



# Massachusetts Economic Update

June 19, 2015

## Summary

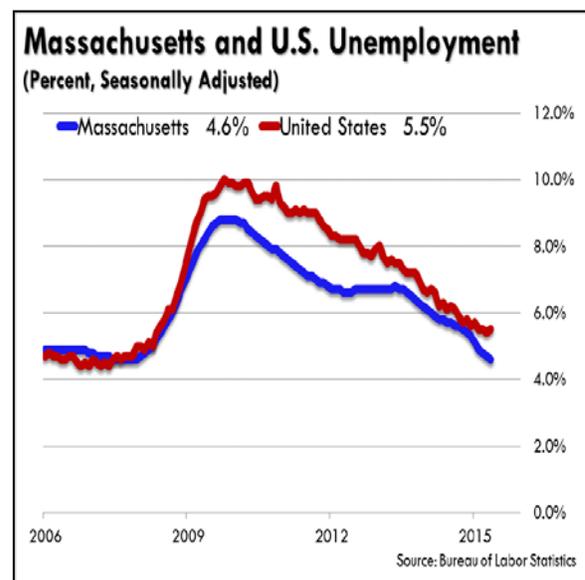
Nonfarm payroll employment in Massachusetts increased by 7,400 jobs and the unemployment rate fell to 4.6 percent in May according to data released by the Bureau of Labor Statistics (BLS).

## Massachusetts Unemployment Rate

During May, the unemployment rate in Massachusetts declined by 0.1 percentage point to 4.6 percent. The number of people counted as unemployed fell by 734 in May to 168,651, while the labor force grew by 5,798 to 3,640,110. Among the 50 states and the District of Columbia, 16 posted lower unemployment rates for the month than Massachusetts. A year earlier, the unemployment rate in Massachusetts stood at 5.8 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 4.6 percent in May 2015. 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 inched up to 5.5 percent in May. May's unemployment rate was 0.8 percentage point lower than a year earlier when the rate stood at 6.3 percent. The ten year high for the national unemployment rate was 10.0 percent in October 2009. The ten year low was 4.4 percent in May 2007.



## Massachusetts Payroll Employment

Massachusetts nonfarm payrolls increased by 7,400 jobs, or 0.21 percent, on a seasonally adjusted basis during May. In the prior month, nonfarm payrolls increased by 11,200. Over the past 12 months nonfarm payrolls in Massachusetts increased by 70,600, or 2.07 percent. Massachusetts nonfarm payroll employment has increased in 11 of the past 12 months.

Nationally nonfarm payrolls increased by 280,000 jobs in May, or 0.20 percent. Over the 12 month period ending in May 2015, nonfarm payrolls grew by 3,058,000 jobs, or 2.21 percent. Massachusetts ranks 17th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

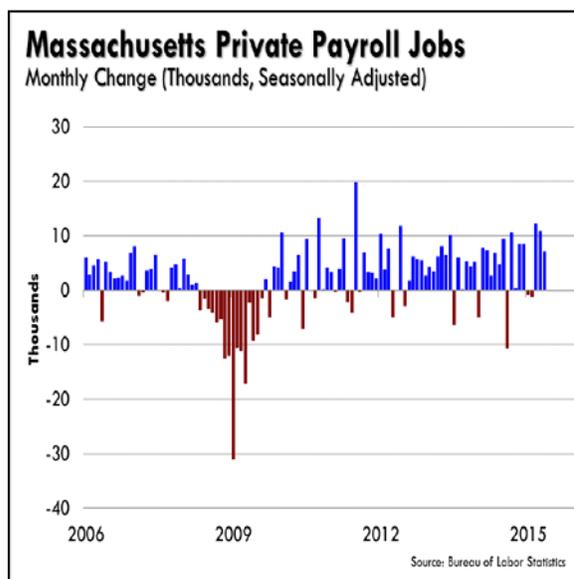
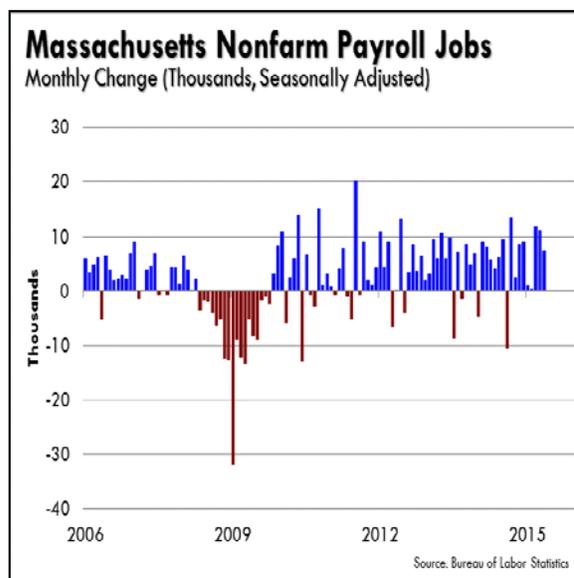
During May, Massachusetts private sector payrolls increased by 7,100, or 0.24 percent. Private sector payrolls increased by 10,800 jobs in the prior month. Over the past 12 months, private sector payrolls in Massachusetts increased by 59,300, or 2.00 percent. Massachusetts private sector payroll employment has increased in 9 of the past 12 months.

Nationally, private sector payroll jobs increased by 262,000 in May, or 0.22 percent. Over the past 12 months, the nation's economy

has added 2,958,000 private sector payroll jobs, an increase of 2.53 percent.

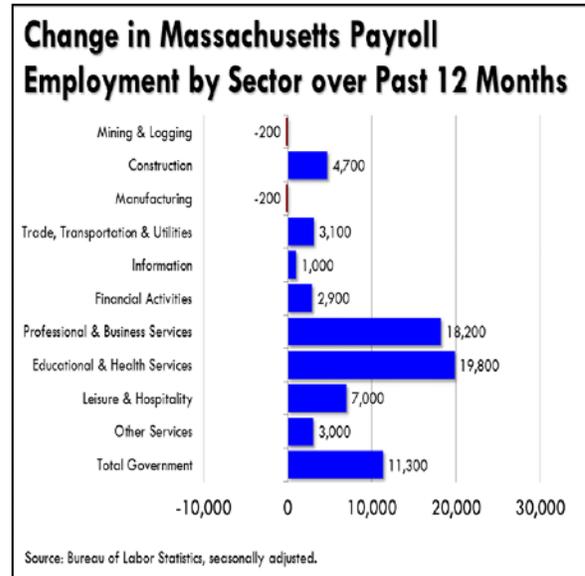
Massachusetts ranks 21st among the 50 states and the District of Columbia for percentage gain in private sector payroll employment over the past 12 months.

During May, total government payroll employment in Massachusetts increased by 300, or 0.07 percent. Federal government payroll employment increased by 1,700, or 3.88 percent. State government payroll employment declined by 1,800, or 1.29 percent, while local government payroll employment increased by 400, or 0.14 percent.



Over the past year, total government payroll employment increased by 11,300, or 2.52 percent. State government payroll employment increased by 5,300, or 4.01 percent. Local government payroll employment increased by 5,800, or 2.13 percent.

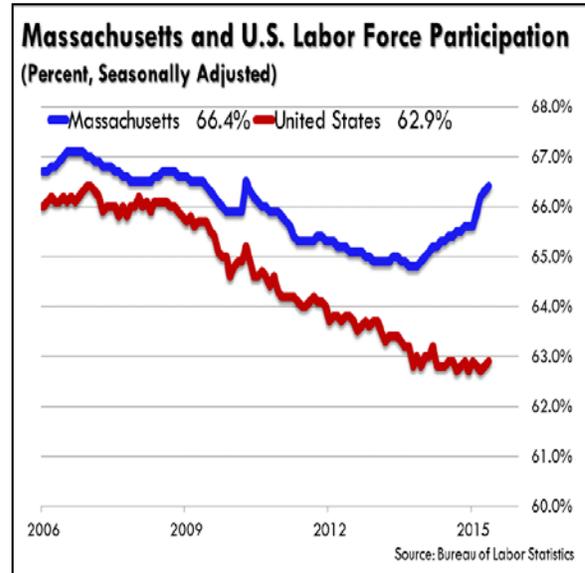
The best performing sectors on a seasonally adjusted basis during May were Construction (+3,500) and Trade, Transportation & Utilities (+2,500). The poorest performing sectors during the month were Professional & Business Services (-400) and Leisure & Hospitality (-300).



The best performing sectors during the last twelve months were Educational & Health Services (+19,800) and Professional & Business Services (+18,200). The poorest performing sectors for the year were Mining & Logging (-200) and Manufacturing (-200).

#### Other Massachusetts Labor Force Statistics

The labor force participation rate in Massachusetts rose to 66.4 percent in May from 66.3 percent the prior month. Among the 50 states and the District of Columbia, 16 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 64.8 percent in November 2013. The series low for the labor force participation rate occurred in January 1977 when the labor force participation rate hit 64.6 percent.

The national labor force participation rate rose by 0.1 percentage point to 62.9 percent in May. That rate is 0.1 percentage point higher than a year earlier.

The employment-to-population ratio, or the percentage of the Massachusetts civilian noninstitutionalized population 16 years and older counted as employed, rose to 63.3 percent in May from 63.2 percent the prior month. Among the 50 states and the District of Columbia, 13 have higher employment-to-population ratios than Massachusetts. The employment-to-population ratio in Massachusetts is 1.8 percentage points 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 ticked up to 59.4 percent in May. At 59.4 percent, the national employment-to-population ratio has finally risen back to the level it was at when the recession ended in June 2009. The all-time high for the employment-to-population ratio was 64.7 percent in May 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 posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for May is scheduled for release on Tuesday, July 21. The national employment situation report for June is scheduled for release on Thursday, July 2. The national employment report is being released on Thursday instead of Friday due to the Independence Day holiday.

