



Massachusetts Economic Update

March 14, 2016

Summary

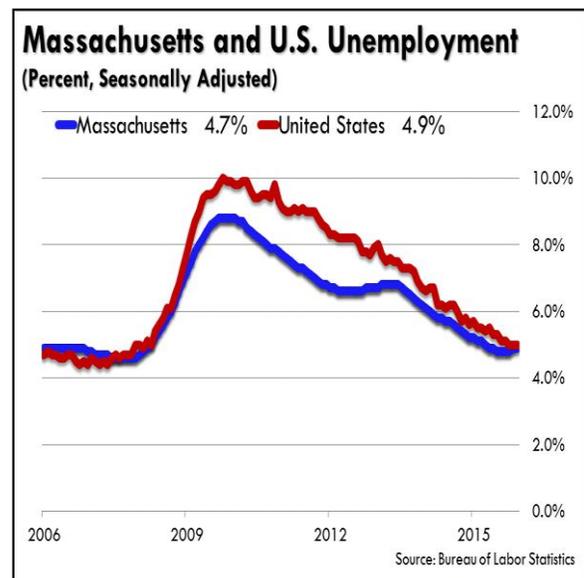
Nonfarm payroll employment in Massachusetts declined by 2,500 jobs and the unemployment rate fell to 4.7 percent in January according to data released by the Bureau of Labor Statistics (BLS).

Massachusetts Unemployment Rate

During January, the unemployment rate in Massachusetts declined by 0.2 percentage point to 4.7 percent. The number of people counted as unemployed fell by 8,190 in January to 166,443, while the labor force grew by 1,595 to 3,563,318. Among the 50 states and the District of Columbia, 23 posted lower unemployment rates for the month than Massachusetts. A year earlier, the unemployment rate in Massachusetts stood at 5.2 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 4.6 percent in December 2007. 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 February. February's unemployment rate was 0.6 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

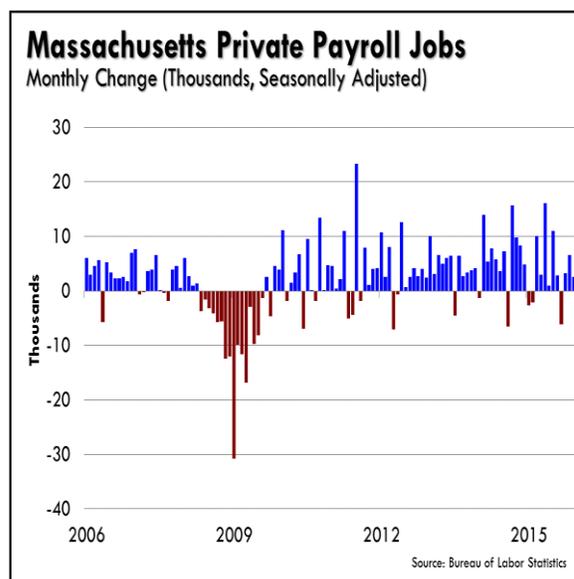
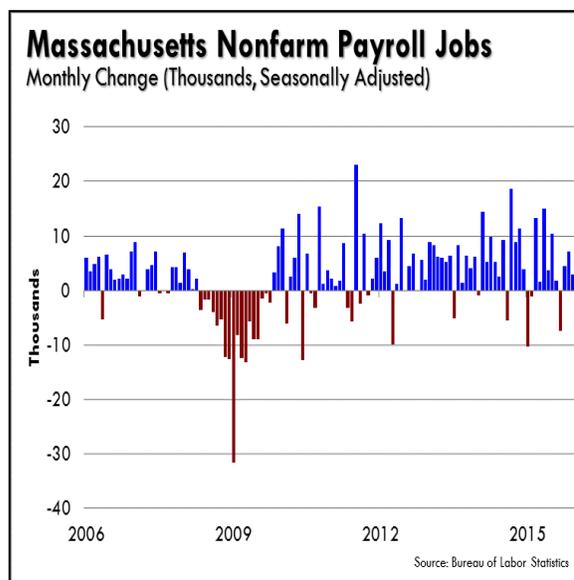
Massachusetts nonfarm payrolls declined by 2,500 jobs, or 0.07 percent, on a seasonally adjusted basis during January. In the prior month, nonfarm payrolls increased by 2,900. Over the past 12 months nonfarm payrolls in Massachusetts increased by 48,900, or 1.41 percent. Massachusetts nonfarm payroll employment has increased in 9 of the past 12 months.

Nationally, nonfarm payrolls increased by 242,000 jobs in February, or 0.17 percent. Over the 12-month period ending February 2016 nonfarm payrolls grew by 2,672,000 jobs, or 1.9 percent. Massachusetts ranks 26th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

During January, Massachusetts private sector payrolls declined by 2,700, or 0.09 percent. Private sector payrolls increased by 2,500 jobs in the prior month. Over the past 12 months, private sector payrolls in Massachusetts increased by 45,200, or 1.50 percent. Massachusetts private sector payroll employment has increased in 9 of the past 12 months.

Nationally private-sector payroll jobs increased by 230,000 jobs in 1.9, or 0.19 percent. Over the past 12 months, the nation's economy has added 2,597,000 jobs in the private sector, an increase of 2.18 percent. Massachusetts ranks 29th among the 50 states and the District of Columbia for percentage gain in private sector payroll employment over the past 12 months.

During January, total government payroll employment in Massachusetts increased by 200, or 0.04 percent. Federal government payroll employment declined by 100, or 0.22 percent. State government payroll employment increased by 400, or 0.30 percent, while local government payroll employment declined by 100, or 0.04 percent.



Over the past year, total government payroll employment increased by 3,700, or 0.82 percent. State government payroll employment increased by 3,300, or 2.54 percent. Local government payroll employment increased by 300, or 0.11 percent.

The best performing sectors on a seasonally adjusted basis during January were Trade, Transportation & Utilities (+3,800) and Construction (+2,200). The poorest performing sectors during the month were Educational & Health Services (-2,400) and Professional & Business Services (-2,300).

The best performing sectors during the last twelve months were Educational & Health Services (+17,000) and Construction (+13,200). The poorest performing sectors for the year were Leisure & Hospitality (-400) and Mining & Logging (+100).

Other Massachusetts Labor Force Statistics

The labor force participation rate in Massachusetts declined to 64.5 percent in January from 64.6 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 December 2015. This also represents the series low for the labor force participation rate in Massachusetts.

The national labor force participation rate rose by 0.2 percentage point to 62.9 percent in February, 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 61.5 percent in January from 61.3 percent the prior month. Among the 50 states and the District of Columbia, 19 have higher employment-to-population ratios than Massachusetts. The employment-to-population ratio in Massachusetts is 0.6 percentage point lower 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 0.2 percentage point to 59.8 percent in February. That rate was 0.5 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 February is scheduled for release on March 25, 2016. The national employment situation report for February was released on Friday, March 4, 2016.

