

Research Note

V3 N2

East Boston Economics

July 20, 2018

MA Employment Situation June 2018

U-Rate: 3.5%; Jobs: +21,400 jobs

OVERVIEW

- The state's unemployment rate remained at 3.5 percent in June [according to the federal Bureau of Labor Statistics](#).
- Massachusetts added 63,200 jobs since June 2017 with the state's unemployment rate decreasing three-tenths of a percentage point from 3.8 percent in June 2017.
- The state's unemployment rate was five-tenths of a percentage point lower than the national rate of 4.0.
- The leisure and hospitality sector added 6,600 jobs.
- The largest private sector percentage gains over the year were in the construction, professional and other services.
- Professional, scientific and business services added 4,700 jobs while "Other services" gained 2,500 jobs
- Construction added 2,300 jobs while Manufacturing added 1,700 jobs.
- The information and financial activities sectors lost jobs over the month, 300 and 400 jobs respectively.
- Education and health services gained 1,000 jobs while trade, transportation and utilities remained unchanged.
- Government added 3,200 jobs but over the past year the level remained flat.

ANALYSIS

Sidelined workers in the Bay State are returning to the job market. At 66.9 percent, the state's labor force participation rate is up 1.3 percent over June 2017. "Over the last year, over 100,000 more Massachusetts residents have become employed in the Commonwealth, helping to push our labor force participation rate to its highest level in 10 years - a full four percentage points higher than the national average." Labor and Workforce Development Secretary Rosalin Acosta said today. To match the lowest unemployment in recent decades (the 2.7 annual rate for the Year 2000), how many jobs would the state have to create at a LFP rate that increases by just another half of one percent? [According to the Federal Reserve Bank of Atlanta's Jobs Calculator](#), the Bay State needs to create a monthly average of 7,463 jobs over the next 12 months at the same time increasing its LFP to 67.4 percent. Whether an economy already at full employment can achieve such a goal is uncertain, yet there may be some room to grow if the economy exceeds expectations. Meanwhile, manufacturing jobs still comprise a small share of Massachusetts total employment at 6.8 percent remaining above trend. However, the [Wall Street Journal today reported](#) that there are no longer any "manufacturing-intensive" counties in Massachusetts defined by a threshold whereby 25 percent of a state's workforce is employed making things.

**Manufacturing jobs as a percentage of all jobs in Massachusetts
1990-2017**

