

The Employment Situation in Connecticut

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Summary

In July 2022, **nonfarm employment** in Connecticut increased by 6,500 jobs, and the June estimate was revised upward by 1,300 jobs, putting the shortfall since the start of the pandemic-induced recession in February 2020 at 40,200 jobs. Based on an average monthly increase of 3,733 jobs over the past six months, Connecticut is on track to close its job shortfall in June 2023, a faster recovery compared to last month's projection of January 2024 but a slower recovery compared to July 2022 for the U.S. as a whole.

In July 2022, employment increased in the following major sectors/industries: **local government** (3,800 jobs), **federal government** (200 jobs), **construction** (1,500 jobs), **manufacturing** (700 jobs), **trade, transportation, and utilities** (800 jobs), **professional and business services** (500 jobs), and **education and health services** (1,700 jobs). Employment decreased in the following major sectors/industries: **state government** (-100 jobs), **information** (-200 jobs), **financial activities** (-100 jobs), **leisure and hospitality** (-600 jobs), and **other services** (-400 jobs).

Since the start of the pandemic-induced recession in February 2020, employment has increased in the following major sectors/industries: **construction** (1,200 jobs), **trade, transportation, and utilities** (4,100 jobs), and **professional and business services** (2,600). Employment has decreased in the following major sectors/industries: **local government** (-4,600 jobs), **state government** (-4,300 jobs), **federal government** (-100 jobs), **manufacturing** (-1,300 jobs), **information** (-1,500 jobs), **financial activities** (-3,900 jobs), **education and health services** (-14,200 jobs), **leisure and hospitality** (-12,000 jobs), and **other services** (-6,100 jobs).

The **labor force participation rate** in Connecticut was 64.5 percent in July 2022, down from 64.6 percent in June 2022, and down from 66.9 percent in February 2020. The labor force participation rate in July 2022 for the following demographic groups was higher than the overall rate: **men** (70.0 percent), **white** (64.8 percent), **20 to 24 years old** (69.8 percent), and **25 to 54 years old** (85.2 percent). The labor force participation rate for the following demographic groups was lower than the overall rate: **women** (59.3 percent), **Black** (63.3 percent), **Asian** (63.4 percent), **Hispanic or Latino/a/x** (64.2 percent), **16 to 19 years old** (37.9 percent), **55 years old and over** (41.8 percent).

The **employment-population ratio** in Connecticut was 62.1 percent in July 2022, up from 62 percent in June 2022, but still down from 64.6 percent in February 2020. The employment-population ratio in July 2022 for the following demographic groups was higher than the overall ratio: **men** (67.2

percent), **white** (62.7 percent), and **25 to 54 years old** (82.9 percent). The employment-population ratio for the following demographic groups was lower than the overall ratio: **women** (57.4 percent), **Black** (59.4 percent), **Asian** (60.9 percent), **Hispanic or Latino/a/x** (60.3 percent), **16 to 19 years old** (32.7 percent), **20 to 24 years old** (62 percent), and **55 years old and over** (40.7 percent).

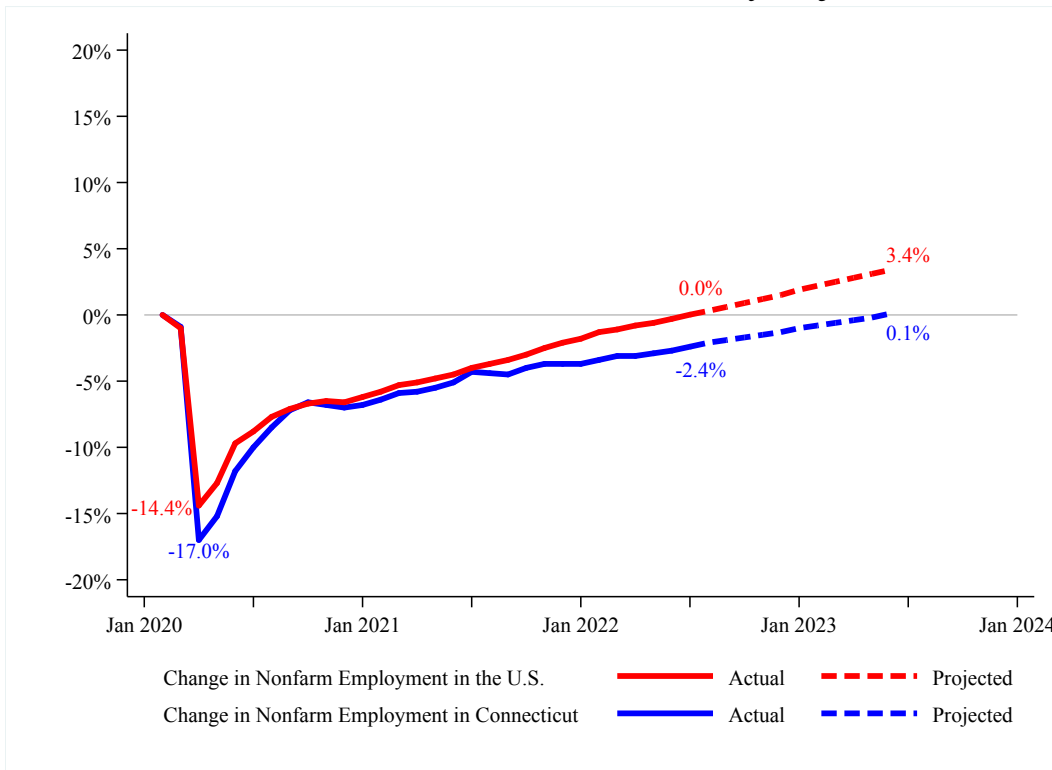
The **unemployment rate** in Connecticut was 3.7 percent in July 2022, down from 4 percent in June 2022, but still up from 3.4 percent in February 2020. The unemployment rate in July 2022 for the following demographic groups was lower than the overall rate: **women** (3.4 percent), **white** (3.3 percent), **25 to 54 years old** (2.8 percent), and **55 years old and over** (2.7 percent). The unemployment rate for the following demographic groups was higher than the overall rate: **men** (4 percent), **Black** (5.7 percent), **Asian** (3.8 percent), **Hispanic or Latino/a/x** (5.6 percent), **16 to 19 years old** (12.2 percent), and **20 to 24 years old** (10.1 percent).

Background and Methodology

On the first Friday of each month, the U.S. Bureau of Labor Statistics (BLS) publishes “The Employment Situation” news release, which provides national employment data from two surveys. The establishment survey provides an overview of nonfarm employment overall and by major sector and industry. The household survey provides an overview of employment status (labor force participation rate, employment-population ratio, and unemployment rate) overall and by major demographic group. Later each month, the BLS’ Local Area Unemployment Statistics (LAUS) program provides state and local data from the above surveys and other sources. Like the national data, the state-level data include an overview of nonfarm employment overall and by major sector and industry, and they also include employment status overall. Unlike the national data, the state-level data include no breakdown of employment status by major demographic group.

To fill the state-level data shortfall, which is essential for designing effective public policy in Connecticut, Connecticut Voices for Children publishes this monthly news release, “The Employment Situation in Connecticut.” This includes an overview of the change in total nonfarm employment in the U.S. and Connecticut as well as the change in nonfarm employment by major sector and industry in Connecticut. It also includes an overview of employment status in the U.S. and Connecticut by major demographic group, which no other organization in Connecticut currently provides on a monthly basis. These new, detailed measures of employment status in Connecticut are calculated as follows: The monthly estimate that the BLS provides for each overall employment status indicator in Connecticut (labor force participation rate, employment-population ratio, and unemployment rate) is multiplied by the employment status ratio for each major demographic group. The latter is calculated using the Economic Policy Institute’s extracts of the BLS’ Current Population Survey (i.e., the household survey) for the preceding three-month period for Connecticut and its bordering states (New York, Massachusetts, and Rhode Island), which are the state labor markets most closely connected to Connecticut’s labor market. The expansion of the time period and the labor market area for calculating the employment status ratios for the major demographic groups is necessary to increase the sample size.

Change in Total Nonfarm Employment, U.S. and Connecticut Seasonally Adjusted



Recovery Date
U.S.: July 2022 (Actual)
CT: June 2023 (Projected)

Average Change in Nonfarm Employment, Past Six Months
U.S.: 465,333 (0.3%)
CT: 3,733 (0.2%)

Job Openings
U.S.: 10.7 million (Jun.)
CT: 105,000 (Jun.)

Unemployed Persons Per Job Opening
U.S.: 0.5 (Jul./Jun.)
CT: 0.7 (Jul./Jun.)

Change in Nonfarm Employment by Major Sector & Industry, Connecticut Seasonally Adjusted

Major Sector and Industry	February 2020	June 2022	July 2022	Month to Month Change		Change Since February 2020	
				Number	%	Number	%
Total Nonfarm Employment	1,699,000	1,652,300	1,658,800	6,500	0.4%	-40,200	-2.4%
Public Sector	236,700	223,800	227,700	3,900	1.7%	-9,000	-3.8%
Local Government	146,200	137,800	141,600	3,800	2.8%	-4,600	-3.1%
State Government	71,900	67,700	67,600	-100	-0.1%	-4,300	-6.0%
Federal Government	18,600	18,300	18,500	200	1.1%	-100	-0.5%
Private Sector	1,462,300	1,428,500	1,431,100	2,600	0.2%	-31,200	-2.1%
Construction	59,500	59,200	60,700	1,500	2.5%	1,200	2.0%
Manufacturing	161,000	159,000	159,700	700	0.4%	-1,300	-0.8%
Trade, Transportation, and Utilities	293,500	296,800	297,600	800	0.3%	4,100	1.4%
Information	31,500	30,200	30,000	-200	-0.7%	-1,500	-4.8%
Financial Activities	122,600	118,800	118,700	-100	-0.1%	-3,900	-3.2%
Professional and Business Services	216,400	218,500	219,000	500	0.2%	2,600	1.2%
Education and Health Services	351,700	335,800	337,500	1,700	0.5%	-14,200	-4.0%
Leisure and Hospitality	159,500	148,100	147,500	-600	-0.4%	-12,000	-7.5%
Other Services	66,000	60,300	59,900	-400	-0.7%	-6,100	-9.2%

Employment Status Overall and by Demographic Group, U.S. and Connecticut Seasonally Adjusted

Employment Status Indicator and Major Demographic Group	United States			Connecticut		
	February 2020	June 2022	July 2022	February 2020	June 2022	July 2022
Labor Force Participation Rate	63.4	62.2	62.1	66.9	64.6	64.5
Men	69.3	67.8	67.6	73.1	70.1	70.0
Women	57.9	56.8	56.9	61.2	59.5	59.3
White	63.3	61.9	61.9	67.1	64.9	64.8
Black	63.2	62.2	62.0	65.7	63.4	63.3
Asian	64.2	64.4	64.9	66.8	62.7	63.4
Hispanic or Latino/a/x	68.0	66.5	65.7	69.6	64.6	64.2
16 to 19 Years Old	36.6	36.6	35.8	30.4	34.6	37.9
20 to 24 Years Old	73.2	71.2	71.1	74.1	66.9	69.8
25 to 54 Years Old	83.0	82.3	82.4	88.2	86.1	85.2
55 Years Old and Over	40.3	38.6	38.7	44.1	42.1	41.8
Employment-Population Ratio	61.2	59.9	60.0	64.6	62.0	62.1
Men	66.8	65.4	65.2	70.1	67.0	67.2
Women	55.9	54.7	55.0	59.5	57.4	57.4
White	61.4	59.9	59.9	64.9	62.7	62.7
Black	59.4	58.6	58.3	62.2	58.9	59.4
Asian	62.5	62.5	63.2	65.6	60.0	60.9
Hispanic or Latino/a/x	65.0	63.7	63.1	66.1	60.9	60.3
16 to 19 Years Old	32.5	32.6	31.7	26.6	29.7	32.7
20 to 24 Years Old	68.4	66.4	66.6	69.4	59.2	62.0
25 to 54 Years Old	80.5	79.8	80.0	85.7	83.5	82.9
55 Years Old and Over	39.3	37.6	37.7	42.9	40.9	40.7
Unemployment Rate	3.5	3.6	3.5	3.4	4.0	3.7
Men	3.5	3.6	3.5	4.0	4.5	4.0
Women	3.4	3.6	3.4	2.7	3.4	3.4
White	3.0	3.3	3.1	3.2	3.4	3.3
Black	6.0	5.8	6.0	5.2	7.0	5.7
Asian	2.5	3.0	2.6	1.8	4.3	3.8
Hispanic or Latino/a/x	4.4	4.3	3.9	5.0	5.6	5.6
16 to 19 Years Old	11.3	11.0	11.5	12.0	14.2	12.2
20 to 24 Years Old	6.5	6.8	6.4	6.2	11.4	10.1
25 to 54 Years Old	3.0	3.0	2.9	2.9	3.0	2.8
55 Years Old and Over	2.6	2.7	2.5	2.8	2.8	2.7

The **labor force participation rate** measures the percentage of the population that is working or actively looking for work. The **employment-population ratio** measures the percentage of the population that is currently working. The **unemployment rate** measures the percentage of the population that is unemployed and actively looking for work.