

Research Note

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Massachusetts Employment Situation

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February 2017

OVERVIEW

- [The Massachusetts unemployment rate rose slightly to 3.4 percent in February](#). The January 2017 rate was 3.2 percent.
- The Education and Health Services; Professional, Scientific & Business Services, Construction, Manufacturing and Information sectors led in job creation for the month.
- The Leisure and Hospitality sector lost 1,400 jobs while the Government sector lost 1,600 jobs in the month.
- In percentage terms, the state's Construction sector rose 3.6 percent over the past year.
- While manufacturing gained jobs for the month, the sector continues to shed jobs on an annual basis (-1,900).
- The state's major sector: Education and Health Care created twice as many jobs as Professional Services, Information and Construction for the month.
- The Government sector which comprises of 12% (see Table 2) of the state's job market saw an increase of 7,300 jobs in the past year. The smallest percentage gain over the years took place in the Other Services category.

ANALYSIS

The state's unemployment rate remains one of the best in the nation. The Bay State's February rate of 3.4 percent is lower than the national rate of 4.7 as reported by the Bureau of Labor Statistics. The state added 10,100 jobs in February. The February labor force increased by 27,600. The state's labor force participation rate (LFP) increased by 0.4 percentage points to 65.3 percent over the month – up 0.3 percent from February 2016. Labor and Workforce Development Secretary Ronald L. Walker calls this month's report "a new peak in jobs and the labor force." Each month, the [Federal Reserve Bank of Atlanta Jobs Calculator](#) calculates the net employment change needed to achieve a target unemployment rate. How many monthly new jobs would need to be created to bring the state's unemployment rate to 3.0% a rate last seen in the dot.com days of February 2001 when the LFP was 67.5 percent? The state would have to generate 13,600 a month over the next 12 months to see that rate again, a highly unlikely outcome but a statistic that underscores the importance of greater workforce participation. During the last 12 months, the state generated 4,808 jobs on average.

**Table 1: Massachusetts Preliminary Monthly Job Estimates(CES-790)
(Seasonally Adjusted)**

INDUSTRY SUPER SECTOR	Feb-17	Jan-17	Feb-16	Net Change Feb '17 - Jan '17	Net Change YoY	% Change MoM	% Change YoY
EDUCATION AND HEALTH SERVICES	798,000	789,600	776,500	8,400	21,500	1.1	2.8
PROFESSIONAL, SCIENTIFIC & BUSINESS SERV	557,100	553,400	544,400	3,700	12,700	0.7	2.3
GOVERNMENT	458,800	460,400	451,500	-1,600	7,300	-0.3	1.6
TRADE, TRANSPORTATION, AND UTILITIES	578,900	579,000	573,300	-100	5,600	0	1
MINING, LOGGING AND CONSTRUCTION	151,300	150,700	146,000	600	5,300	0.4	3.6
FINANCIAL ACTIVITIES	227,000	227,200	223,100	-200	3,900	-0.1	1.7
LEISURE AND HOSPITALITY	361,000	362,400	358,800	-1,400	2,200	-0.4	0.6
OTHER SERVICES	136,500	136,900	135,900	-400	600	-0.3	0.4
INFORMATION	90,000	89,500	89,500	500	500	0.6	0.6
MANUFACTURING	245,000	244,400	246,900	600	-1,900	0.2	-0.8

**Table 2. Composition of Total NonFarm Employment in MA:
February 2017**

Total Private	87.3%
Goods Producing	11.0%
Service Providing	89.0%
Private Service Providing	76.3%
MINING, LOGGING AND CONSTRUCTION	4.2%
Natural Resources and Mining	0.031%
Construction	4.2%
MANUFACTURING	6.8%
Durable Goods	4.4%
Nondurable Goods	2.4%
TRADE, TRANSPORTATION, AND UTILITIES	16.1%
Wholesale Trade	3.5%
Retail Trade	10.0%
Transportation, Warehousing & Utilities	2.7%
INFORMATION	2.5%
FINANCIAL ACTIVITIES	6.3%
Finance and Insurance	5.0%
Real Estate and Rental and Leasing	1.3%
PROFESSIONAL, SCIENTIFIC & BUSINESS SERVICES	15.5%
Professional, Scientific, Technical Services	8.6%
Management of Companies and Enterprises	1.8%
Admin & Support, Waste Man & Remediation	5.1%
EDUCATION AND HEALTH SERVICES	22.1%
Educational Services	4.6%
Health Care and Social Assistance	17.5%
LEISURE AND HOSPITALITY	10.0%
Arts, Entertainment, and Recreation	1.6%
Accommodation and Food Services	8.4%
OTHER SERVICES	3.8%
GOVERNMENT	12.7%
Federal Government	1.3%
State Government	3.7%
Local Government	7.8%

(Source for tables: [MA LWD](#), Author calculations)