

The Employment Situation in Connecticut

January 2023

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Summary

In January 2023, **nonfarm employment** in Connecticut increased by 8,700 jobs, and the last five years of data were also updated as part of the Bureau of Labor Statistics' annual benchmark revision process, all of which puts the job shortfall since February 2020, the pre-pandemic-induced recession baseline, at 15,700 jobs. Based on an average monthly increase of 1,833 jobs over the past six months, Connecticut is on track to close its job shortfall in October 2023, faster than last month's projection of December 2023 but a slower recovery compared to June 2022 for the U.S. as a whole.

In January 2023, employment increased in the following major sectors/industries: **local government** (200 jobs), **state government** (200 jobs), **construction** (1,500 jobs), **trade, transportation, and utilities** (1,300 jobs), **professional and business services** (3,700 jobs), **education and health services** (2,300 jobs), **leisure and hospitality** (700 jobs), and **other services** (500 jobs). Employment decreased in the following major sectors/industries: **federal government** (-100 jobs), **manufacturing** (-300 jobs), **information** (-200 jobs), and **financial activities** (-1,000 jobs).

Since February 2020, employment has increased in the following major sectors/industries: **construction** (2,700 jobs), **trade, transportation, and utilities** (3,600 jobs), and **professional and business services** (5,900). Employment has decreased in the following major sectors/industries: **local government** (-3,600 jobs), **state government** (-3,600 jobs), **federal government** (-300 jobs), **manufacturing** (-2,100 jobs), **information** (-400 jobs), **financial activities** (-6,900 jobs), **education and health services** (-1,800 jobs), **leisure and hospitality** (-5,100 jobs), **other services** (-3,900 jobs).

The **labor force participation rate** in Connecticut was 64.8 percent in January 2023, the same as in December 2022, and down from 66.5 percent in February 2020. In January 2023, the labor force participation rate for the following demographic groups was higher than or equal to the overall rate: **men** (69.6 percent), **white** (64.9 percent), **Black** (65.0 percent), **Hispanic or Latino/a/x** (65.7 percent), **20 to 24 years old** (67.2 percent), **25 to 54 years old** (87.5 percent). The labor force participation rate for the following groups was lower than the overall rate: **women** (60.3 percent), **Asian** (64.1 percent), **16 to 19 years old** (29.8 percent), and **55 years old and over** (42.5 percent).

The **employment-population ratio** in Connecticut was 62.2 percent in January 2023, the same as in December 2022, and down from 63.9 percent in February 2020. In January 2023, the employment-population ratio for the following demographic groups was higher than or equal to the overall ratio: **men** (66.6 percent), **white** (62.7 percent), **Asian** (62.6 percent), and **25 to 54 years old** (84.5 percent).

The employment-population ratio for the following demographic groups was lower than the overall ratio: **women** (58.0 percent), **Black** (60.4 percent), **Hispanic or Latino/a/x** (61.2 percent), **16 to 19 years old** (25.7 percent), **20 to 24 years old** (60.9 percent), and **55 years old and over** (41.3 percent).

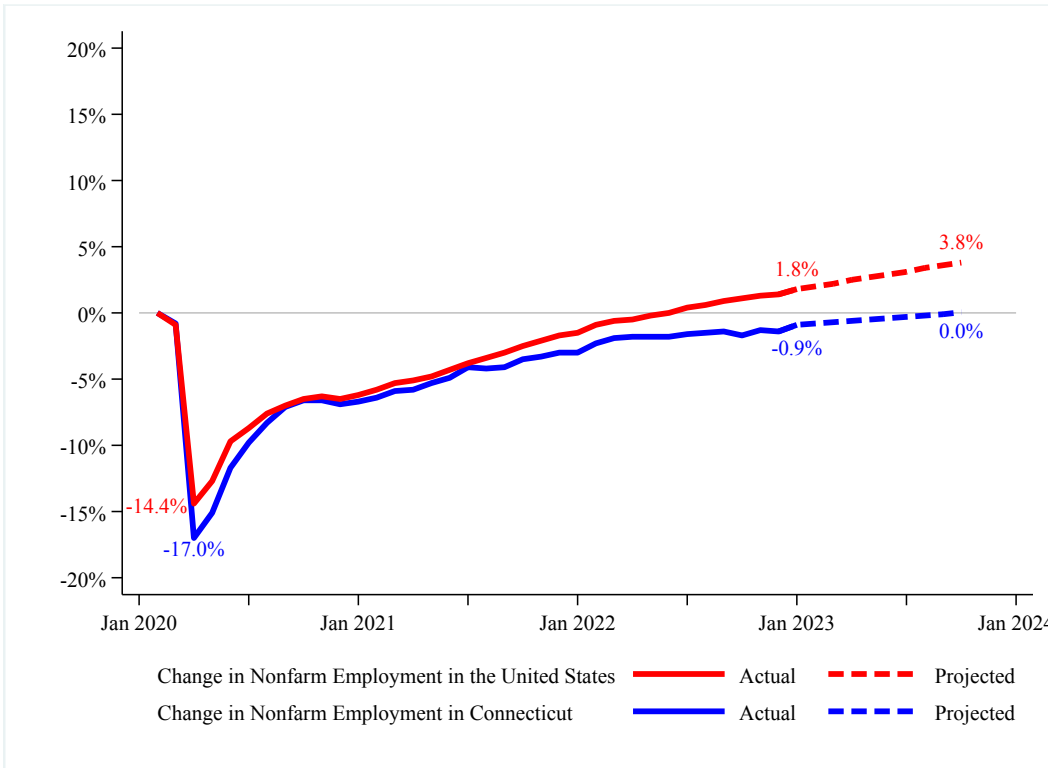
The **unemployment rate** in Connecticut was 3.9 percent in January 2023, down from 4.0 percent in December 2022, and the same rate as in February 2020. In January 2023, the unemployment rate for the following demographic groups was lower than or equal to the overall rate: **women** (3.7 percent), **white** (3.3 percent), **Asian** (2.2 percent), **25 to 54 years old** (3.3 percent), and **55 years old and over** (2.6 percent). The unemployment rate for the following demographic groups was higher than the overall rate: **men** (4.1 percent), **Black** (7.1 percent), **Hispanic or Latino/a/x** (6.7 percent), **16 to 19 years old** (13.6 percent), and **20 to 24 years old** (9.2 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 Current Population Survey (i.e., household survey) public use microdata 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 Seasonally Adjusted



Recovery Date
U.S.: Jun. 2022
CT: Oct. 2023 (Projected)

Average Change in
 Nonfarm Employment,
 Past Six Months
U.S.: 348,833 (0.22%)
CT: 1,833 (0.11%)

Job Openings
U.S.: 10.8 million (Dec.)
CT: 100,000 (Dec.)

Job Openings Per
 Unemployed Persons
U.S.: 1.9 (Dec./Jan.)
CT: 1.3 (Dec./Jan.)

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

Major Sector and Industry	February 2020	December 2022	January 2023	Month to Month Change		Change Since February 2020	
				Number	%	Number	%
Total Nonfarm Employment	1,697,500	1,673,100	1,681,800	8,700	0.5%	-15,700	-0.9%
Public Sector	236,700	228,900	229,200	300	0.1%	-7,500	-3.2%
Local Government	146,000	142,200	142,400	200	0.1%	-3,600	-2.5%
State Government	72,100	68,300	68,500	200	0.3%	-3,600	-5.0%
Federal Government	18,600	18,400	18,300	-100	-0.5%	-300	-1.6%
Private Sector	1,460,800	1,444,200	1,452,600	8,400	0.6%	-8,200	-0.6%
Construction	59,200	60,400	61,900	1,500	2.5%	2,700	4.6%
Manufacturing	160,900	159,100	158,800	-300	-0.2%	-2,100	-1.3%
Trade, Transportation, and Utilities	293,400	295,700	297,000	1,300	0.4%	3,600	1.2%
Information	31,300	31,100	30,900	-200	-0.6%	-400	-1.3%
Financial Activities	122,500	116,600	115,600	-1,000	-0.9%	-6,900	-5.6%
Professional and Business Services	216,400	218,600	222,300	3,700	1.7%	5,900	2.7%
Education and Health Services	351,700	347,600	349,900	2,300	0.7%	-1,800	-0.5%
Leisure and Hospitality	158,800	153,000	153,700	700	0.5%	-5,100	-3.2%
Other Services	66,000	61,600	62,100	500	0.8%	-3,900	-5.9%

Employment Status Overall and by Demographic Group

Seasonally Adjusted

Employment Status Indicator and Major Demographic Group	United States			Connecticut		
	February	December	January	February	December	January
	2020	2022	2023	2020	2022	2023
Labor Force Participation Rate	63.3	62.3	62.4	66.5	64.8	64.8
Men	69.1	68.1	67.9	72.7	70.2	69.6
Women	57.9	56.8	57.0	60.8	59.8	60.3
White	63.2	62.1	62.1	66.7	64.8	64.9
Black	63.1	62.4	62.9	65.3	64.9	65.0
Asian	64.5	64.2	64.1	66.4	65.8	64.1
Hispanic or Latino/a/x	67.9	66.3	66.3	69.2	65.7	65.7
16 to 19 Years Old	36.7	37.0	37.2	30.2	30.6	29.8
20 to 24 Years Old	73.1	71.3	71.5	73.7	67.1	67.2
25 to 54 Years Old	83.0	82.4	82.7	87.7	87.3	87.5
55 Years Old and Over	40.3	38.8	38.7	43.9	42.4	42.5
Employment-Population Ratio	61.1	60.1	60.2	63.9	62.2	62.2
Men	66.7	65.8	65.5	69.4	67.5	66.6
Women	55.9	54.8	55.1	58.9	57.3	58.0
White	61.3	60.2	60.2	64.2	62.6	62.7
Black	59.3	58.9	59.5	61.5	60.0	60.4
Asian	62.8	62.7	62.3	64.9	63.8	62.6
Hispanic or Latino/a/x	65.0	63.5	63.3	65.4	61.8	61.2
16 to 19 Years Old	32.5	33.1	33.3	26.3	26.9	25.7
20 to 24 Years Old	68.4	66.1	66.5	68.6	61.7	60.9
25 to 54 Years Old	80.5	80.1	80.2	84.8	84.2	84.5
55 Years Old and Over	39.3	37.8	37.8	42.4	41.2	41.3
Unemployment Rate	3.5	3.5	3.4	3.9	4.0	3.9
Men	3.5	3.4	3.6	4.6	3.8	4.1
Women	3.4	3.6	3.3	3.1	4.2	3.7
White	3.0	3.0	3.1	3.7	3.2	3.3
Black	6.0	5.7	5.4	6.0	8.2	7.1
Asian	2.6	2.4	2.8	2.1	2.9	2.2
Hispanic or Latino/a/x	4.4	4.1	4.5	5.7	6.2	6.7
16 to 19 Years Old	11.4	10.4	10.3	13.8	13.2	13.6
20 to 24 Years Old	6.5	7.3	7.1	7.1	8.7	9.2
25 to 54 Years Old	3.0	2.9	3.0	3.3	3.5	3.3
55 Years Old and Over	2.5	2.7	2.3	3.2	2.6	2.6

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.