

Research Note

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MA Employment Situation: 4.3 percent; 200 jobs lost in July

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OVERVIEW

- The state's total unemployment rate increased to 4.3 percent in July and lost 200 jobs [according to the Executive Office of Labor and Workforce Development](#).
- Since last July the state's economy has added 45,200 jobs while the state's labor force participation rate has increased by 1.5 percent.
- The strongest job growth came in the Construction (+2,500), with Financial Activities and Education & Health Services each adding 1,300 jobs.
- Trade, Transportation and Utilities lost 1,400 jobs over the month while Leisure and Hospitality lost 900 jobs. Information lost 300 jobs; Professional, Scientific and Business Services lost 100.
- Government lost 1,700 jobs over the month and Other Services lost 1,400 jobs.
- The new jobs estimate for June was revised to 10,900 from the 10,000 jobs reported originally.
- Over the past year, the Health Care and Social Assistance subsector added 20,600 jobs, a sector whose year-over-year growth is nearly four times that of the growth of the Financial Activities sector.
- On average, Massachusetts employment grew by 3,767 jobs a month since last July.
- On average, the private sector generated 3,575 jobs monthly over the past 13 months.

ANALYSIS

The state's unemployment rate, which inched up in July, has converged with the national rate at 4.3 percent. According to the EOLWD, the last time the state and national rates matched was April 2008 when the rate was 5.0 percent. Over the year, the state's seasonally adjusted unemployment rate increased seven-tenths of a percentage point from 3.6 percent in July 2016. Meanwhile, the LFP rate increased by three-tenths of a point to 66.4 percent in July. The labor force decreased by 11,300 from 3,708,800 in June, says EOLWD as 11,500 fewer residents were employed and 300 more residents were unemployed. The unemployment rate remains at a stable low level but the state faces a skills gap. This may be reflected in the subpar growth of mid-tech jobs classified under Leisure and Hospitality and Other Services. "Although the unemployment rate remains low, we continue to see persistent gaps between the skill sets of available workers and the qualifications needed for in-demand jobs," Labor and Workforce Development Secretary Rosalin Acosta said. Job growth in Massachusetts continues to rely on the strength of the Education and Health Care and Professional Services super-sectors, which saw gains of 21,900 and 9,500 over the past year, respectively. In related news, the most recent [Boston metropolitan survey released this week by the Bureau of Labor Statistics](#) showed job growth over the past year across all sectors except for manufacturing. See table below.

Boston area employment (numbers in thousands)	Jun. 2017	Change from Jun. 2016 to Jun. 2017	
		Number	Percent
Total nonfarm	2,789.4	64.3	2.4
Mining, logging, and construction	113.7	0.8	0.7
Manufacturing	188.2	-0.8	-0.4
Trade, transportation, and utilities	431.8	6.0	1.4
Information	79.7	1.5	1.9
Financial activities	194.7	7.1	3.8
Professional and business services	485.8	12.5	2.6
Education and health services	586.1	25.6	4.6
Leisure and hospitality	284.0	4.1	1.5
Other services	107.3	3.2	3.1
Government	318.1	4.3	1.4

Source: U.S. BLS, Current Employment Statistics.

Massachusetts Monthly Average Job Gains/Losses

July 2016- July 2017

Selected subsectors

Total Private	3575
Service Providing	3558
Private Service Providing	3367
Health Care and Social Assistance	1717
Professional, Scientific, Technical Services	725
Local Government	533
Construction	325
Finance and Insurance	283
Goods Producing	208
Real Estate and Rental and Leasing	183
Other Services	167
Retail Trade	158
Accommodation and Food Services	117
Information	108
Educational Services	108
Trade, Transportation and Utilities	83
Admin & Support, Waste Man & Remediation	75
Federal Government	50
Management of Companies and Enterprises	-8
Wholesale Trade	-25
Nondurable Goods	-25
Leisure and Hospitality	-75
Durable Goods	-100
Arts, Entertainment, and Recreation	-192
State Government	-392

*Author's calculations based on BLS data