

The Employment Situation in Connecticut

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Summary

In August 2022, **nonfarm employment** in Connecticut increased by 2,900 jobs, and the July estimate was revised upward by 2,200 jobs, putting the shortfall since the start of the pandemic-induced recession in February 2020 at 35,100 jobs. Based on an average monthly increase of 3,683 jobs over the past six months, Connecticut is on track to close its job shortfall in June 2023, the same as last month's projection but a slower recovery compared to August 2022 for the U.S. as a whole.

In August 2022, employment increased in the following major sectors/industries: **construction** (700 jobs), **manufacturing** (900 jobs), **trade, transportation, and utilities** (400 jobs), **information** (600 jobs), **professional and business services** (1,600 jobs), **education and health services** (1,000 jobs), and **other services** (200 jobs). Employment decreased in the following major sectors/industries: **local government** (-2,000 jobs), **state government** (-100 jobs), and **federal government** (-100 jobs).

Since the start of the pandemic-induced recession in February 2020, employment has increased in the following major sectors/industries: **construction** (2,200 jobs), **trade, transportation, and utilities** (4,400 jobs), and **professional and business services** (5,100). Employment has decreased in the following major sectors/industries: **local government** (-7,000 jobs), **state government** (-4,400 jobs), **federal government** (-200 jobs), **manufacturing** (-400 jobs), **information** (-800 jobs), **financial activities** (-4,000 jobs), **education and health services** (-12,600 jobs), **leisure and hospitality** (-11,800 jobs), and **other services** (-5,500 jobs).

The **labor force participation rate** in Connecticut was 64.7 percent in August 2022, up from 64.5 percent in July 2022, but down from 66.9 percent in February 2020. The labor force participation rate in August 2022 for the following demographic groups was higher than the overall rate: **men** (69.9 percent), **white** (64.9 percent), **Asian** (65.8 percent), **20 to 24 years old** (70.9 percent), and **25 to 54 years old** (85.3 percent). The labor force participation rate for the following demographic groups was lower than the overall rate: **women** (59.9 percent), **Black** (62.6 percent), **Hispanic or Latino/a/x** (64.3 percent), **16 to 19 years old** (41.8 percent), and **55 years old and over** (41.5 percent).

The **employment-population ratio** in Connecticut was 62.0 percent in August 2022, down from 62.1 percent in July 2022, and down from 64.6 percent in February 2020. The employment-population ratio in August 2022 for the following demographic groups was higher than the overall ratio: **men** (66.8 percent), **white** (62.6 percent), **Asian** (63.2 percent), **20 to 24 years old** (63 percent), and **25 to 54 years old** (82.6 percent). The employment-population ratio for the following demographic groups

was lower than the overall ratio: **women** (57.5 percent), **Black** (58 percent), **Hispanic or Latino/a/x** (60.1 percent), **16 to 19 years old** (36.3 percent), and **55 years old and over** (40.3 percent).

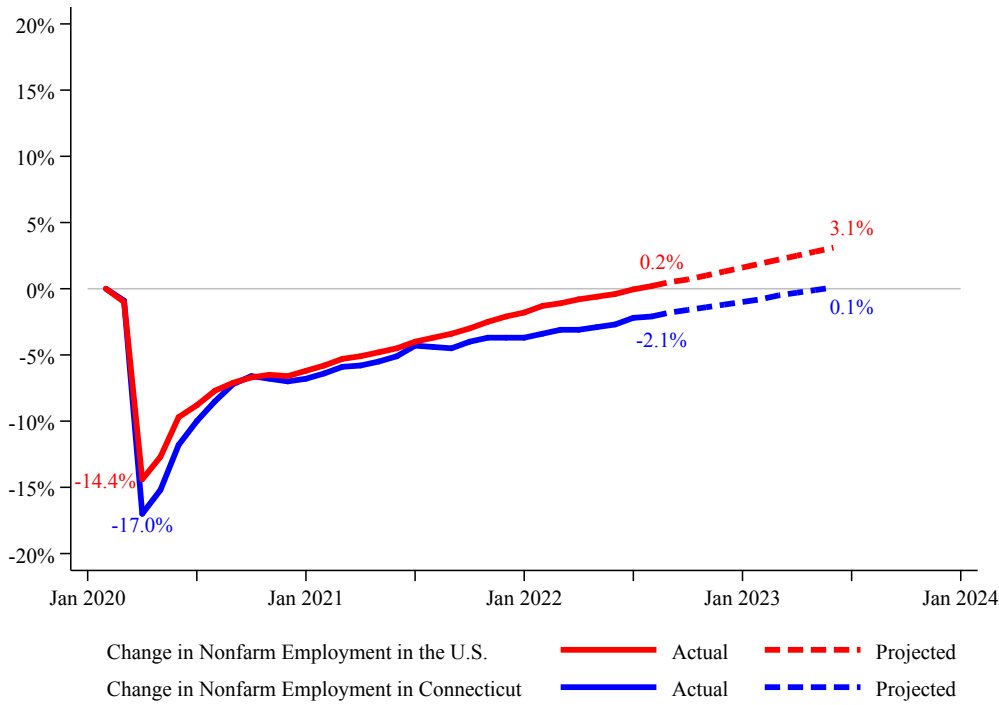
The **unemployment rate** in Connecticut was 4.1 percent in August 2022, up from 3.7 percent in July 2022, and up from 3.4 percent in February 2020. The unemployment rate in August 2022 for the following demographic groups was lower than the overall rate: **women** (3.8 percent), **white** (3.6 percent), **Asian** (4 percent), **25 to 54 years old** (3.2 percent), and **55 years old and over** (3 percent). The unemployment rate for the following demographic groups was higher than the overall rate: **men** (4.3 percent), **Black** (6.9 percent), **Hispanic or Latino/a/x** (6.2 percent), **16 to 19 years old** (12.1 percent), and **20 to 24 years old** (10.3 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.: August 2022 (Actual)
CT: June 2023 (Projected)

Average Change in
 Nonfarm Employment,
 Past Six Months
U.S.: 381,000 (0.25%)
CT: 3,683 (0.22%)

Job Openings
U.S.: 11.2 million (Jul.)
CT: 113,000 (Jul.)

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

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

Major Sector and Industry	February 2020	July 2022	August 2022	Month to Month Change		Change Since February 2020	
				Number	%	Number	%
Total Nonfarm Employment	1,699,000	1,661,000	1,663,900	2,900	0.2%	-35,100	-2.1%
Public Sector	236,700	227,300	225,100	-2,200	-1.0%	-11,600	-4.9%
Local Government	146,200	141,200	139,200	-2,000	-1.4%	-7,000	-4.8%
State Government	71,900	67,600	67,500	-100	-0.1%	-4,400	-6.1%
Federal Government	18,600	18,500	18,400	-100	-0.5%	-200	-1.1%
Private Sector	1,462,300	1,433,700	1,438,800	5,100	0.4%	-23,500	-1.6%
Construction	59,500	61,000	61,700	700	1.1%	2,200	3.7%
Manufacturing	161,000	159,700	160,600	900	0.6%	-400	-0.2%
Trade, Transportation, and Utilities	293,500	297,500	297,900	400	0.1%	4,400	1.5%
Information	31,500	30,100	30,700	600	2.0%	-800	-2.5%
Financial Activities	122,600	118,600	118,600	0	0.0%	-4,000	-3.3%
Professional and Business Services	216,400	219,900	221,500	1,600	0.7%	5,100	2.4%
Education and Health Services	351,700	338,100	339,100	1,000	0.3%	-12,600	-3.6%
Leisure and Hospitality	159,500	148,000	147,700	-300	-0.2%	-11,800	-7.4%
Other Services	66,000	60,300	60,500	200	0.3%	-5,500	-8.3%

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	July 2022	August 2022	February 2020	July 2022	August 2022
Labor Force Participation Rate	63.4	62.1	62.4	66.9	64.5	64.7
Men	69.3	67.6	67.8	73.1	70.0	69.9
Women	57.9	56.9	57.1	61.2	59.3	59.9
White	63.3	61.9	62.1	67.1	64.8	64.9
Black	63.2	62.0	61.8	65.7	63.3	62.6
Asian	64.2	64.9	65.3	66.8	63.4	65.8
Hispanic or Latino/a/x	68.0	65.7	66.8	69.6	64.2	64.3
16 to 19 Years Old	36.6	35.8	37.7	30.4	37.9	41.8
20 to 24 Years Old	73.2	71.1	70.3	74.1	69.8	70.9
25 to 54 Years Old	83.0	82.4	82.8	88.2	85.2	85.3
55 Years Old and Over	40.3	38.7	38.6	44.1	41.8	41.5
Employment-Population Ratio	61.2	60.0	60.1	64.6	62.1	62.0
Men	66.8	65.2	65.3	70.1	67.2	66.8
Women	55.9	55.0	55.1	59.5	57.4	57.5
White	61.4	59.9	60.1	64.9	62.7	62.6
Black	59.4	58.3	57.9	62.2	59.4	58.0
Asian	62.5	63.2	63.5	65.6	60.9	63.2
Hispanic or Latino/a/x	65.0	63.1	63.8	66.1	60.3	60.1
16 to 19 Years Old	32.5	31.7	33.8	26.6	32.7	36.3
20 to 24 Years Old	68.4	66.6	65.4	69.4	62.0	63.0
25 to 54 Years Old	80.5	80.0	80.3	85.7	82.9	82.6
55 Years Old and Over	39.3	37.7	37.6	42.9	40.7	40.3
Unemployment Rate	3.5	3.5	3.7	3.4	3.7	4.1
Men	3.5	3.5	3.8	4.0	4.0	4.3
Women	3.4	3.4	3.5	2.7	3.4	3.8
White	3.0	3.1	3.2	3.2	3.3	3.6
Black	6.0	6.0	6.4	5.2	5.7	6.9
Asian	2.5	2.6	2.8	1.8	3.8	4.0
Hispanic or Latino/a/x	4.4	3.9	4.5	5.0	5.6	6.2
16 to 19 Years Old	11.3	11.5	10.4	12.0	12.2	12.1
20 to 24 Years Old	6.5	6.4	6.9	6.2	10.1	10.3
25 to 54 Years Old	3.0	2.9	3.1	2.9	2.8	3.2
55 Years Old and Over	2.6	2.5	2.7	2.8	2.7	3.0

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.