



Massachusetts Economic Update

August 19, 2016

Summary

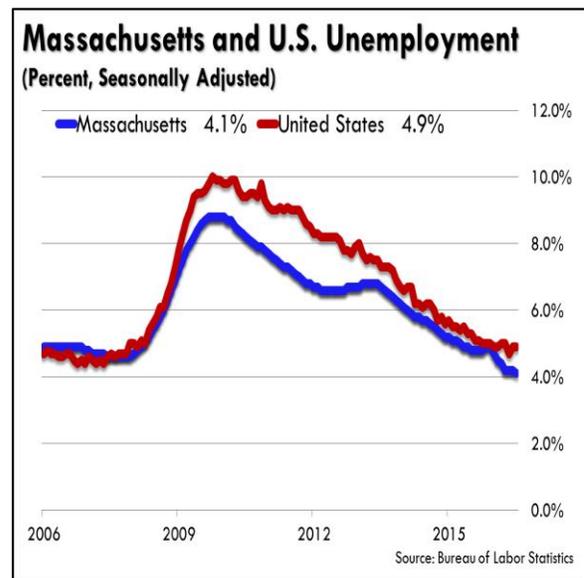
Nonfarm payroll employment in Massachusetts increased by 7,300 jobs and the unemployment rate fell to 4.1 percent in July according to data released by the Bureau of Labor Statistics (BLS).

Massachusetts Unemployment Rate

During July, the unemployment rate in Massachusetts declined by 0.1 percentage point to 4.1 percent. The number of people counted as unemployed fell by 3,518 in July to 146,133, while the labor force grew by 4,552 to 3,604,470. Among the 50 states and the District of Columbia, 13 posted lower unemployment rates for the month than Massachusetts. A year earlier, the unemployment rate in Massachusetts stood at 4.8 percent.

The 10-year peak for the unemployment rate in Massachusetts was 8.8 percent in January 2010. The series high for the unemployment rate in Massachusetts occurred in January 1976 when the unemployment rate reached 10.7 percent. The 10-year low for the unemployment rate in Massachusetts was 4.1 percent in July 2016. The series low for the unemployment rate in Massachusetts occurred in October 2000 when the unemployment rate reached 2.6 percent. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate was unchanged at 4.9 percent in July. July's unemployment rate was 0.4 percentage point lower than a year earlier. The 10-year high for the national unemployment rate was 10.0 percent in October 2009. The 10-year low was 4.4 percent in May 2007.



Massachusetts Payroll Employment

Massachusetts nonfarm payrolls increased by 7,300 jobs, or 0.20 percent, on a seasonally adjusted basis during July. In the prior month, nonfarm payrolls increased by 17,600. Over the past 12 months nonfarm payrolls in Massachusetts increased by 65,500, or 1.87 percent. Massachusetts nonfarm payroll employment has increased in 10 of the past 12 months.

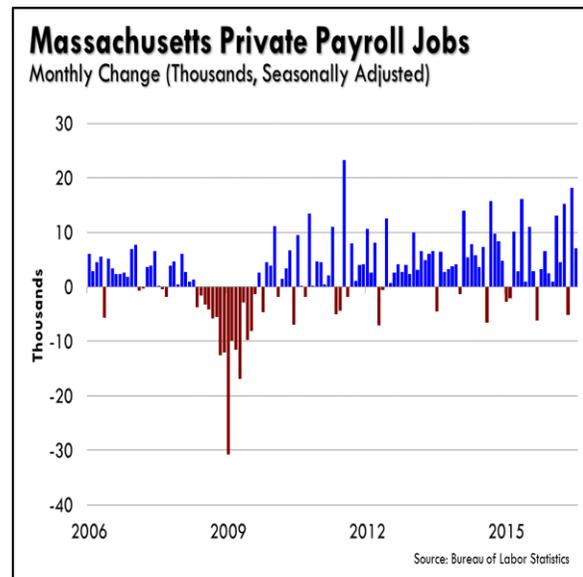
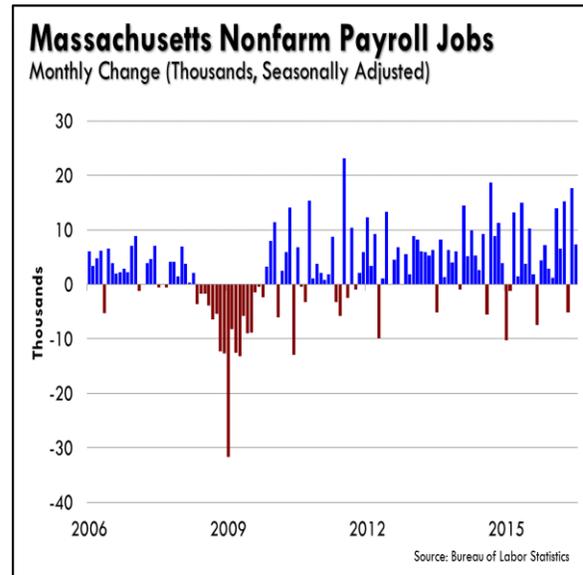
Nationally, nonfarm payrolls increased by 255,000 jobs in July, or 0.18 percent. Over the 12-month period ending July 2016, nonfarm payrolls grew by 2,447,000 jobs, or 1.72 percent. Massachusetts ranks 20th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During July, Massachusetts private sector payrolls increased by 7,100, or 0.23 percent. Private sector payrolls increased by 18,200 jobs in the prior month. Over the past 12 months, private sector payrolls in Massachusetts increased by 62,700, or 2.05 percent. Massachusetts private sector payroll employment has increased in 10 of the past 12 months.

Nationally private-sector payroll jobs increased by 217,000 jobs in July, or 0.18 percent. Over the past 12 months, the nation's economy has added 2,293,000 jobs in the private sector, an increase of 1.91 percent.

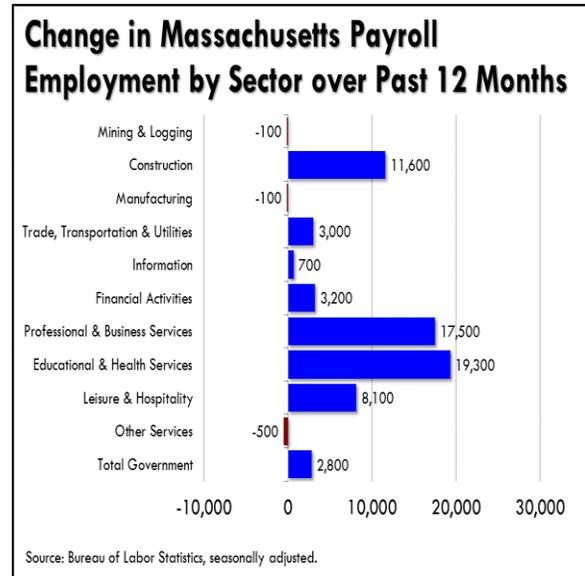
Massachusetts ranks 19th among the 50 states and the District of Columbia for percentage gain in private-sector payroll employment over the past 12 months.

During July, total government payroll employment in Massachusetts increased by 200, or 0.04 percent. Federal government payroll employment was unchanged. State government payroll employment increased by 1,000, or 0.75 percent, while local government payroll employment declined by 800, or 0.29 percent.



Over the past year, total government payroll employment increased by 2,800, or 0.62 percent. State government payroll employment increased by 2,000, or 1.50 percent. Local government payroll employment increased by 500, or 0.18 percent.

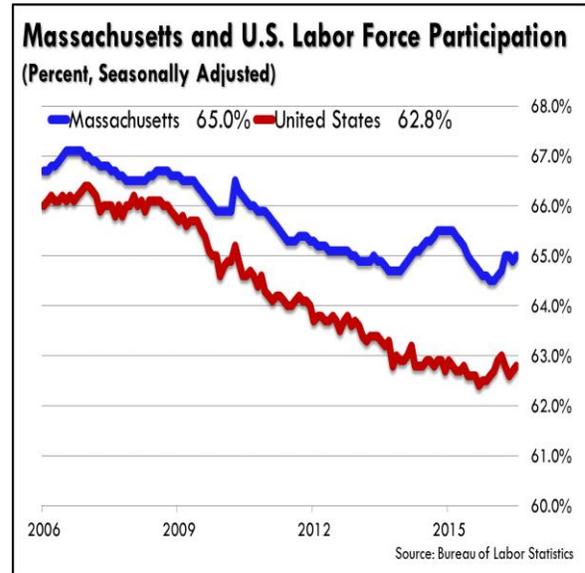
The best performing sectors on a seasonally adjusted basis during July were Professional & Business Services (+4,600) and Leisure & Hospitality (+3,200). The poorest performing sectors during the month were Other Services (-1,600) and Educational & Health Services (-1,200).



The best performing sectors during the last twelve months were Educational & Health Services (+19,300) and Professional & Business Services (+17,500). The poorest performing sectors during the last twelve months were Other Services (-500) and Manufacturing (-100).

Other Massachusetts Labor Force Statistics

The labor force participation rate in Massachusetts rose to 65.0 percent in July from 64.9 percent the prior month. Among the 50 states and the District of Columbia, 19 have a higher labor force participation rate than Massachusetts. The labor force participation rate in Massachusetts is unchanged from a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.



The 10-year high for the labor force participation rate in Massachusetts was 67.1 percent in November 2006. The series high for the labor force participation rate in Massachusetts occurred in December 1989 when the labor force participation rate hit 69.1 percent. The 10-year low for the labor force participation rate was 64.5 percent in January 2016. This also represents the series low for the labor force participation rate in Massachusetts.

The national labor force participation rate rose by 0.1 percentage point to 62.8 percent in July, but remains near its 38-year low of 62.4 percent.

The employment-to-population ratio, or the percentage of the Massachusetts civilian noninstitutionalized population 16 years and older counted as employed, rose to 62.3 percent in July from 62.2 percent the prior month. Among the 50 states and the District of Columbia, 14 have higher employment-to-population ratios than Massachusetts. The employment-to-population ratio in Massachusetts is 0.5 percentage point higher than a year earlier.

The 10-year high for the employment-to-population ratio in Massachusetts was 63.8 percent in February 2007. The series high for the employment-to-population ratio in

Massachusetts occurred in January 1999 when the employment-to-population ratio hit 66.7 percent. The 10-year low for the employment-to-population ratio was 60.1 percent in January 2010. The series low for the employment-to-population ratio occurred in March 1976 when the employment-to-population ratio hit 57.7 percent.

The national employment-to-population ratio rose by 0.1 percentage point to 59.7 percent in July. That rate was 0.4 percentage point higher than a year earlier. The all-time high for the employment-to-population ratio was 64.7 in April 2000. The 10-year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population ratio posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for August is scheduled for release on September 20, 2016. The national employment situation report for August will be released on Friday, September 2, 2016.

