

The Employment Situation in Connecticut

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Summary

In March 2023, **nonfarm employment** in Connecticut increased by 1,100 jobs, and the February 2023 estimate was revised downward by 500 jobs, putting the shortfall since February 2020, the pre-pandemic-induced recession baseline, at 9,400 jobs. Based on an average monthly increase of 2,450 jobs over the past six months, Connecticut is on track to close its job shortfall in July 2023, slower than last month's projection of June 2023 and a slower recovery compared to June 2022 for the U.S. as a whole.

In March 2023, employment increased in the following major sectors/industries: **local government** (300 jobs), **state government** (100 jobs), **federal government** (200 jobs), **trade, transportation, and utilities** (100 jobs), **professional and business services** (2,200 jobs), **education and health services** (100 jobs), and **other services** (500 jobs). Employment decreased in the following major sectors/industries: **construction** (-1,800 jobs), **manufacturing** (-200 jobs), **financial activities** (-200 jobs), and **leisure and hospitality** (-200 jobs).

Since February 2020, employment has increased in the following major sectors/industries: **federal government** (100 jobs), **construction** (700 jobs), **trade, transportation, and utilities** (3,600 jobs), **professional and business services** (10,900), and **education and health services** (300 jobs). Employment has decreased in the following major sectors/industries: **local government** (-3,000 jobs), **state government** (-3,800 jobs), **manufacturing** (-2,400 jobs), **information** (-300 jobs), **financial activities** (-7,500 jobs), **leisure and hospitality** (-4,800 jobs), **other services** (-3,100 jobs).

The **labor force participation rate** in Connecticut was 64.5 percent in March 2023, down from 64.7 percent in February 2023, and down from 66.5 percent in February 2020. In March 2023, the labor force participation rate for the following demographic groups was higher than or equal to the overall rate: **men** (69.4 percent), **white** (64.6 percent), **Black** (64.5 percent), **Hispanic or Latino/a/x** (65.2 percent), **20 to 24 years old** (65.1 percent), **25 to 54 years old** (87.6 percent). The labor force participation rate for the following groups was lower than the overall rate: **women** (59.9 percent), **Asian** (64.3 percent), **16 to 19 years old** (27.1 percent), and **55 years old and over** (42.6 percent).

The **employment-population ratio** in Connecticut was 61.9 percent in March 2023, down from 62.1 percent in February 2023, and down from 63.9 percent in February 2020. In March 2023, the employment-population ratio for the following demographic groups was higher than or equal to the overall ratio: **men** (66.0 percent), **white** (62.4 percent), **Asian** (62.5 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** (58.1 percent), **Black** (59.9 percent), **Hispanic or Latino/a/x** (60.7 percent), **16 to 19 years old** (23.5 percent), **20 to 24 years old** (59.3 percent), and **55 years old and over** (41.4 percent).

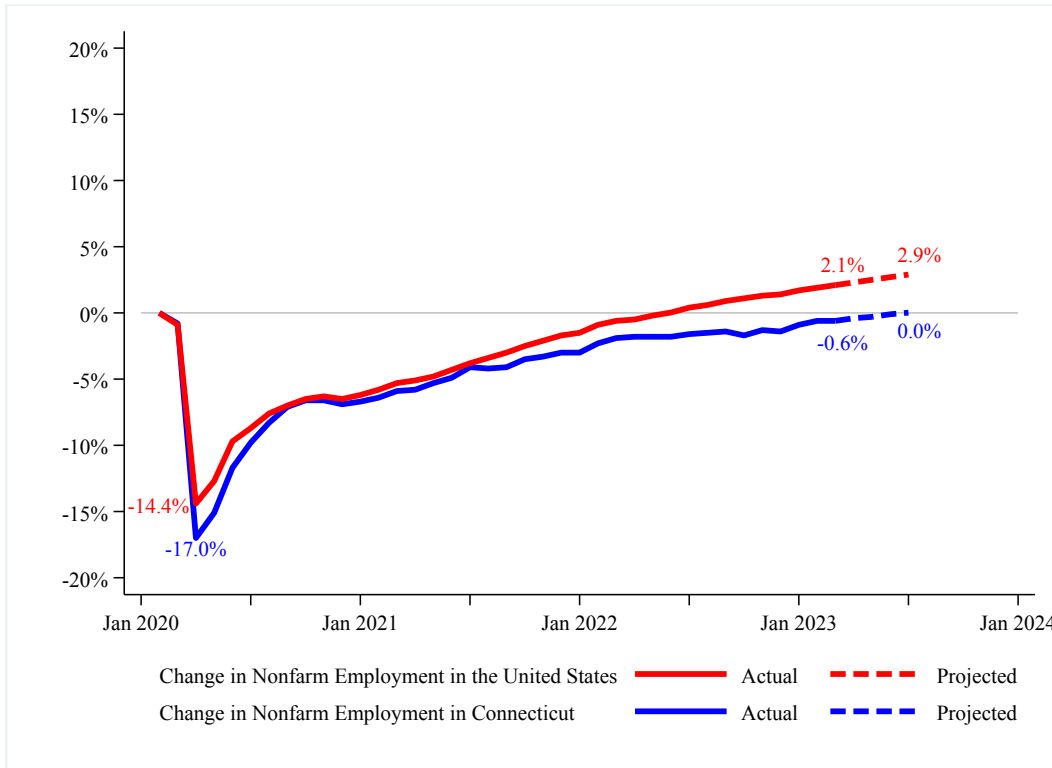
The **unemployment rate** in Connecticut was 4.0 percent in March 2023, the same as in February 2023, and up from 3.9 percent in February 2020. In March 2023, the unemployment rate for the following demographic groups was lower than or equal to the overall rate: **women** (3.0 percent), **white** (3.5 percent), **Asian** (2.8 percent), **25 to 54 years old** (3.5 percent), and **55 years old and over** (2.8 percent). The unemployment rate for the following demographic groups was higher than the overall rate: **men** (4.9 percent), **Black** (6.8 percent), **Hispanic or Latino/a/x** (6.7 percent), **16 to 19 years old** (12.6 percent), and **20 to 24 years old** (8.6 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: Jul. 2023 (Projected)

Average Change in
 Nonfarm Employment,
 Past Six Months
U.S.: 314,500 (0.20%)
CT: 2,450 (0.15%)

Job Openings
U.S.: 9.9 million (Feb.)
CT: 100,000 (Feb.)

Job Openings Per
 Unemployed Persons
U.S.: 1.7 (Feb./Mar.)
CT: 1.3 (Feb./Mar.)

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

Major Sector and Industry	February 2020	February 2023	March 2023	Month to Month Change		Change Since February 2020	
				Number	%	Number	%
Total Nonfarm Employment	1,697,500	1,687,000	1,688,100	1,100	0.1%	-9,400	-0.6%
Public Sector	236,700	229,400	230,000	600	0.3%	-6,700	-2.8%
Local Government	146,000	142,700	143,000	300	0.2%	-3,000	-2.1%
State Government	72,100	68,200	68,300	100	0.1%	-3,800	-5.3%
Federal Government	18,600	18,500	18,700	200	1.1%	100	0.5%
Private Sector	1,460,800	1,457,600	1,458,100	500	0.0%	-2,700	-0.2%
Construction	59,200	61,700	59,900	-1,800	-2.9%	700	1.2%
Manufacturing	160,900	158,700	158,500	-200	-0.1%	-2,400	-1.5%
Trade, Transportation, and Utilities	293,400	296,900	297,000	100	0.0%	3,600	1.2%
Information	31,300	31,000	31,000	0	0.0%	-300	-1.0%
Financial Activities	122,500	115,200	115,000	-200	-0.2%	-7,500	-6.1%
Professional and Business Services	216,400	225,100	227,300	2,200	1.0%	10,900	5.0%
Education and Health Services	351,700	351,900	352,000	100	0.0%	300	0.1%
Leisure and Hospitality	158,800	154,200	154,000	-200	-0.1%	-4,800	-3.0%
Other Services	66,000	62,400	62,900	500	0.8%	-3,100	-4.7%

Employment Status Overall and by Demographic Group Seasonally Adjusted

Employment Status Indicator and Major Demographic Group	United States			Connecticut		
	February 2020	February 2023	March 2023	February 2020	February 2023	March 2023
Labor Force Participation Rate	63.3	62.5	62.6	66.5	64.7	64.5
Men	69.1	68.0	68.4	72.7	69.4	69.4
Women	57.9	57.2	57.1	60.8	60.3	59.9
White	63.2	62.1	62.2	66.7	64.9	64.6
Black	63.1	63.4	64.1	65.3	64.3	64.5
Asian	64.5	65.1	64.9	66.4	63.8	64.3
Hispanic or Latino/a/x	67.9	66.8	66.8	69.2	65.7	65.2
16 to 19 Years Old	36.7	37.5	37.4	30.2	28.2	27.1
20 to 24 Years Old	73.1	72.0	72.0	73.7	66.9	65.1
25 to 54 Years Old	83.0	83.1	83.1	87.7	87.4	87.6
55 Years Old and Over	40.3	38.4	38.6	43.9	42.8	42.6
Employment-Population Ratio	61.1	60.2	60.4	63.9	62.1	61.9
Men	66.7	65.6	65.9	69.4	66.2	66.0
Women	55.9	55.2	55.2	58.9	58.2	58.1
White	61.3	60.1	60.2	64.2	62.7	62.4
Black	59.3	59.8	60.9	61.5	59.9	59.9
Asian	62.8	62.8	63.1	64.9	62.0	62.5
Hispanic or Latino/a/x	65.0	63.2	63.7	65.4	60.7	60.7
16 to 19 Years Old	32.5	33.3	33.7	26.3	24.2	23.5
20 to 24 Years Old	68.4	67.0	67.3	68.6	60.7	59.3
25 to 54 Years Old	80.5	80.5	80.7	84.8	84.4	84.5
55 Years Old and Over	39.3	37.4	37.5	42.4	41.7	41.4
Unemployment Rate	3.5	3.6	3.5	3.9	4.0	4.0
Men	3.5	3.6	3.6	4.6	4.5	4.9
Women	3.4	3.5	3.4	3.1	3.5	3.0
White	3.0	3.2	3.2	3.7	3.4	3.5
Black	6.0	5.7	5.0	6.0	6.7	6.8
Asian	2.6	3.4	2.8	2.1	2.8	2.8
Hispanic or Latino/a/x	4.4	5.3	4.6	5.7	7.5	6.7
16 to 19 Years Old	11.4	11.1	9.8	13.8	14.0	12.6
20 to 24 Years Old	6.5	6.9	6.5	7.1	9.1	8.6
25 to 54 Years Old	3.0	3.1	2.9	3.3	3.4	3.5
55 Years Old and Over	2.5	2.5	2.6	3.2	2.7	2.8

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.