

# The New England Labor Market: Recent Improvements, Remaining Challenges

Whole Family Approach to Jobs Symposium  
December 4, 2018  
Portsmouth, NH

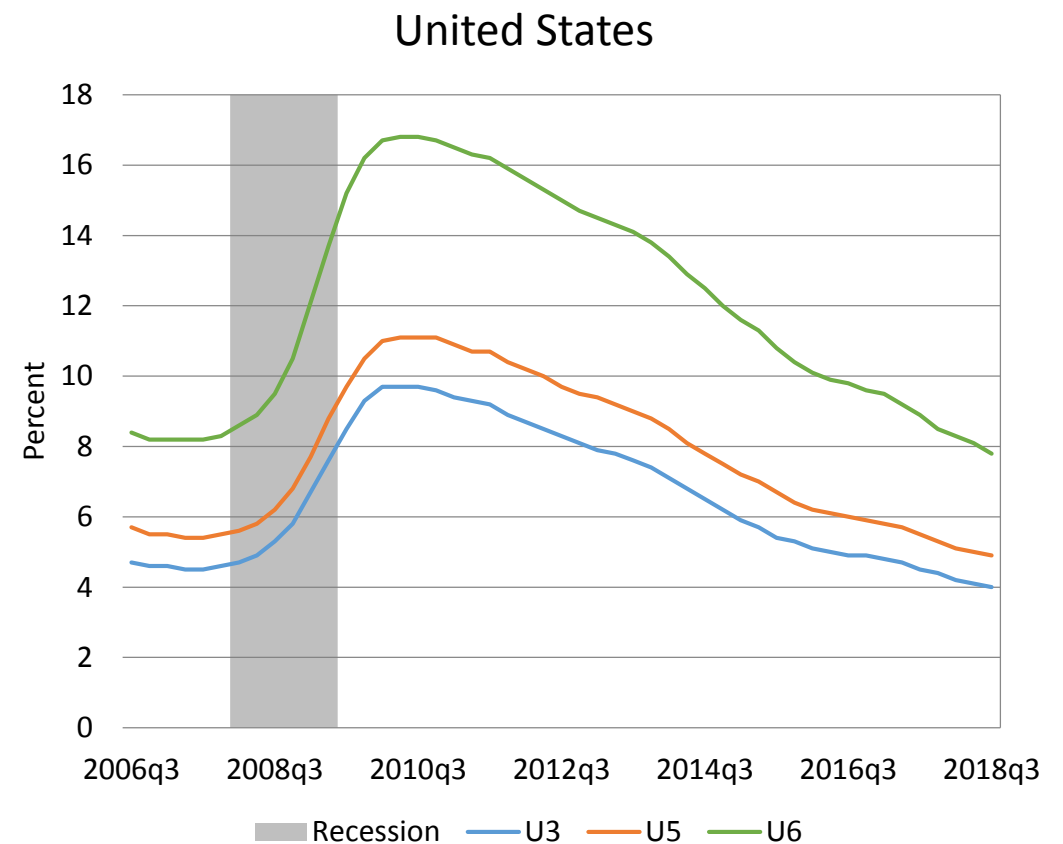
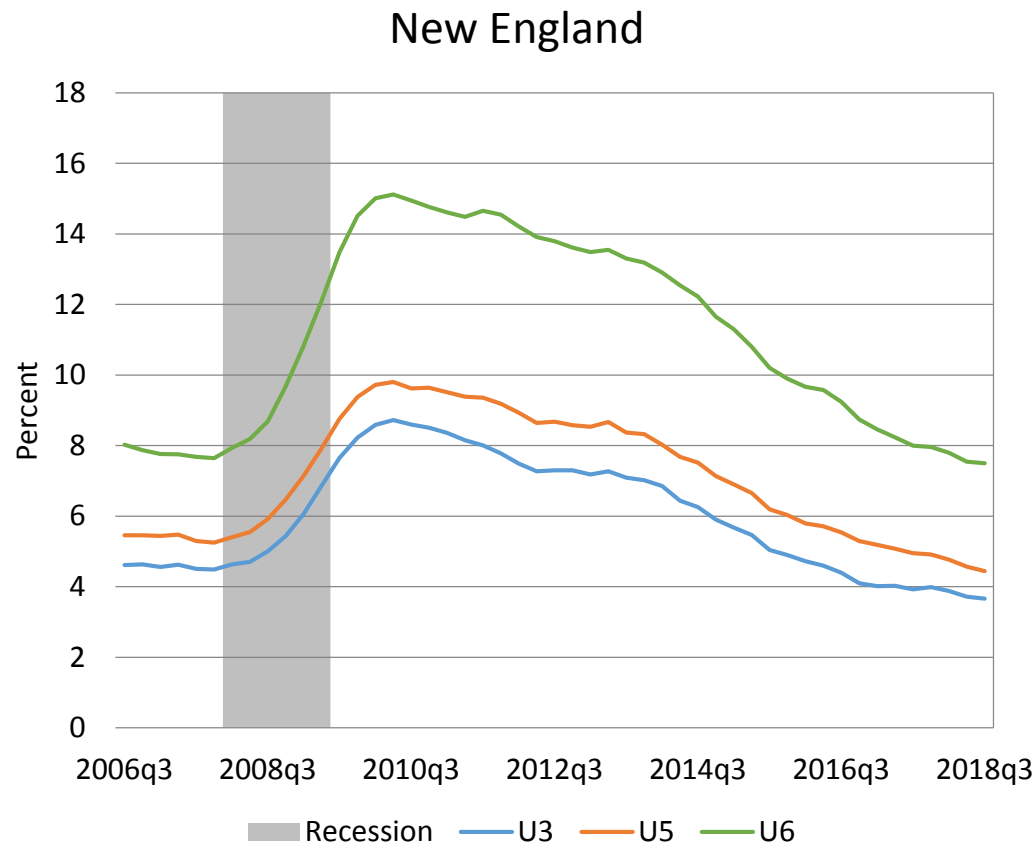
Mary A. Burke  
Senior Economist  
New England Public Policy Center  
Federal Reserve Bank of Boston

Disclaimer: The views expressed here are those of the speaker and do not necessarily represent the views of the Federal Reserve Bank of Boston or the Federal Reserve System.

# Preview of Key Takeaways

- Compared with 2007, fewer New Englanders are unemployed
  - *But the unemployed are more likely to be poor than in 2007*
- Labor market is tight across most industries
  - *But New England labor force grew by 5 percent since 2014*
- Those still out of work face diverse barriers to employment

# Unemployment and Underemployment Below Pre-Recession Levels

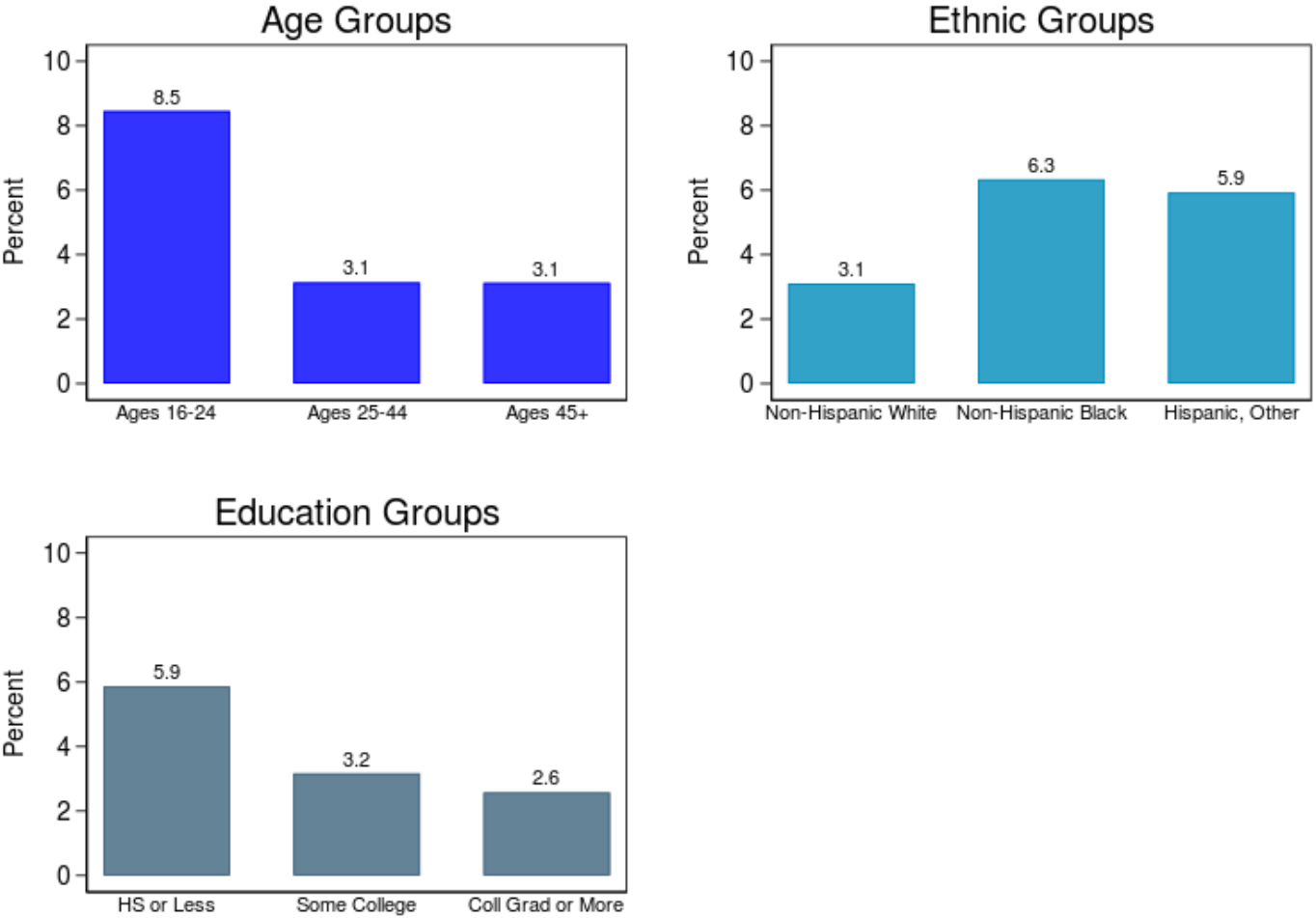


U-3: searched past 4 weeks; U-5: searched past year; U-6: adds involuntary part-time employment

Source: Bureau of Labor Statistics/Haver Analytics

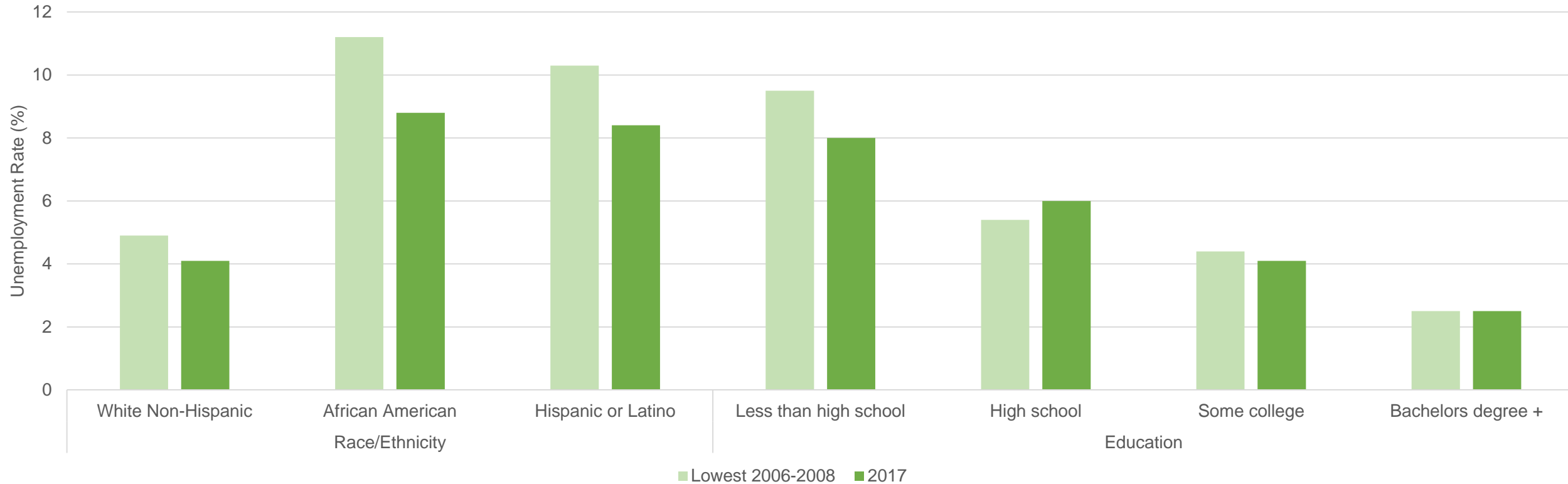
# New England's Unemployed are Disproportionately Young, Non-White, Less Educated

(2018 YTD Averages)



Source: Current Population Survey Integrated Public Use Microdata Series (IPUMS-CPS)

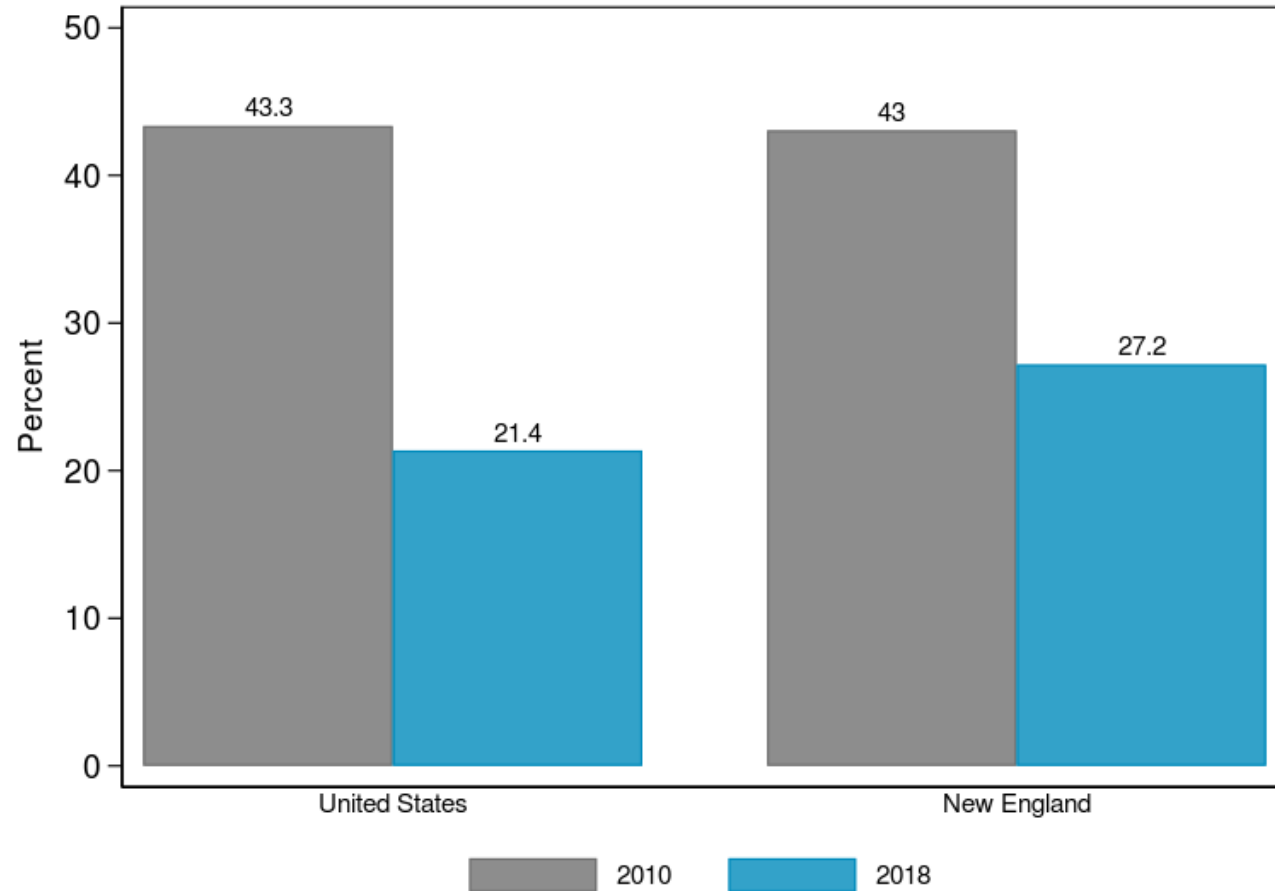
# Unemployment Rates Below Pre-Recession Levels for Most, Except High School Graduates (as of 2017)



Source: 1-Year ACS Estimates for the New England Census Division

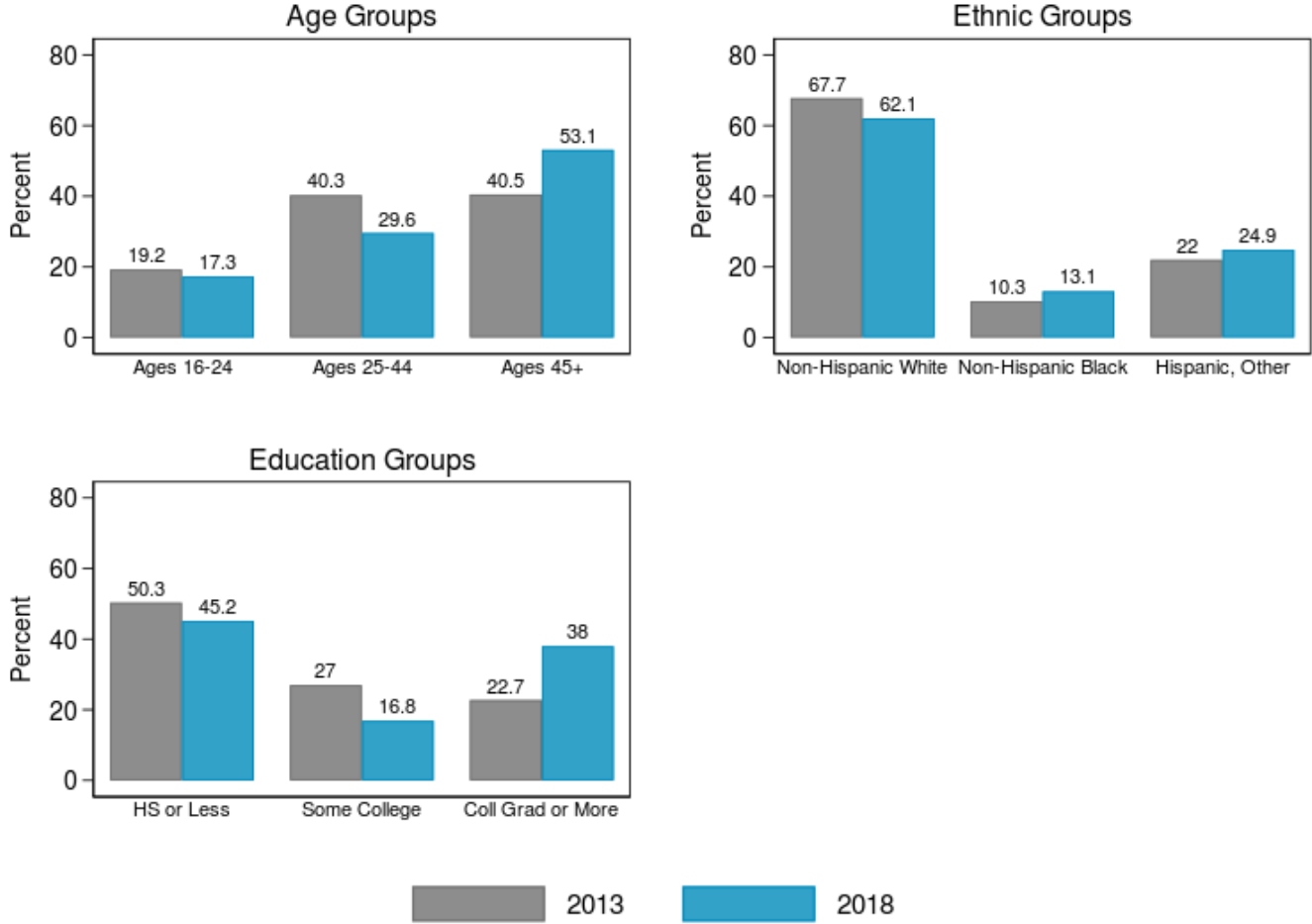
# Long-Term Unemployment Down Since 2010, but Still High in New England

(unemployed 27 weeks or more, as share of all unemployment)



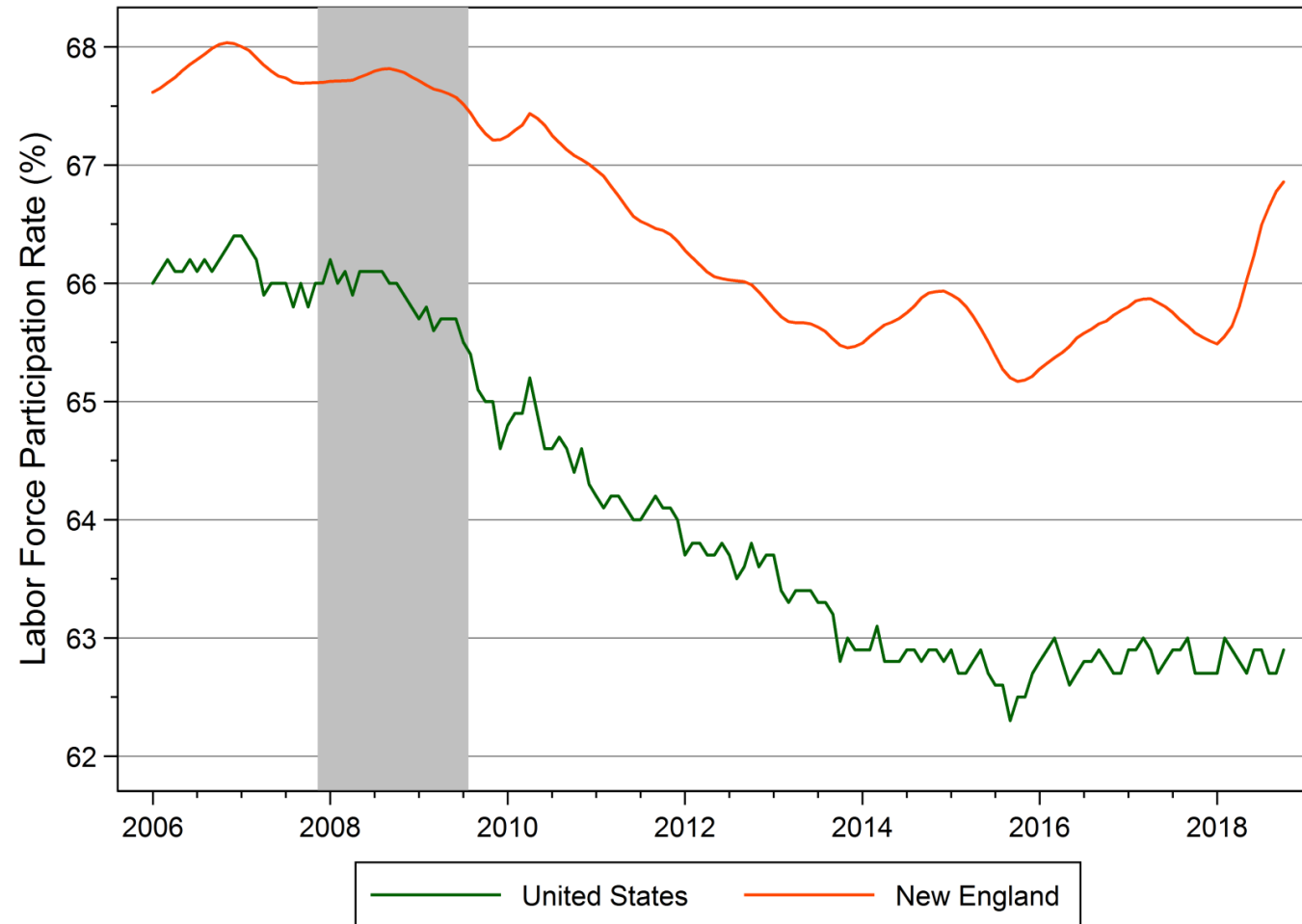
Source: Current Population Survey Integrated Public Use Microdata Series (IPUMS-CPS)

# Since 2013, Long-Term Unemployed in Region are Increasingly Older, Non-White, More Educated



Source: Current Population Survey Integrated Public Use Microdata Series (IPUMS-CPS)

# Labor Force Participation Rate Surged in New England in 2018; Still Below Pre-Recession

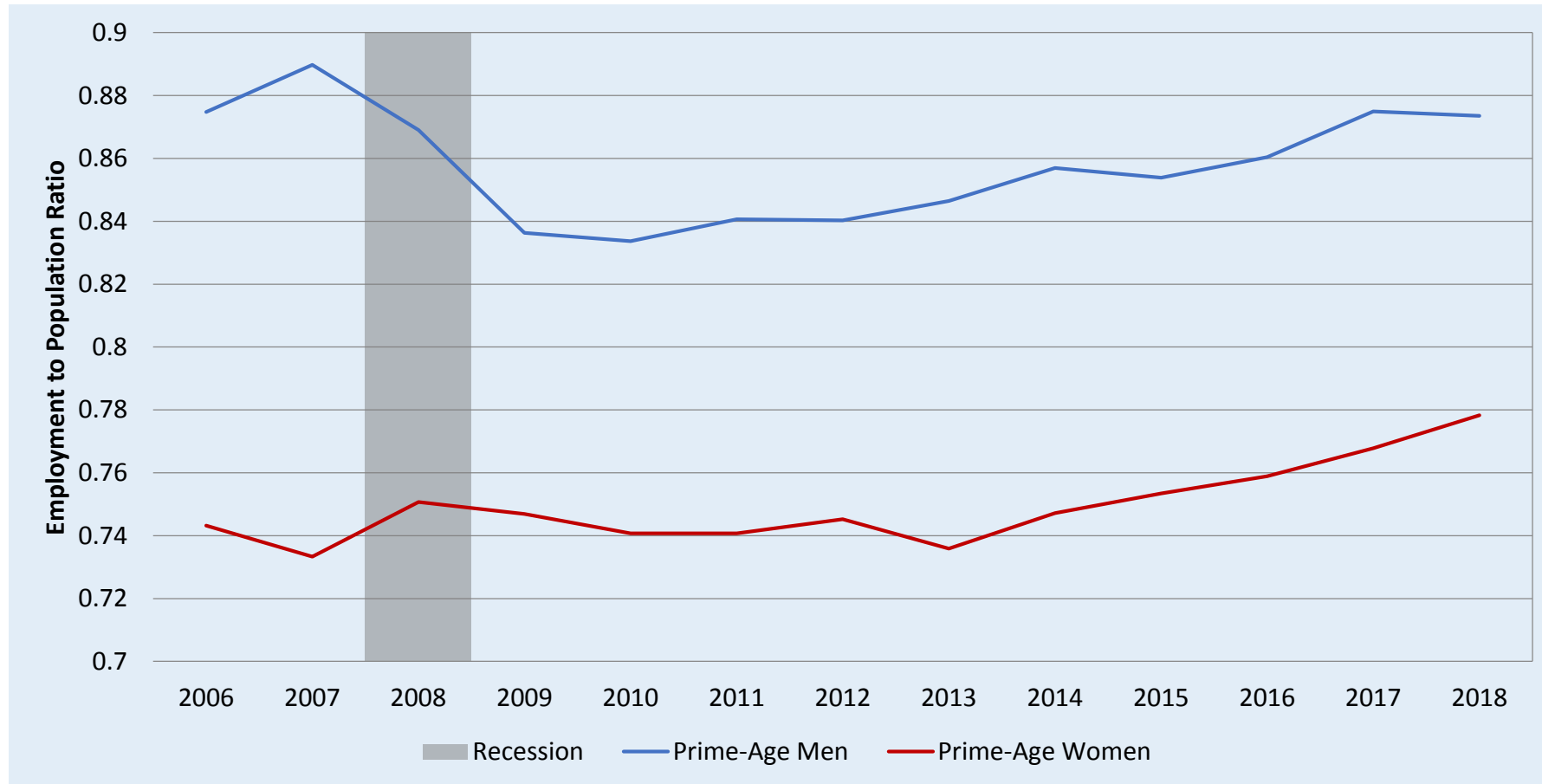


Source: Bureau of Labor Statistics/Haver Analytics

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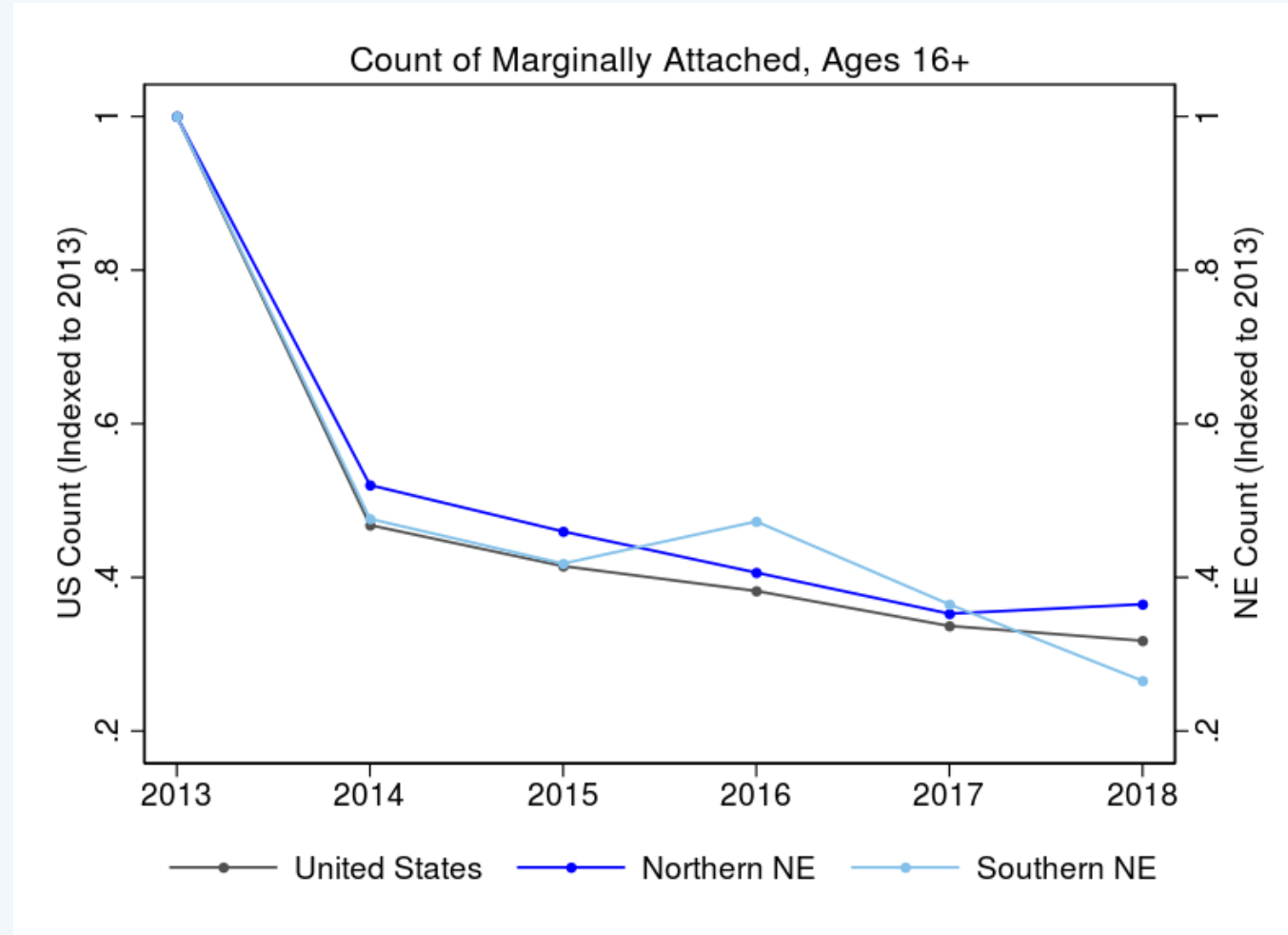


# Among 25-54 Year Olds, Male Employment Rate Down Since 2007, Female Employment Rate Up



Source: Current Population Survey Integrated Public Use Microdata Series (IPUMS-CPS)

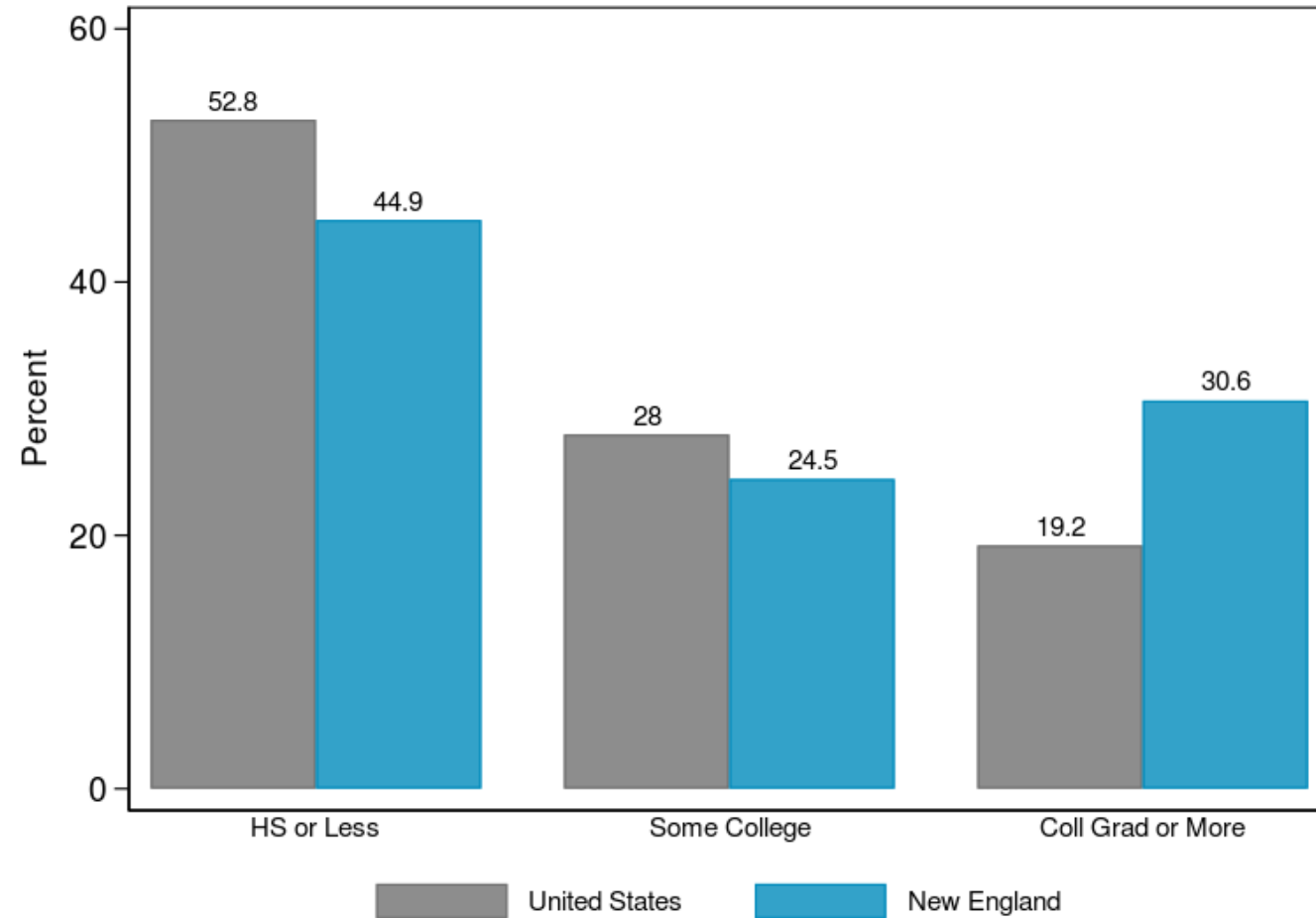
# Number of People Not in Labor Force Who Want a Job Down More than Half Since 2013



Source: Current Population Survey Integrated Public Use Microdata Series (IPUMS-CPS)

# More than Half of Marginally Attached Workers in New England Have at Least Some College

(2018 YTD Averages)



Source: Current Population Survey Integrated Public Use Microdata Series (IPUMS-CPS)

# Less Than Half of Those who Want Jobs Searched in Past 12 Months

(Source: Current Population Survey, U.S. Data, 2017)

Share Not in Labor Force Who:	Male	Female
Want Job	7%	5%
Searched in Past Year (of those who want a job)	43%	37%
<i>Reason for not searching recently (of those who want job, searched in past year, and were available to work):</i>		
Discouraged	36%	24%
In School/Training	12%	11%
Family Responsibilities	6%	18%
Ill Health	8%	9%
Other	37%	38%

# Two Industries Accounted for More than Half of Job Gains in Region, 2016-2018

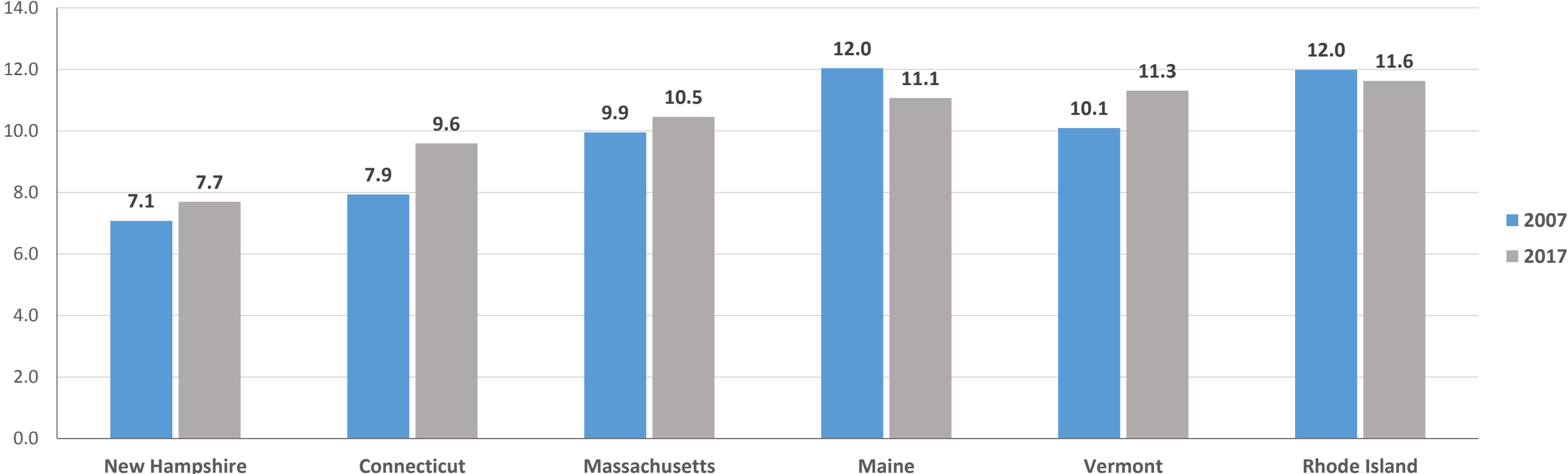
<b>Net Change Payroll Jobs, October 2016 – October 2018, New England</b>	
<b><u>Industry</u></b>	<b><u>Net Job Gains/Losses</u></b>
<b>Professional &amp; Business Services</b>	<b>52,400</b>
<b>Education &amp; Health Services</b>	<b>49,800</b>
<b>Construction</b>	<b>28,200</b>
<b>Leisure &amp; Hospitality</b>	<b>19,100</b>
<b>Manufacturing</b>	<b>16,300</b>
<b>Other Services</b>	<b>9,200</b>
<b>Trade, Transportation, and Utilities</b>	<b>7,100</b>
<b>Finance</b>	<b>5,100</b>
<b>Information</b>	<b>-1,800</b>
<b>Government</b>	<b>-6,100</b>
<b>Total Net Job Gains</b>	<b>179,300</b>

Source: Bureau of Labor Statistics/Haver Analytics

# Has Poverty Declined in the Recovery?

- ▶ In 2017, examples of official poverty income thresholds:
  - ▶ \$24,858 for family of 2 adults and 2 children.
  - ▶ \$19,749 for family of 1 adult and 2 children.
  
- ▶ Source: U.S. Census Bureau

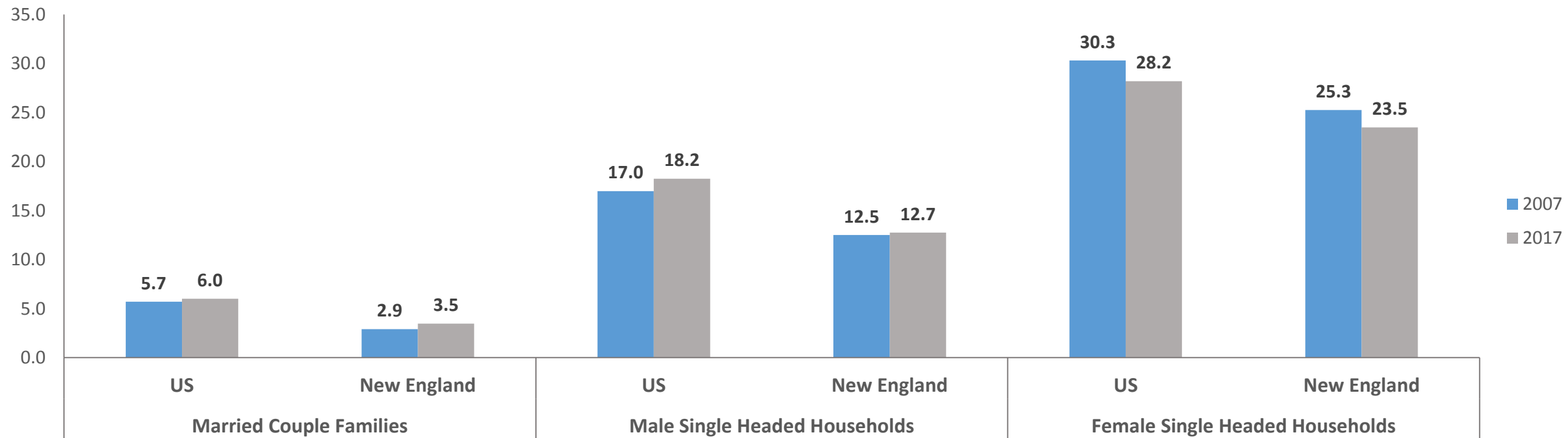
# Poverty Rates Increased in Four New England States 2007-2017



Source: ACS 2017 1-Year Estimates

# Poverty Rate Fell Among Households Headed by Single Women, 2007-2017

Percent Below Poverty Line

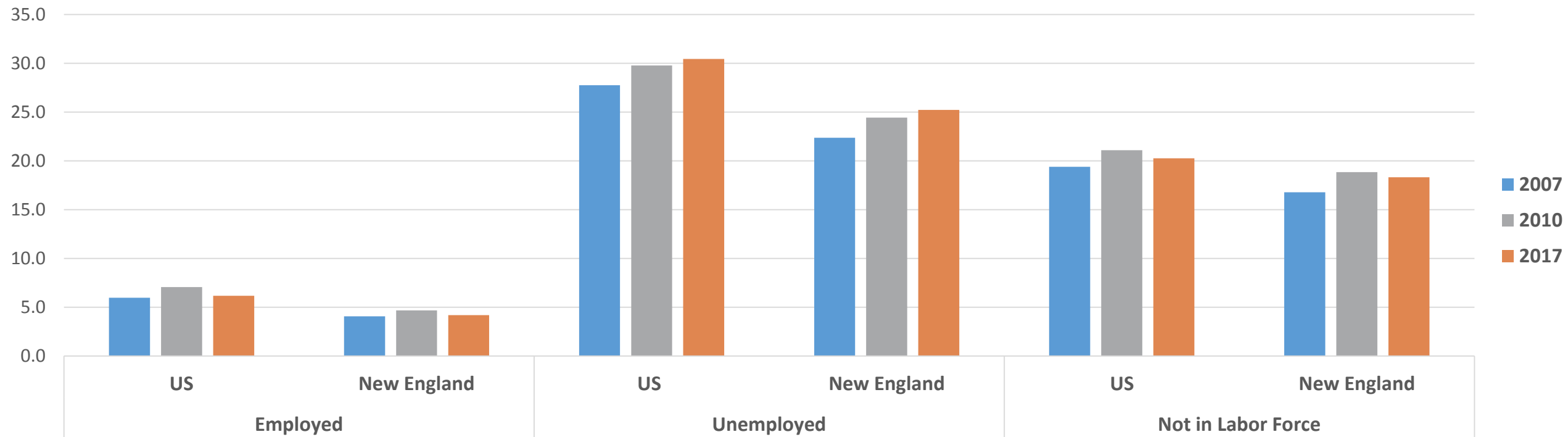


Source: ACS 2017 1-Year Estimates



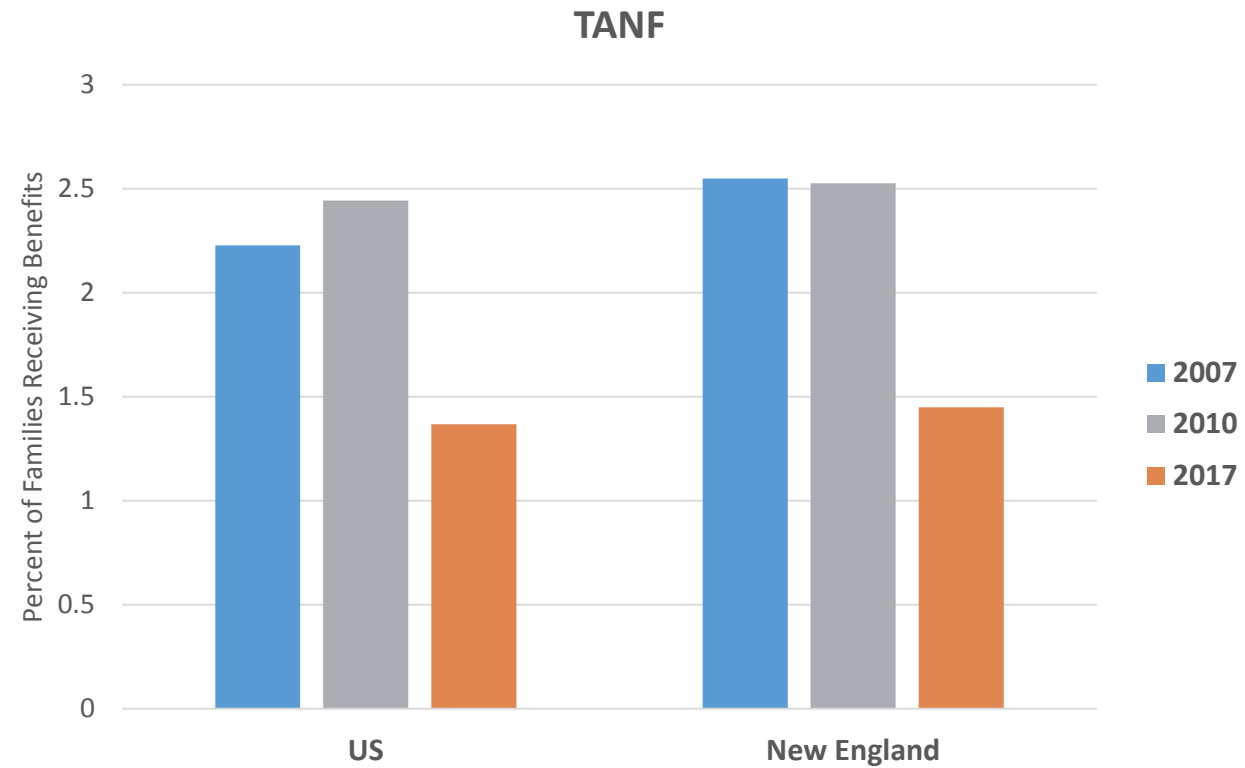
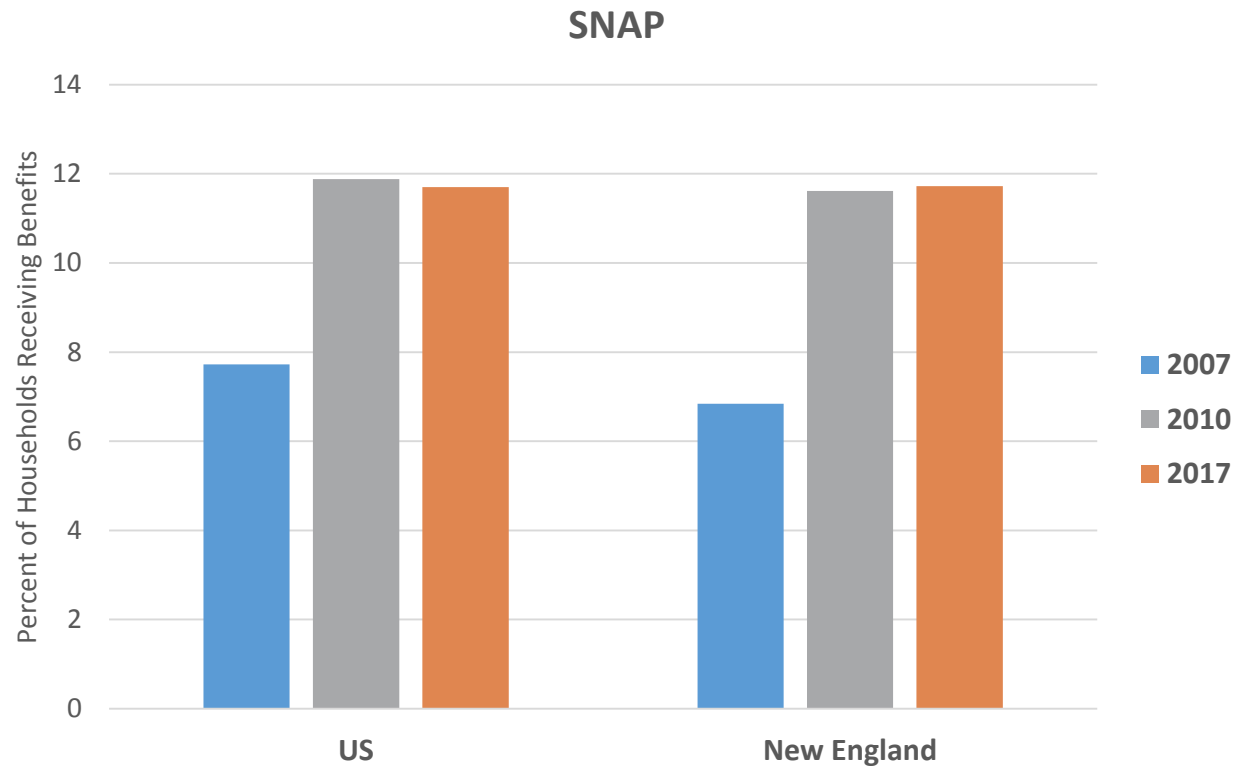
# The Unemployed Increasingly Likely to be Poor, Despite Improving Economy Since 2010

Percentage below Poverty Line



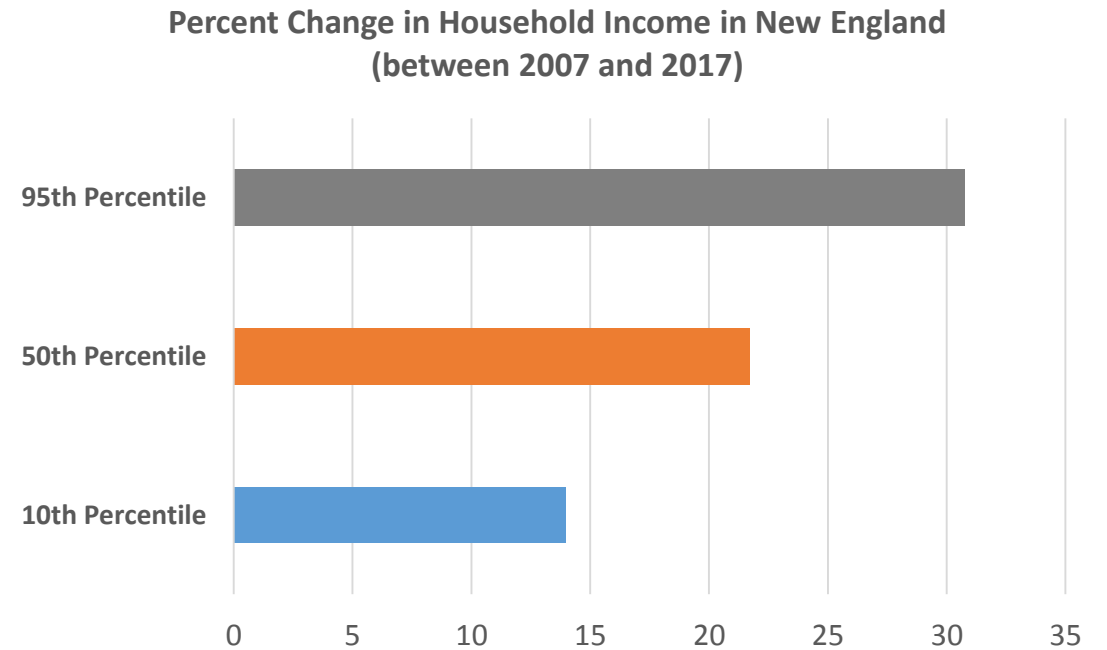
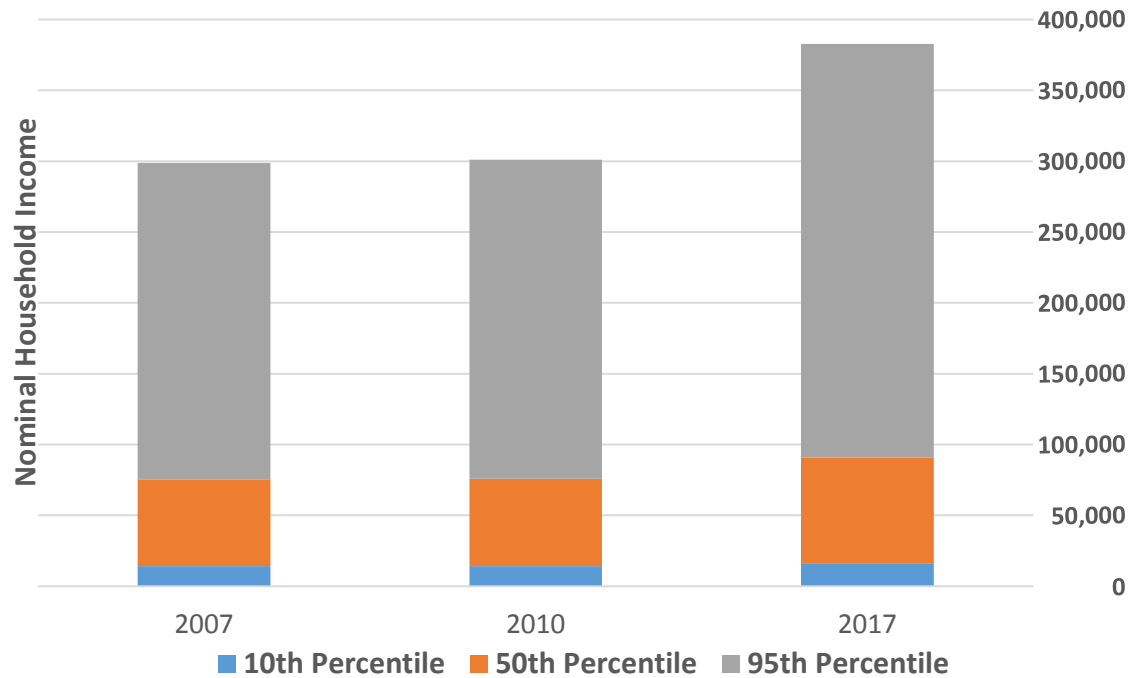
Source: ACS 2007, 2010, and 2017 1-Year Estimates

# SNAP Receipts Up Since 2007, TANF Receipts Down



Source: SNAP Benefit data from ACS 1-Year Estimates, TANF Caseload Data from the Office of Family Assistance

# Region's Income Growth Since 2007 Much Greater at High End than Low End



Source: ACS 1-Year Estimates for New England Census Division, in Nominal Values

# Policy Challenges

- ▶ Non-employment rates down, but non-employed more likely to be poor
  - ▶ No more extended UI benefits
  - ▶ TANF helping fewer families, paying less in real terms
- ▶ Those still not employed face diverse barriers to employment
  - ▶ Obsolete skills, health issues, older age, English proficiency, child care needs
- ▶ Income growth weaker at low end of income scale
  - ▶ More will enter labor force if wage growth accelerates
- ▶ Some would boost EITC and TANF
  - ▶ target work subsidies to low-employment places
  - ▶ Index TANF to inflation, do more to help claimants find work