

## Massachusetts Work Force and Labor Force

### Jobs in Massachusetts

By January 2013 Massachusetts had recovered the jobs lost from the most recent recession when measured by the US Department of Labor's Bureau of Labor Statistics' Current Employment Statistics (CES) program. As of June 2013 Massachusetts non-farm jobs of 3,314,700 were 10,400 above the April 2008 previous high. Private sector jobs at 2,874,400 are 6,700 above the April 2008 level.

Jobs in the Education and Health Services; Professional, Scientific, and Business Services; Leisure and Hospitality and Other Services sectors are all above their April 2008 employment. Jobs in the Manufacturing, Financial Activities, Construction and Information sectors have to yet experience complete jobs recovery.

The Education and Health Services sector, which accounts for approximately one out of every four private sector jobs, did not experience any significant monthly losses during the entire recession and continued to add jobs each year. Jobs are up 63,700 since April 2008.

Professional, Scientific, and Business Services, which account for 17 percent of all private sector jobs, added 14,100 jobs primarily due to growth in Professional, Scientific, and Technical Services. Jobs in the sub-sector require a high level of training and expertise due to growth in Computer Systems Design and Related Services; Scientific Research and Development Services; and Management, Scientific & Tech Consulting.

Leisure and Hospitality has added 20,200 jobs with most of the gains attributable to the Accommodation and Food Services. Industries that provide lodging or short-term accommodations and Eating and Drinking Places have provided the growth.

The Trade, Transportation, and Utilities sector has added jobs with the majority of the job growth in Retail Trade, with gains in General Merchandise Stores and Food and Beverage Stores.

The Construction sector recorded its third consecutive annual gain as the sector remains 16,800 jobs below the April 2008 employment peak. All three of this

sector's industries -- Specialty Trade Contractors, Construction of Buildings, and Heavy and Civil Engineering Construction – have been steadily growing. Financial Activities jobs are down 16,700 jobs as Finance and Insurance has had continued job losses while the Real Estate and Rental and Leasing sector has recorded annual job gains since June 2011.

Manufacturing jobs are 40,700 below the April 2008 level. Durable Goods jobs sustained the greater loss, with jobs down 26,900. Non-Durable Goods jobs has not fared much better losing 13,800 jobs.

### **The Massachusetts Labor Force**

The Commonwealth's unemployment rate peaked at 8.7 percent from October 2009 through January 2010. By June 2013 the unemployment rate stood at 7.0 percent, up 2.2 percentage points from the 4.8 percent rate in April 2008. During the recession, the labor force participation rate, the number of residents who are employed or unemployed and actively seeking work went from 66.8 percent in April 2008 down to 64.6 percent by April 2013 as those who could not find work were discouraged and dropped out of the labor force. Over the same time span the working age population increased by 4.0 percent or 208,500.

As the working age population in Massachusetts grew, the numbers of residents who were employed plus those who were unemployed and actively seeking work, grew by just 31,100 or 0.9 of a percentage. By June 2013, 47,000 or 1.4 percent fewer Massachusetts residents were employed than in April 2008 and 78,000 or 47.4 percent more residents were unemployed.

The labor force status by age groups shows different trends. Due to the small sample size for Massachusetts in the Current Population Survey, the data by age group are based on twelve month averages that end in April 2008 and June 2013. For Massachusetts residents aged twenty five and older, the working age population increased by 175,700, while the labor force grew by 100,000 with 27,300 more employed residents and an additional 72,700 unemployed residents. However, within this cohort working age populations statewide were down for three age groups: residents age 25 to 34; 35 to 44; and 45 to 54. It is interesting to note that the labor force participation rate grew from 82 percent to 85 percent for those 25 to 34 years old. There were fewer employed residents in all three age cohorts from 25 to 54 while the unemployment rate increased by 3.3 percentage points for 25 to 34 year olds.

The labor force trends for those ages 55 to 64 and age 65 and older show increases from April 2008 through June 2013. The 55 to 64 age group had a population growth of 130,500 and an increase in labor force participation rate of 1.2 percentage points. This growth added 100,300 to the labor force of whom 81,700 more were employed while an additional 18,600 were unemployed. The working age population for residents age 65 and older grew by 156,900 to 994,000 as their labor force participation rate moved up to 20.3 compared to 15.6 percent before the recession. Within the group 71,400 more residents were in the labor force of which 65,800 were employed and 5,650 were unemployed. In summary, residents age 55 and older posted the largest increases in working age population and in the number of employed residents since the start of the recession while the numbers of employed residents fell in the age groups 25 to 54. For those 16 to 24 the unemployment rates remain high especially for teens.

Looking at unemployment rates by educational attainment, residents aged 25 and over with a bachelor's degree and higher weathered the recession far better than any other educational attainment group. All other educational attainment groups experienced increases in unemployment rates, including those with some college or associates degree whose unemployment rate doubled. As expected, those with less than a high school diploma consistently have the highest rate of unemployment, although this cohort is now the smallest population and is also the only one to decrease in size over the period.

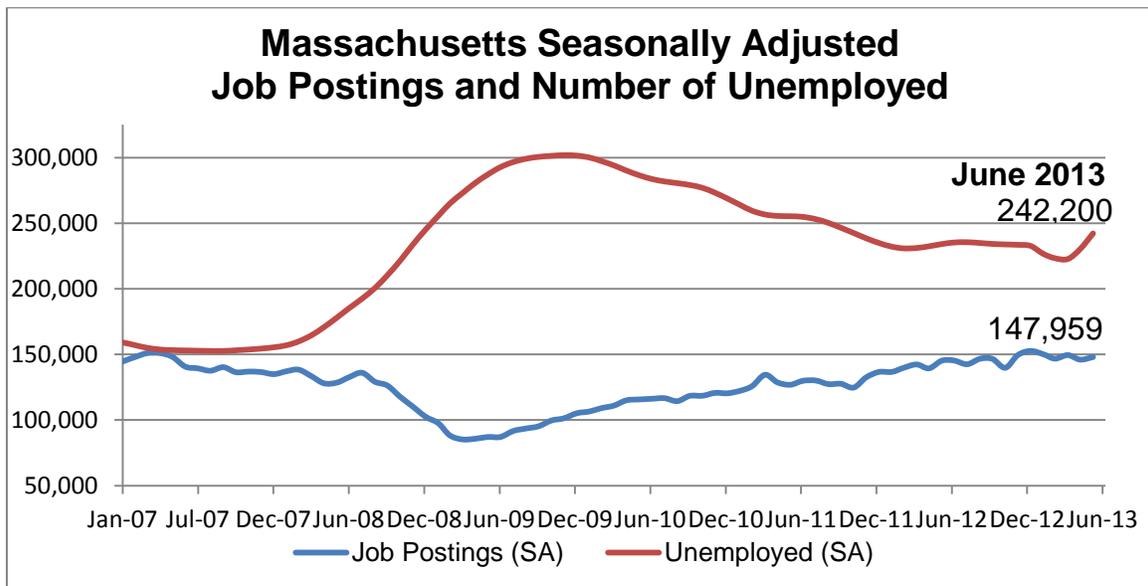
From 2008 to 2012 growth in the four levels of educational attainment varied. The number of individuals with some college or associates degree had the largest increase with 5.1 percent followed by those with a bachelor's degree or higher which increased by 4.6 percent. Over the same period, the number of individuals with less than a high school diploma decreased by 11.0 percent.

### **Job Openings and Job Seekers**

Massachusetts provides estimates of job openings by occupation through Long Term Projections, Short Term Projections, annual Job Vacancy Survey and the Conference Board's Help Wanted on Line (HWOL) monthly analytics. The HWOL analytics have been provided to State and LWIAs, Career Centers and other workforce agencies so they can identify openings in their local areas and provide an additional tool for career counselors who work directly with claimants to place them in jobs that align to their skills. HWOL monthly estimates show the numbers of job openings are substantially less than the numbers of Massachusetts residents actively seeking work. Since the beginning of the recession the number of job openings was less than the number of unemployed

residents. The difference grew during the recession. The gap has narrowed but remains below mid-April 2007 when the number of job openings were almost equal to the number of unemployed.

The graph below shows the trends for unemployed Massachusetts residents and HWOL job openings.



Using HWOL as a tool to identify employer's needs for workers and the occupational code of those claiming unemployment insurance benefits during the same time period, we can determine the number of jobs available for each UI claimant per an occupation. This measurement provides a snap-shot as to which occupations and skills are in the greatest demand within the state. For example, in mid-June 2013 there were forty-seven job postings available for Physical Therapist per claimant seeking work. The top three job postings per claimants were in the major occupational group Healthcare Practitioner and Technical Occupations. Other occupations with high demand include Human Resource Managers and Maintenance Repair Workers.

An "over-supply" of labor can be identified by taking the number of claimants per the number of job postings in a given occupation. For example, Stocks Clerks and Order Fillers have over a thousand UI claimants for every one job opening indicating a strong over-supply for this occupation. Other occupations include Welders and Cutters; Financial Managers and Video Game Designers. Claimants separated from these occupations may require assistance from Career

Centers and Counselors to identify other in demand occupations of overlapping skill sets.

An analysis of the Massachusetts claimants can be extended by connecting entry level educational attainment levels for each occupation with HWOL data. For example, it is shown that in terms of job postings per UI claimant, the top three occupations, previously noted, require a Master's Degree. Most other high demand jobs require a Bachelor's degree. Some require less than a Bachelor's degree. For the occupations for the highest numbers of claimants to job postings, an indicator of over-supply, the data show that most require less than a Bachelor's degree.

Most occupational groups are expected to have a significant number of openings coupled with fewer people to fill those openings resulting in a supply shortage. The largest shortfalls are expected to occur in Food Preparation and Serving Related Occupations, Sales and Related Occupations, and Office and Administrative Support Occupations. These three major occupations also account for the top three vacancies from the Job Vacancy Survey (or JVS).

The April 2013 JVS estimates indicate slightly fewer openings in total, but similar levels of demand for the same occupations as HWOL. For occupations that require higher educational attainment, the JVS vacancy rates closely align and HWOL openings. The projections occupations with higher replacement rates, that are openings that are available due to retirements or other separations reasons, also have JVS higher vacancy rates. The JVS estimates provide more detailed information on full time and part time jobs, and benefits provided. In the JVS Boston Region which includes the Boston, Metro North, Metro South, and South Shore LWIAs along with some towns in Central and North Central LWIAs, the jobs are mostly full time jobs. Most of the job openings in the remaining regions are part time.

Fifty four percent of the JVS vacancies in Computer and Mathematical Occupations require a bachelor's degree, and 85 percent require work experience related to the position. For the Healthcare Practitioner and Technical Occupations 29 percent require a bachelor's degree or higher, 72 percent require a license or certification and 74 percent require work experience related to the position. For Life, Physical, and Social Science Occupations, approximately 86 percent of the vacancies require an advanced degree, and 84 percent require related work experience.

The JVS data also shows that most of the full-time vacancies in the state require a high school diploma, while most part-time vacancies require less than high school. Those with a bachelor's degree or higher there are more full-time vacancies than part-time.

As the economy continues to recover the numbers of job seekers are likely to continue to outpace available job openings creating additional demands on the workforce system to assist those seeking work or requiring additional training.