

Research Note

V3 N4

East Boston Economics

August 17, 2018

MA Employment Situation July 2018

U-Rate: 3.6%; Jobs: +4,800 jobs; +66,800 YoY

OVERVIEW

- The state's unemployment rate rose to 3.6 percent in July [according to the federal Bureau of Labor Statistics](#).
- Over the last 12 months, Massachusetts added 66,800 jobs.
- The largest private sector job gains took place in the **Education and Health Services** (+2,700) the **Construction** (+1,900), **Professional, Scientific and Business Services** (+2,100), **Manufacturing** (+1,400) and **Trade, Transportation and Utilities** (+500).
- **Information** jobs remained unchanged, with the sector losing 700 jobs over the past year.
- **Other Services** --- which includes service jobs such as mechanics and nonprofit managers ---lost 900 jobs but are up 3,600 over the past year.
- Government lost 1,100 jobs; over the past year this sector lost 100.
- The July unemployment rate was three-tenths of a percentage point lower than the national rate of 3.9 percent.
- The unemployment rate in July 2017 was one-tenth of a percentage point higher.

ANALYSIS

Individuals are continuing to re-enter the Massachusetts labor force, which increased from 27,100. At 67.3 percent the state's LFP rate is up 1.8 percentage points. "Job estimates show the Commonwealth has gained over 51,000 jobs since December and 213,600 jobs since January 2015. These job gains, alongside low unemployment rates and labor force growth are signs of the continued health of the Massachusetts labor market," Labor and Workforce Development Secretary Rosalin Acosta said today. That increase pushed up the state's unemployment to 3.6 percent in July. As a percentage of the state's total employment, **Other Services** has remained stable since 2000 where it was 3.34 percent, rising only to 3.84 percent in July 2018. At the same time, **Professional and Business Services** has increased its share of the workforce to 16.14 percent from 14.48 percent in 2000. (See chart). Meanwhile, youth unemployment hit a 52-year low according to the [Wall Street Journal](#). The latest data suggest that the U.S. labor market is so tight it's drawing workers from the 16 to 24 age category back into the labor pool. However, LFP among this group is still high. The *WSJ* noted that LFP remained at 60.9 percent, a long distance from the 1989 rate of 77.5 percent.

Comparing Growth: Other Services v. Professional & Business Services in MA

