The Employment Situation in Connecticut
April 2023

Patrick R. O’Brien, Ph.D.
Research and Policy Director

Summary

In April 2023, nonfarm employment in Connecticut decreased by 900 jobs, and the March 2023 estimate was revised downward by 2,800 jobs, putting the shortfall since February 2020 at 13,100 jobs. Based on an average monthly increase of 2,500 jobs over the past six months, Connecticut is on track to close its job shortfall in October 2023, slower than last month’s projection of July 2023 and a slower recovery compared to June 2022 for the U.S. as a whole.

In April 2023, employment increased in the following major sectors/industries: local government (100 jobs), state government (200 jobs), federal government (200 jobs), trade, transportation, and utilities (400 jobs), information (200 jobs), education and health services (700 jobs), and other services (200 jobs). Employment decreased in the following major sectors/industries: construction (-200 jobs), manufacturing (-600 jobs), financial activities (-300 jobs), professional and business services (-1,500 jobs), and leisure and hospitality (-300 jobs).

Since February 2020, employment has increased in the following major sectors/industries: federal government (300 jobs), construction (500 jobs), trade, transportation, and utilities (4,100 jobs), professional and business services (8,100), and education and health services (1,000 jobs). Employment has decreased in the following major sectors/industries: local government (-3,200 jobs), state government (-3,600 jobs), manufacturing (-3,200 jobs), financial activities (-7,800 jobs), leisure and hospitality (-5,300 jobs), and other services (-3,900 jobs).

The labor force participation rate in Connecticut was 64.3 percent in April 2023, down from 64.5 percent in March 2023, and down from 66.5 percent in February 2020. In April 2023, the labor force participation rate for the following demographic groups was higher than or equal to the overall rate: men (69.5 percent), white (64.6 percent), Hispanic or Latino/a/x (65.5 percent), and 25 to 54 years old (87.5 percent). The labor force participation rate for the following groups was lower than the overall rate: women (59.4 percent), Black (64.0 percent), Asian (63.9 percent), 16 to 19 years old (26.3 percent), 20 to 24 years old (62.9 percent), and 55 years old and over (42.6 percent).

The employment-population ratio in Connecticut was 61.9 percent in April 2023, the same as in March 2023, but down from 63.9 percent in February 2020. In April 2023, the employment-population ratio for the following demographic groups was higher than or equal to the overall ratio: men (66.3 percent), white (62.6 percent), Asian (61.9 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 (57.8 percent), Black (59.5 percent), Hispanic or Latino/a/x (61.5 percent), 16 to 19 years old (23.5 percent), 20 to 24 years old (58.3 percent), and 55 years old and over (41.6 percent).

The unemployment rate in Connecticut was 3.8 percent in April 2023, down from 4.0 percent as in March 2023, and down from 3.9 percent in February 2020. In April 2023, the unemployment rate for the following demographic groups was lower than or equal to the overall rate: women (2.8 percent), white (3.3 percent), Asian (3.3 percent), 25 to 54 years old (3.6 percent), and 55 years old and over (2.5 percent). The unemployment rate for the following demographic groups was higher than the overall rate: men (4.7 percent), Black (7.0 percent), Hispanic or Latino/a/x (6.2 percent), 16 to 19 years old (10.5 percent), and 20 to 24 years old (7.3 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 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

Change in Nonfarm Employment in the United States
Actual Projected
Change in Nonfarm Employment in Connecticut
Actual Projected

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

<table>
<thead>
<tr>
<th>Major Sector and Industry</th>
<th>February 2020</th>
<th>March 2023</th>
<th>April 2023</th>
<th>Month to Month Change</th>
<th>Change Since February 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td>%</td>
<td>Number</td>
</tr>
<tr>
<td>Total Nonfarm Employment</td>
<td>1,697,500</td>
<td>1,685,300</td>
<td>1,684,400</td>
<td>-900 -0.1%</td>
<td>-13,100 -0.8%</td>
</tr>
<tr>
<td>Public Sector</td>
<td>236,700</td>
<td>229,700</td>
<td>230,200</td>
<td>500 0.2%</td>
<td>-6,500 -2.7%</td>
</tr>
<tr>
<td>Local Government</td>
<td>146,000</td>
<td>142,700</td>
<td>142,800</td>
<td>100 0.1%</td>
<td>-3,200 -2.2%</td>
</tr>
<tr>
<td>State Government</td>
<td>72,100</td>
<td>68,300</td>
<td>68,500</td>
<td>200 0.3%</td>
<td>-3,600 -5.0%</td>
</tr>
<tr>
<td>Federal Government</td>
<td>18,600</td>
<td>18,700</td>
<td>18,900</td>
<td>200 1.1%</td>
<td>300 1.6%</td>
</tr>
<tr>
<td>Private Sector</td>
<td>1,460,800</td>
<td>1,455,600</td>
<td>1,454,200</td>
<td>-1,400 -0.1%</td>
<td>-6,600 -0.5%</td>
</tr>
<tr>
<td>Construction</td>
<td>59,200</td>
<td>59,900</td>
<td>59,700</td>
<td>-200 -0.3%</td>
<td>500 0.8%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>160,900</td>
<td>158,300</td>
<td>157,700</td>
<td>-600 -0.4%</td>
<td>-3,200 -2.0%</td>
</tr>
<tr>
<td>Trade, Transportation, and Utilities</td>
<td>293,400</td>
<td>297,100</td>
<td>297,500</td>
<td>400 0.1%</td>
<td>4,100 1.4%</td>
</tr>
<tr>
<td>Information</td>
<td>31,300</td>
<td>31,100</td>
<td>31,300</td>
<td>200 0.6%</td>
<td>0 0.0%</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>122,500</td>
<td>115,000</td>
<td>114,700</td>
<td>-300 -0.3%</td>
<td>-7,800 -6.4%</td>
</tr>
<tr>
<td>Professional and Business Services</td>
<td>216,400</td>
<td>226,000</td>
<td>224,500</td>
<td>-1,500 -0.7%</td>
<td>8,100 3.7%</td>
</tr>
<tr>
<td>Education and Health Services</td>
<td>351,700</td>
<td>352,000</td>
<td>352,700</td>
<td>700 0.2%</td>
<td>1,000 0.3%</td>
</tr>
<tr>
<td>Leisure and Hospitality</td>
<td>158,800</td>
<td>153,800</td>
<td>153,500</td>
<td>-300 -0.2%</td>
<td>-5,300 -3.3%</td>
</tr>
<tr>
<td>Other Services</td>
<td>66,000</td>
<td>61,900</td>
<td>62,100</td>
<td>200 0.3%</td>
<td>-3,900 -5.9%</td>
</tr>
</tbody>
</table>

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

Average Change in Nonfarm Employment, Past Six Months
U.S.: 277,833 (0.18%)
CT: 2,500 (0.15%)

Job Openings
U.S.: 9.6 million (Mar.)
CT: 104,000 (Mar.)

Job Openings Per Unemployed Persons
U.S.: 1.7 (Mar./Apr.)
CT: 1.4 (Mar./Apr.)
## Employment Status Overall and by Demographic Group
### Seasonally Adjusted

<table>
<thead>
<tr>
<th>Employment Status Indicator and Major Demographic Group</th>
<th>United States</th>
<th>Connecticut</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>February 2020</td>
<td>March 2023</td>
</tr>
<tr>
<td><strong>Labor Force Participation Rate</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>69.1</td>
<td>68.4</td>
</tr>
<tr>
<td>Women</td>
<td>57.9</td>
<td>57.1</td>
</tr>
<tr>
<td>White</td>
<td>63.2</td>
<td>62.2</td>
</tr>
<tr>
<td>Black</td>
<td>63.1</td>
<td>64.1</td>
</tr>
<tr>
<td>Asian</td>
<td>64.5</td>
<td>64.9</td>
</tr>
<tr>
<td>Hispanic or Latino/a/x</td>
<td>67.9</td>
<td>66.8</td>
</tr>
<tr>
<td>16 to 19 Years Old</td>
<td>36.7</td>
<td>37.4</td>
</tr>
<tr>
<td>20 to 24 Years Old</td>
<td>73.1</td>
<td>72.0</td>
</tr>
<tr>
<td>25 to 54 Years Old</td>
<td>83.0</td>
<td>83.1</td>
</tr>
<tr>
<td>55 Years Old and Over</td>
<td>40.3</td>
<td>38.6</td>
</tr>
<tr>
<td><strong>Employment-Population Ratio</strong></td>
<td>61.1</td>
<td>60.4</td>
</tr>
<tr>
<td>Men</td>
<td>66.7</td>
<td>65.9</td>
</tr>
<tr>
<td>Women</td>
<td>55.9</td>
<td>55.2</td>
</tr>
<tr>
<td>White</td>
<td>61.3</td>
<td>60.2</td>
</tr>
<tr>
<td>Black</td>
<td>59.3</td>
<td>60.9</td>
</tr>
<tr>
<td>Asian</td>
<td>62.8</td>
<td>63.1</td>
</tr>
<tr>
<td>Hispanic or Latino/a/x</td>
<td>65.0</td>
<td>63.7</td>
</tr>
<tr>
<td>16 to 19 Years Old</td>
<td>32.5</td>
<td>33.7</td>
</tr>
<tr>
<td>20 to 24 Years Old</td>
<td>68.4</td>
<td>67.3</td>
</tr>
<tr>
<td>25 to 54 Years Old</td>
<td>80.5</td>
<td>80.7</td>
</tr>
<tr>
<td>55 Years Old and Over</td>
<td>39.3</td>
<td>37.5</td>
</tr>
<tr>
<td><strong>Unemployment Rate</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>3.5</td>
<td>3.5</td>
</tr>
<tr>
<td>Women</td>
<td>3.4</td>
<td>3.4</td>
</tr>
<tr>
<td>White</td>
<td>3.0</td>
<td>3.2</td>
</tr>
<tr>
<td>Black</td>
<td>6.0</td>
<td>5.0</td>
</tr>
<tr>
<td>Asian</td>
<td>2.6</td>
<td>2.8</td>
</tr>
<tr>
<td>Hispanic or Latino/a/x</td>
<td>4.4</td>
<td>4.6</td>
</tr>
<tr>
<td>16 to 19 Years Old</td>
<td>11.4</td>
<td>9.8</td>
</tr>
<tr>
<td>20 to 24 Years Old</td>
<td>6.5</td>
<td>6.5</td>
</tr>
<tr>
<td>25 to 54 Years Old</td>
<td>3.0</td>
<td>2.9</td>
</tr>
<tr>
<td>55 Years Old and Over</td>
<td>2.5</td>
<td>2.6</td>
</tr>
</tbody>
</table>

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.