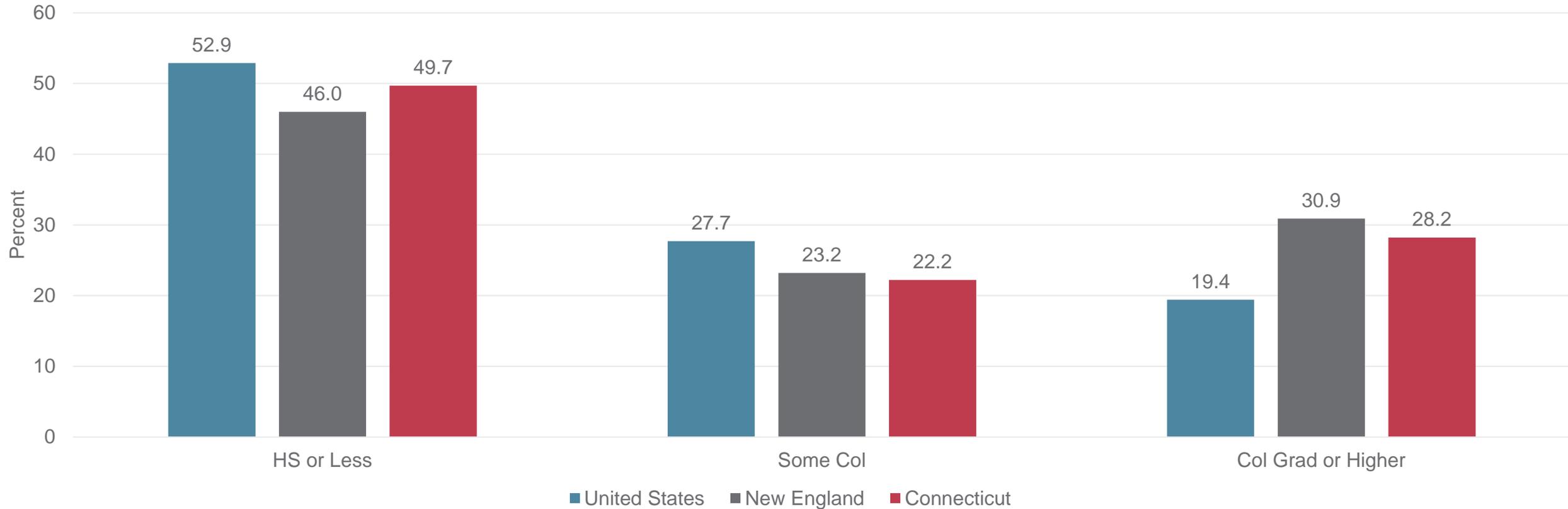
Who are those Not in Labor Force Who Want Jobs?

In US, Less Than Half of Those Not in the Labor Force who Want Jobs Searched in Past 12 Months

Share of NLF Who:	Men	Women
Want Job	6%	5%
Searched in Past Year (of those who want a job)	43%	37%
Reason for not searching recently (of those who want job, searched in past year, and were available to work):		
Discouraged	33%	23%
In School/Training	6%	18%
Family Responsibilities	12%	12%
Ill Health or Disabilities	10%	10%
Other	39%	38%

Source: US Data, Current Population Survey, 2018

More than Half of Marginally Attached Workers in New England Have at Least Some College



Marginally attached is defined as Persons not in the labor force who want and are available for work, and who have looked for a job sometime in the prior 12 months (or since the end of their last job if they held one within the past 12 months)

Source: 2018 Annual Average from Monthly Current Population Survey Integrated Public Use Microdata Series (IPUMS-CPS)

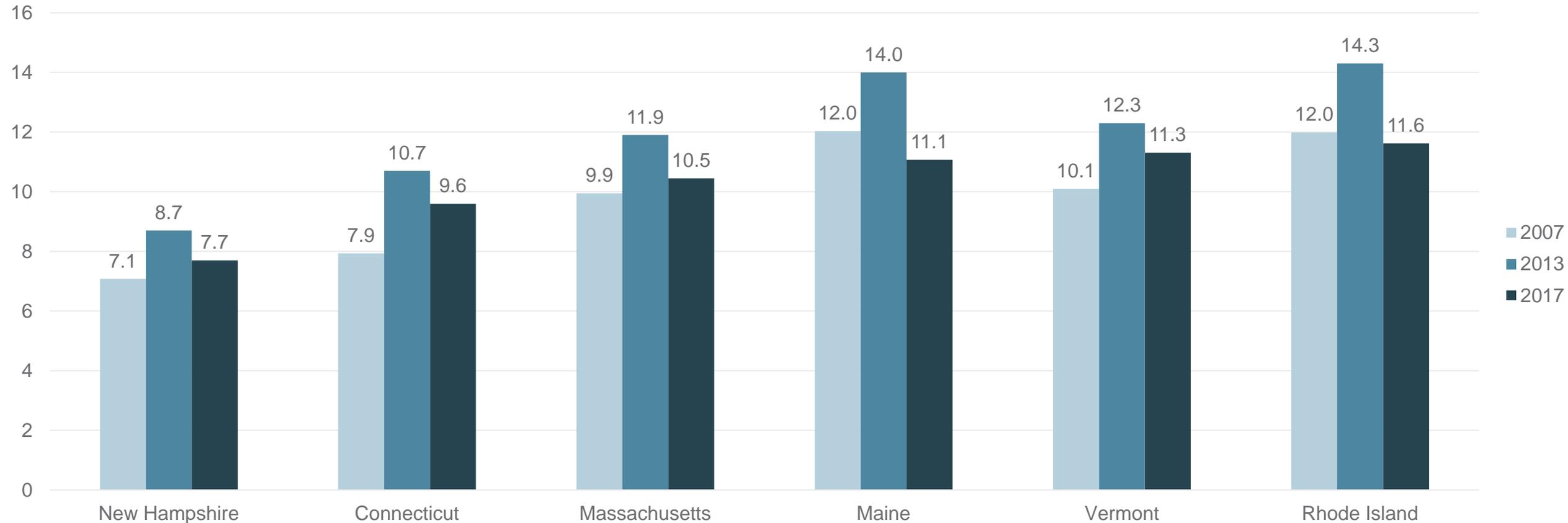
Poverty since 2007

Has Poverty Declined in the Recovery?

- ▶ In 2017, examples of official poverty income thresholds:
 - ▶ \$24,858 for family of 2 adults and 2 children.
 - ▶ \$19,749 for family of 1 adult and 2 children.

Source: US Census Bureau

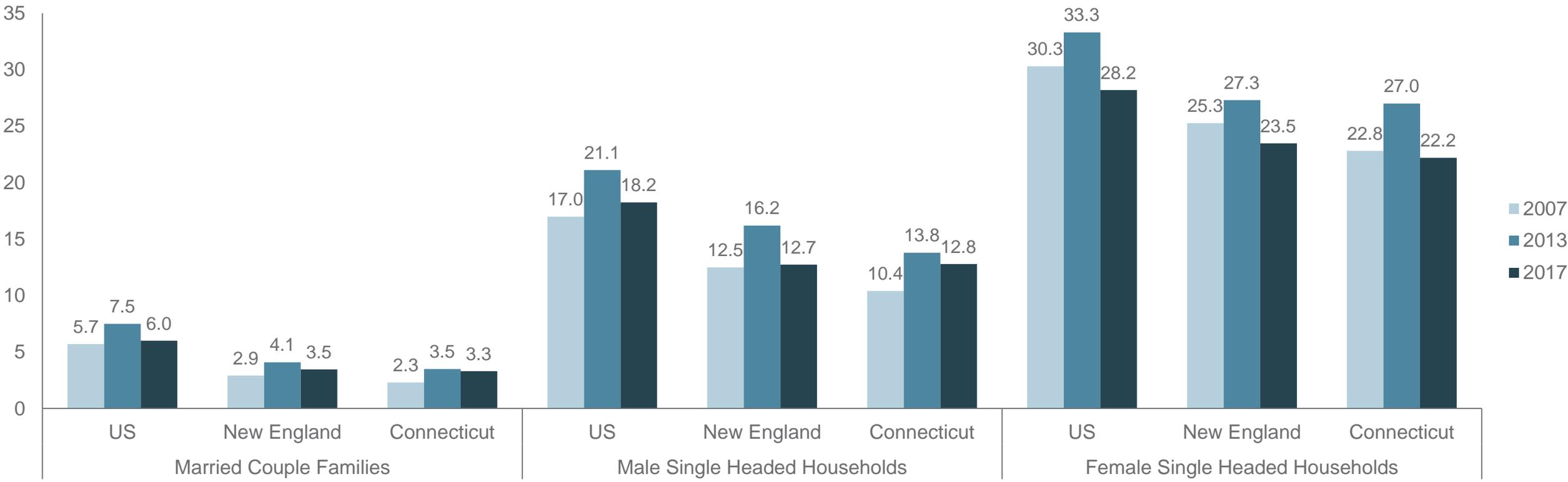
Poverty Rates are Down Since 2013, but Remain Above 2007 Levels in Four New England States



Source: ACS 1-Year Estimates

Poverty Rate Fell Among Households Headed by Single Women, 2007-2017

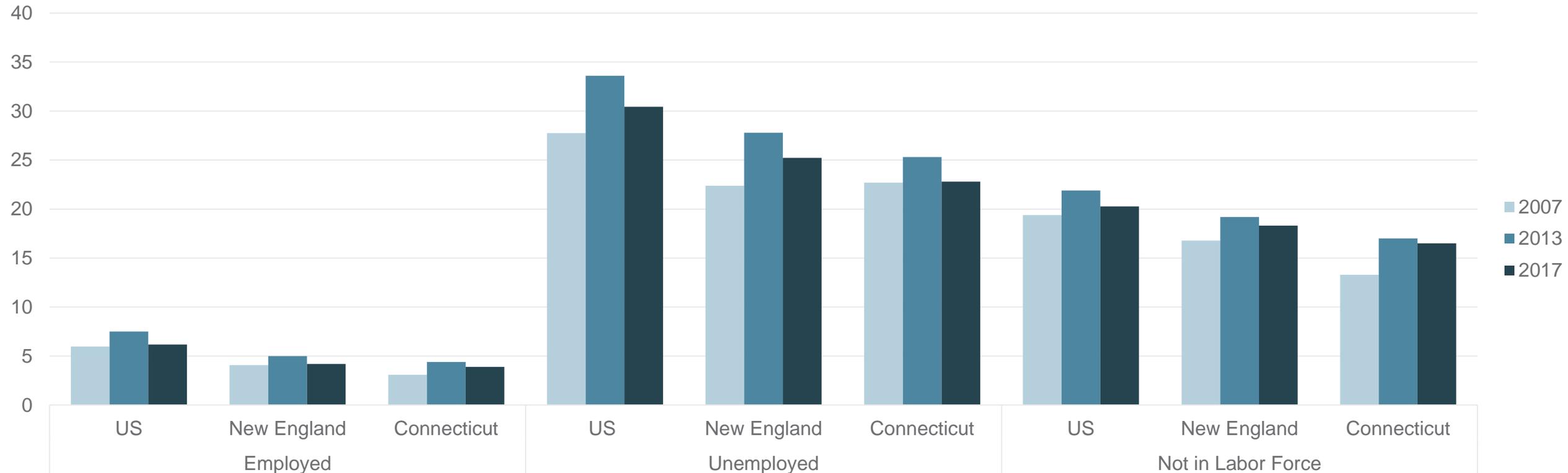
Percent Below Poverty Line



Source: ACS 1-Year Estimates

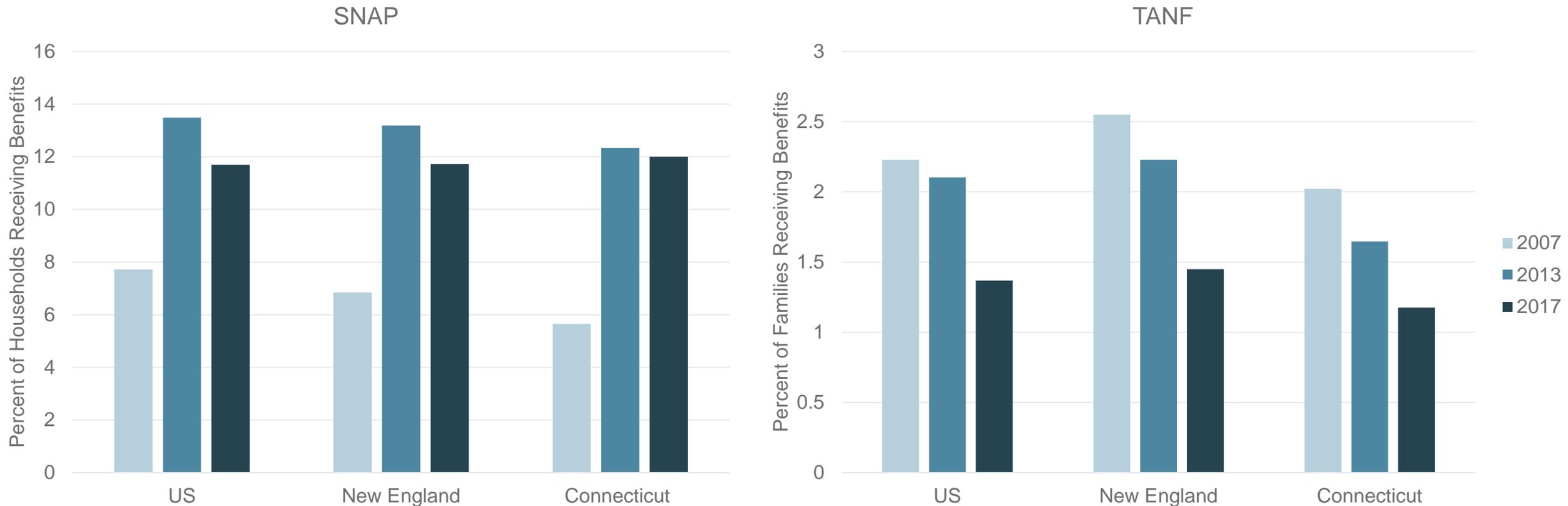
The Unemployed Increasingly Likely to be Poor, Despite Improving Economy Since 2010

Percent below Poverty Line



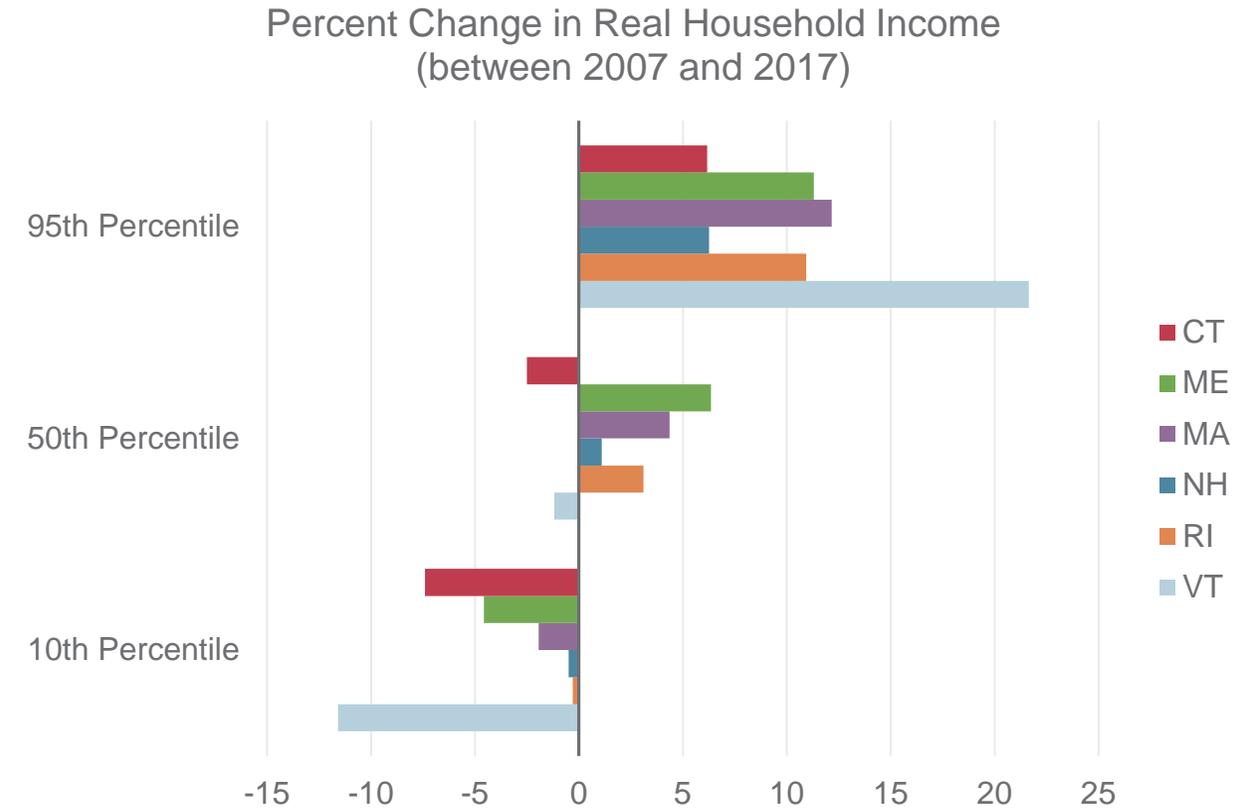
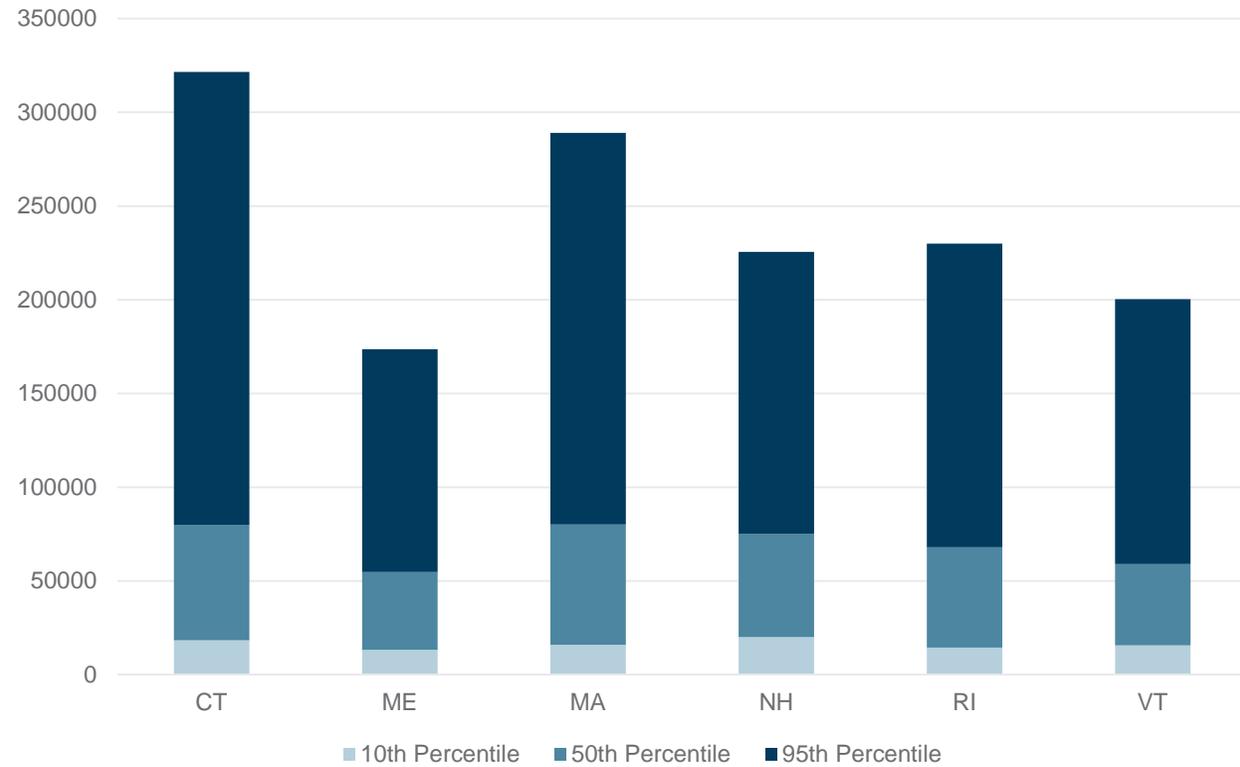
Source: ACS 1-Year Estimates

SNAP Receipts Up Since 2007, TANF Receipts Down



Source: SNAP Benefit data from ACS 1-Year Estimates, TANF Caseload Data from the Office of Family Assistance

New England Real Income Growth



Source: ACS One Year Estimates

Policy Challenges

- ▶ Non-employment rates down, but non-employed more likely to be poor
 - ▶ No more extended UI benefits
 - ▶ TANF helping fewer families, paying less in real terms
- ▶ Those still not employed face diverse barriers to employment
 - ▶ Obsolete skills, health issues, older age, English proficiency, child care needs
- ▶ Income growth weaker at low end of income scale
 - ▶ More will enter labor force if wage growth accelerates
- ▶ Some would boost EITC and TANF
 - ▶ Target work subsidies to low-employment places
 - ▶ Index TANF to inflation, do more to help claimants find work



Thank You

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