

# COVID-19's Impact on the Massachusetts' Labor Market

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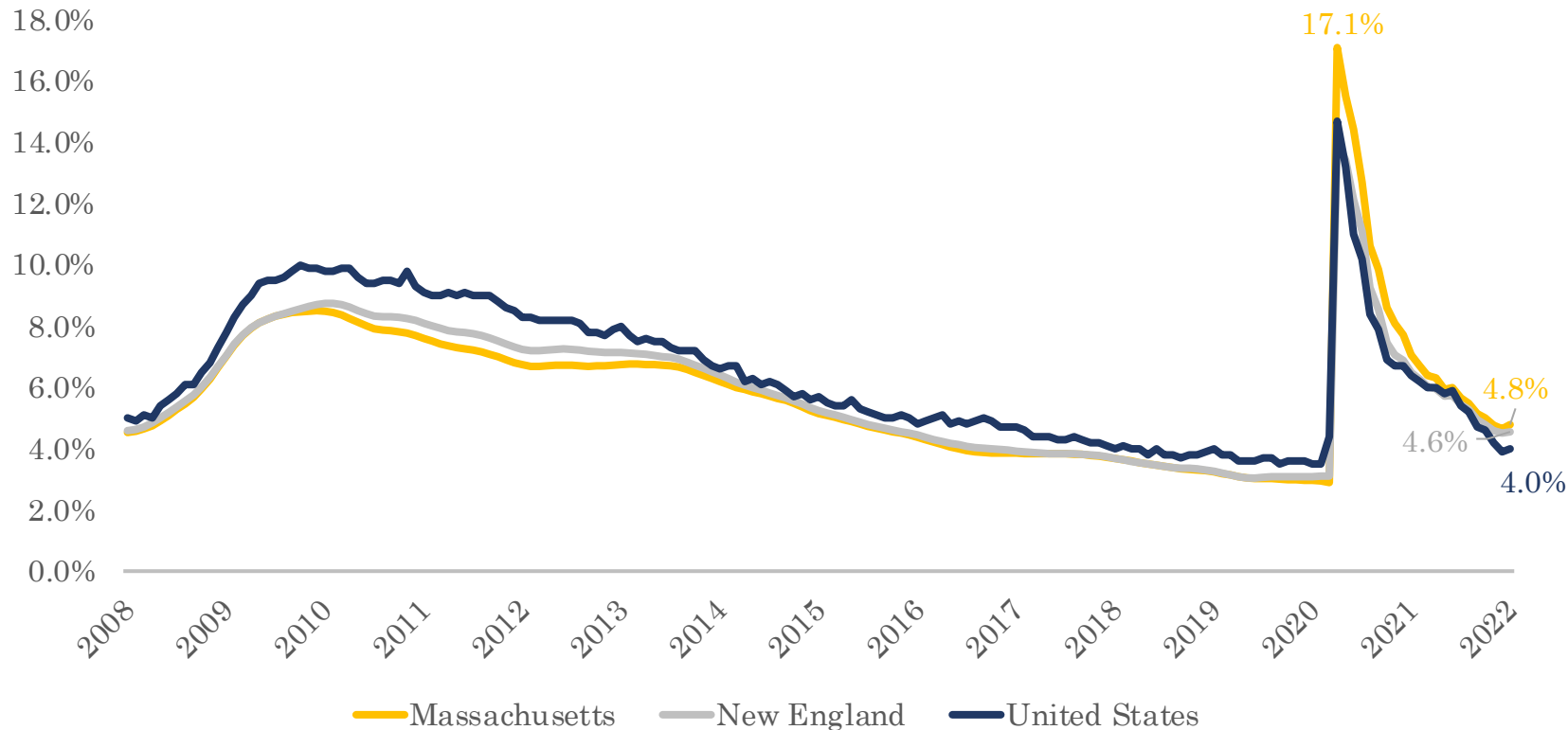
# Main takeaways

1. Massachusetts economy is recovering – recovery has been uneven across industries. The mismatch between skills demanded and skills available from displaced workers is a major roadblock to recovery.
2. Pandemic's economic impact is worse on Hispanics and Blacks - converging Commonwealth's equity and economic issues to certain geographical hotspots in Massachusetts
3. Decline in college enrollment among Black and Hispanic students could lead to a generational setback and affects MA's labor force pipeline

# Overview of Massachusetts' Labor Market

# Unemployment Rate (January 2022)

UNEMPLOYMENT RATES: 01/2008 - 01/2022



Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics (LAUS)

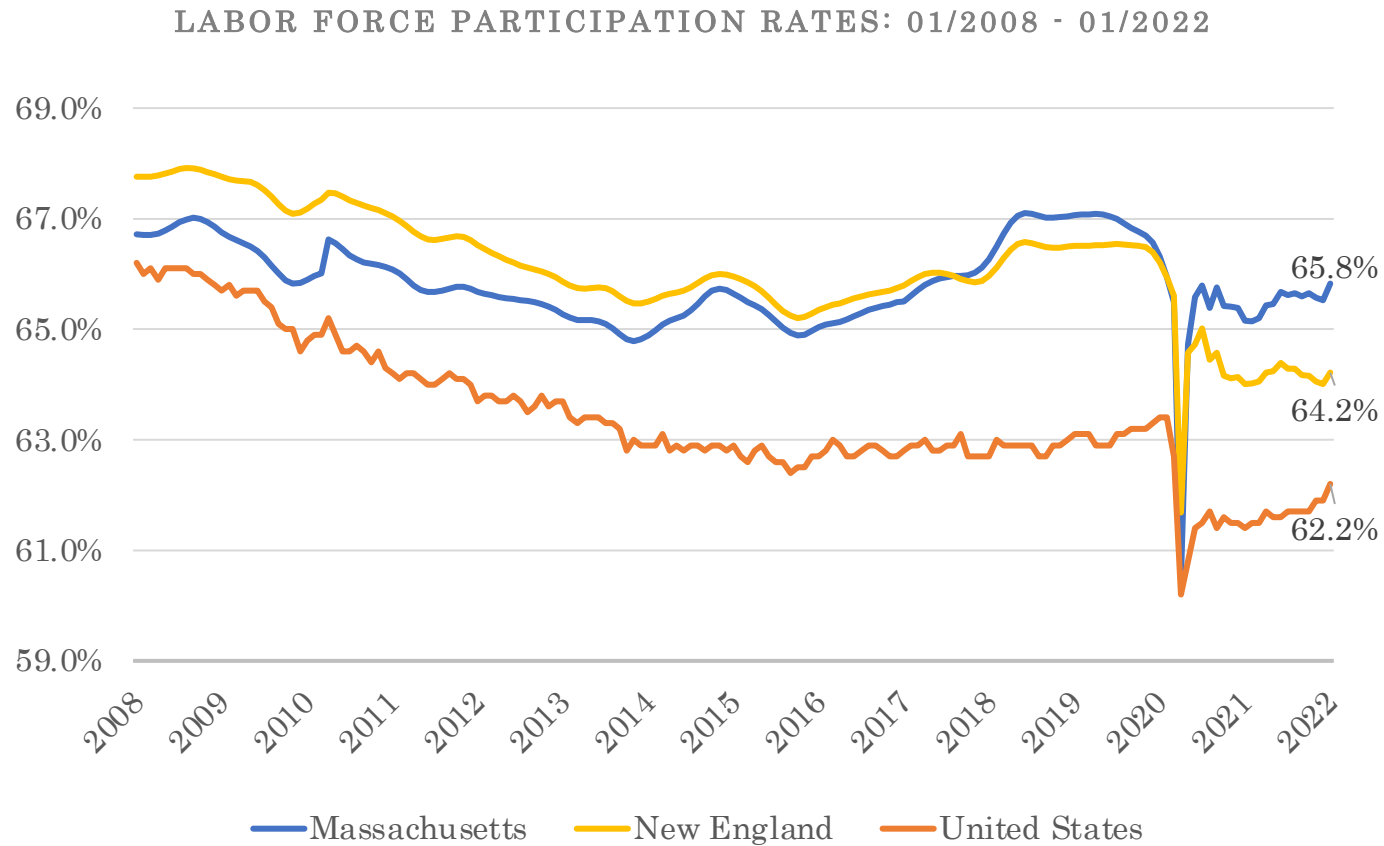
180,400

Unemployed

The January labor force grew by 15,700 from 3,751,500 in December, as 9,400 more residents were employed, and 6,200 more residents were unemployed over the month.

The unemployment rate at 4.8 percent was up by 0.2 percentage points from the revised December estimate of 4.6 percent.

# Trend in labor force

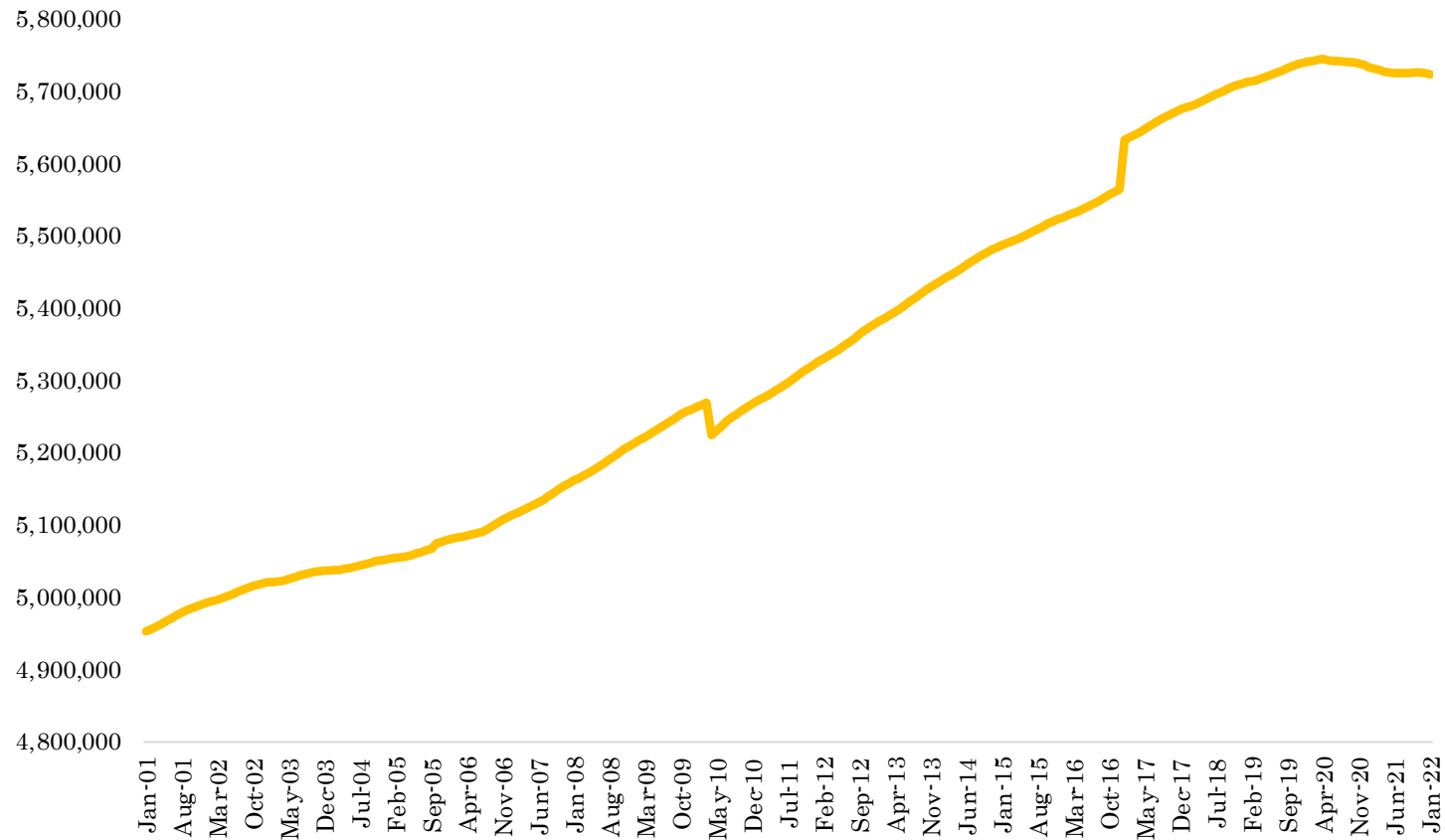


Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics (LAUS)

- MA's labor force participation rate (LFPR) has been much more resilient than corresponding national and New England rate
- LFPR nationally increased by 0.3% since December 2021, New England increased by 0.2%, MA increased by 0.3%
- Jan 2010-Dec 2019 median LFPR is 65.7%, currently MA is over that median by 0.1%

# CPS – Population revised

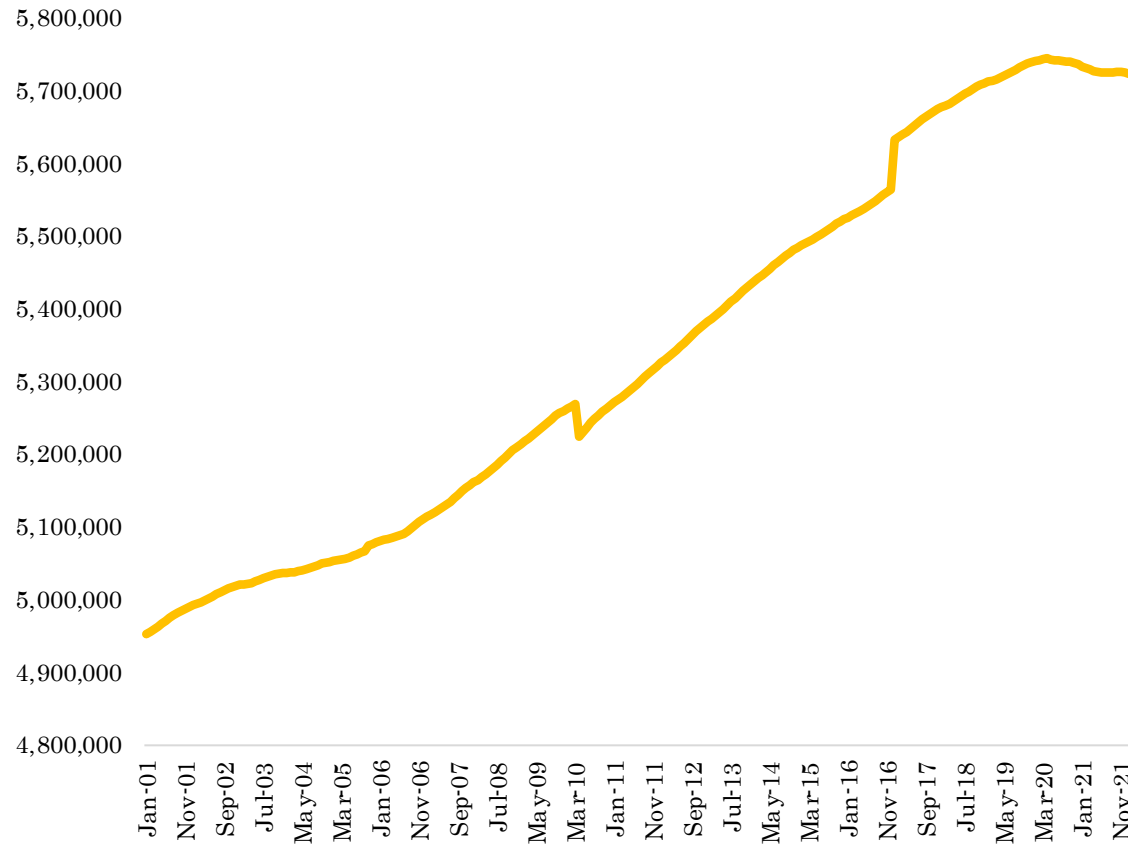
CPS POPULATION 2001- 2022



- During the annual processing following 2010's decennial census, April 2010 CPS population was revised downward by 44,801
- The most recent annual processing, retrospectively, revised from January 2017 the CPS population upward by 68,721
- Compared to Feb 2020, CPS population is down by 18,892 or **0.33%**

# CPS – Population revised

CPS POPULATION 2001-2022



## Are workers leaving MA?

No, in addition to loss from COVID-19 related deaths, the CPS population includes civilian non-institutional population who are citizens of foreign countries

Foreign students declined by 34K between 2019 and 2020

H1B workers increased by 4k

2k decrease in OPT workers

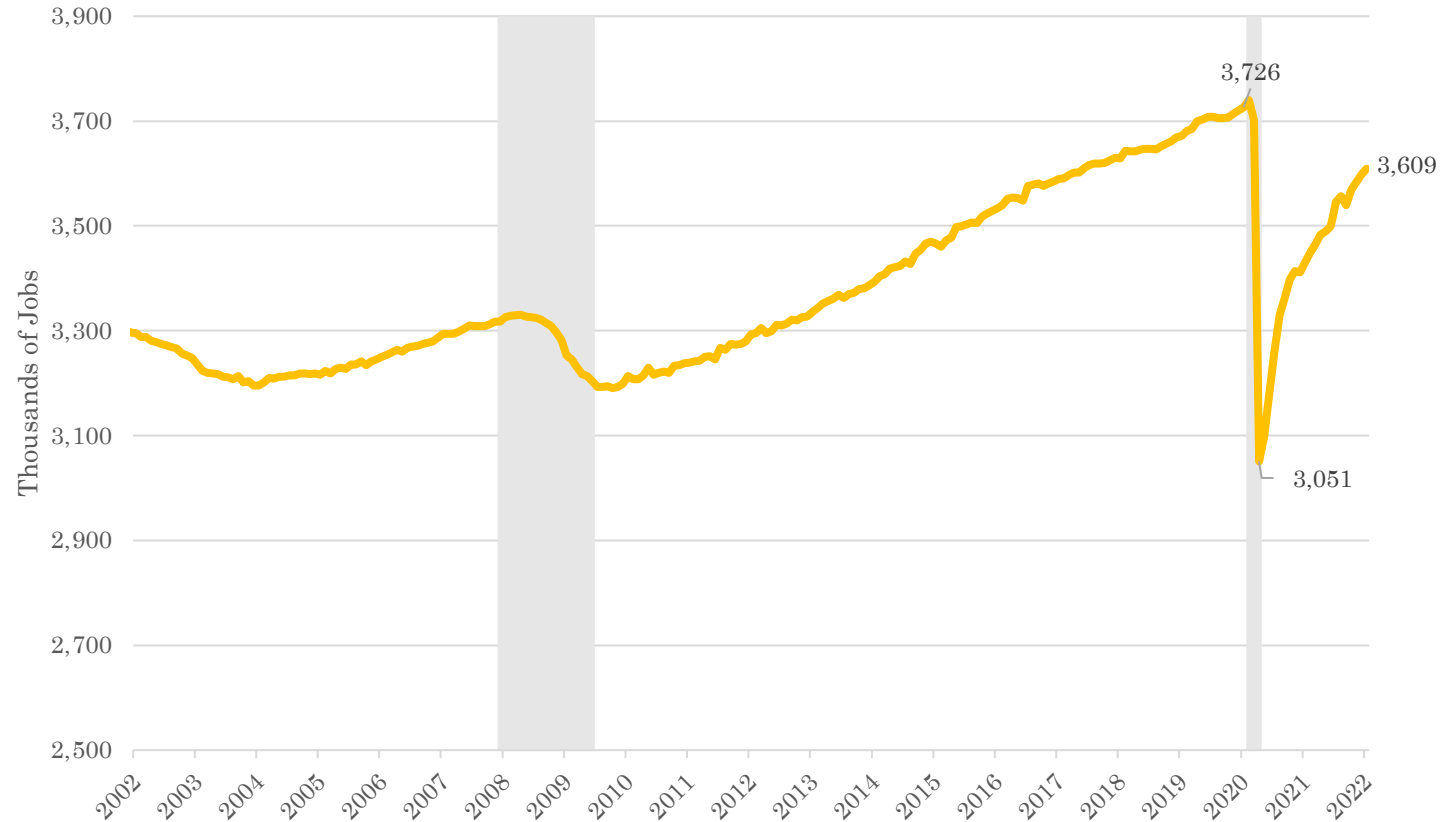
J-1 visa holders declined by 17k (Decline of 2.5k childcare workers in J1 visa)

H2B visa workers declined by 3.5k

Decline in foreign students and workers is mostly self-correcting.

Where remote work is feasible, we might see a decline in foreign workers. But MA's biotech (remote work not possible) sector is growing strongly. MA's universities remain world renowned.

# Total non-farm jobs (seasonally adjusted)



Source: CES

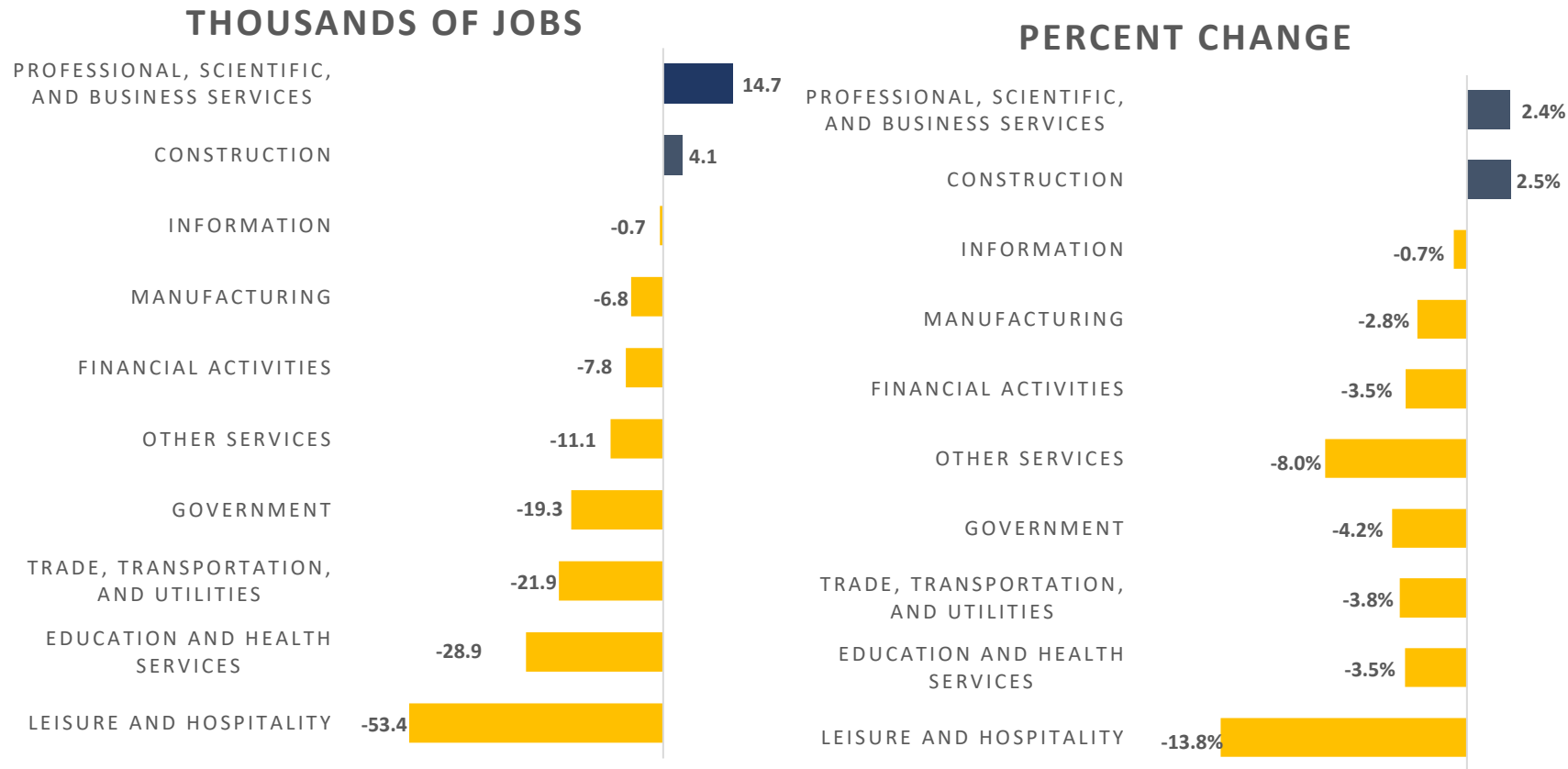
Over the month, MA added 10,600 jobs (9,800 private) in Jan 2022 (preliminary)

December's revised gain is 14,500. (Preliminary published was a 20,100 gain)

Massachusetts still needs to add 131,100 jobs to its economy in order to surpass its pre-pandemic high



# COVID19 Effects (February 2020 to January 2022)



- Approximately 81% of total nonfarm jobs have been recovered from the pandemic
- Leisure and Hospitality still faces a net loss of 53,400 jobs since February 2020 (45,400 in Food and Accommodation)
- The sectors that have fully recovered job losses from the pandemic include Construction (+4,100) and Professional, Scientific, and Business Services (+14,700)

## Labor Demand by Occupation, Not Seasonally Adjusted (Feb - 2022)



Source: Conference Board-HWOL

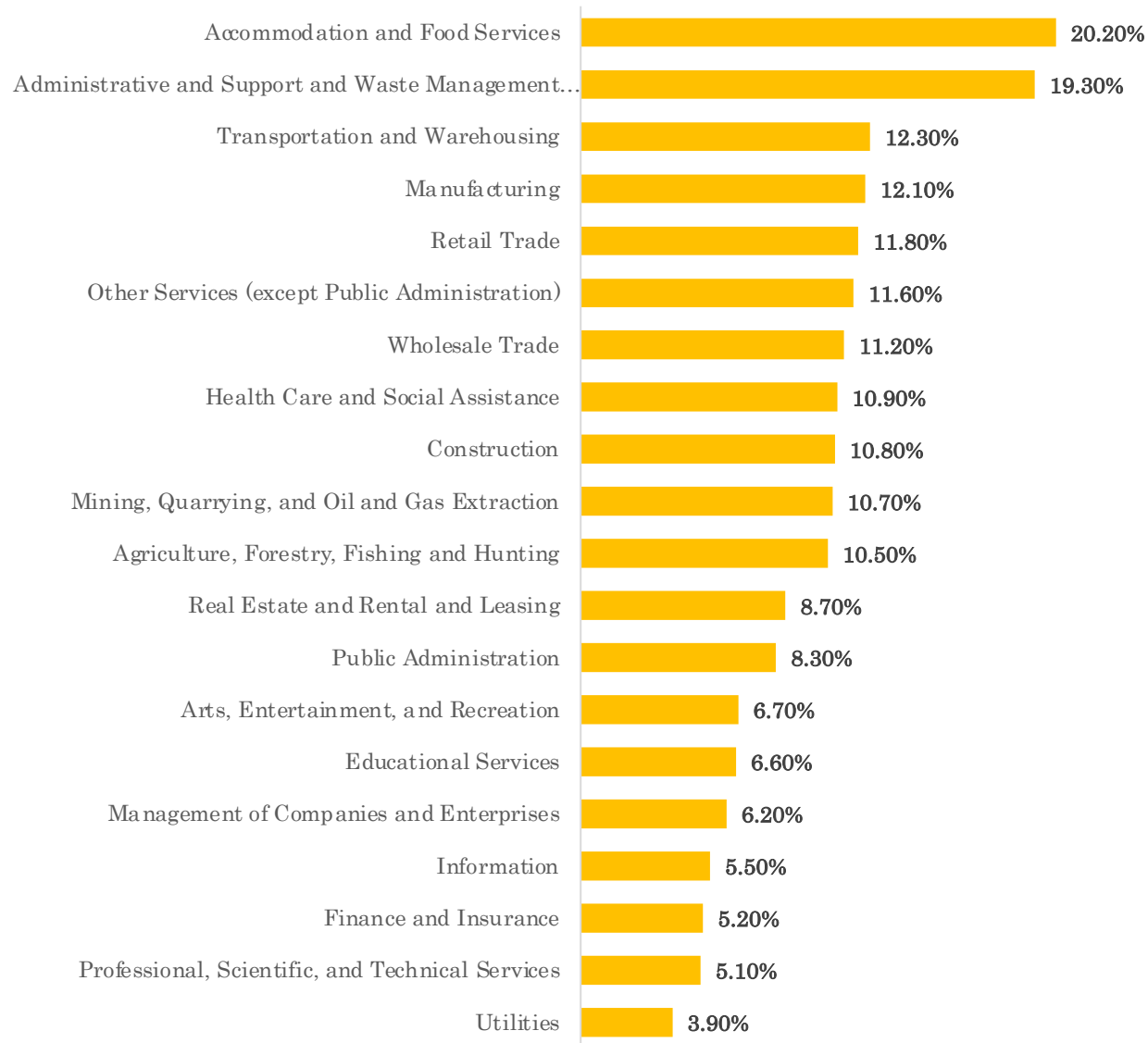
## Mismatch

- New postings are led by Management, Healthcare, Office Support, and Computer and Mathematical occupations, while most of the affected workers are in Leisure and Hospitality, particularly in Restaurant industry, as well as Education and Health Services.
- The churn among predominantly white-collar professions, a gradual and bumpy growth in labor demand across most major industries other than Retail, and an anemic labor demand in food and accommodation industry, contributes to higher job postings and sustained unemployment in Massachusetts.

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# Impact on Demographic Groups

# Industry share of Hispanics/Latinos

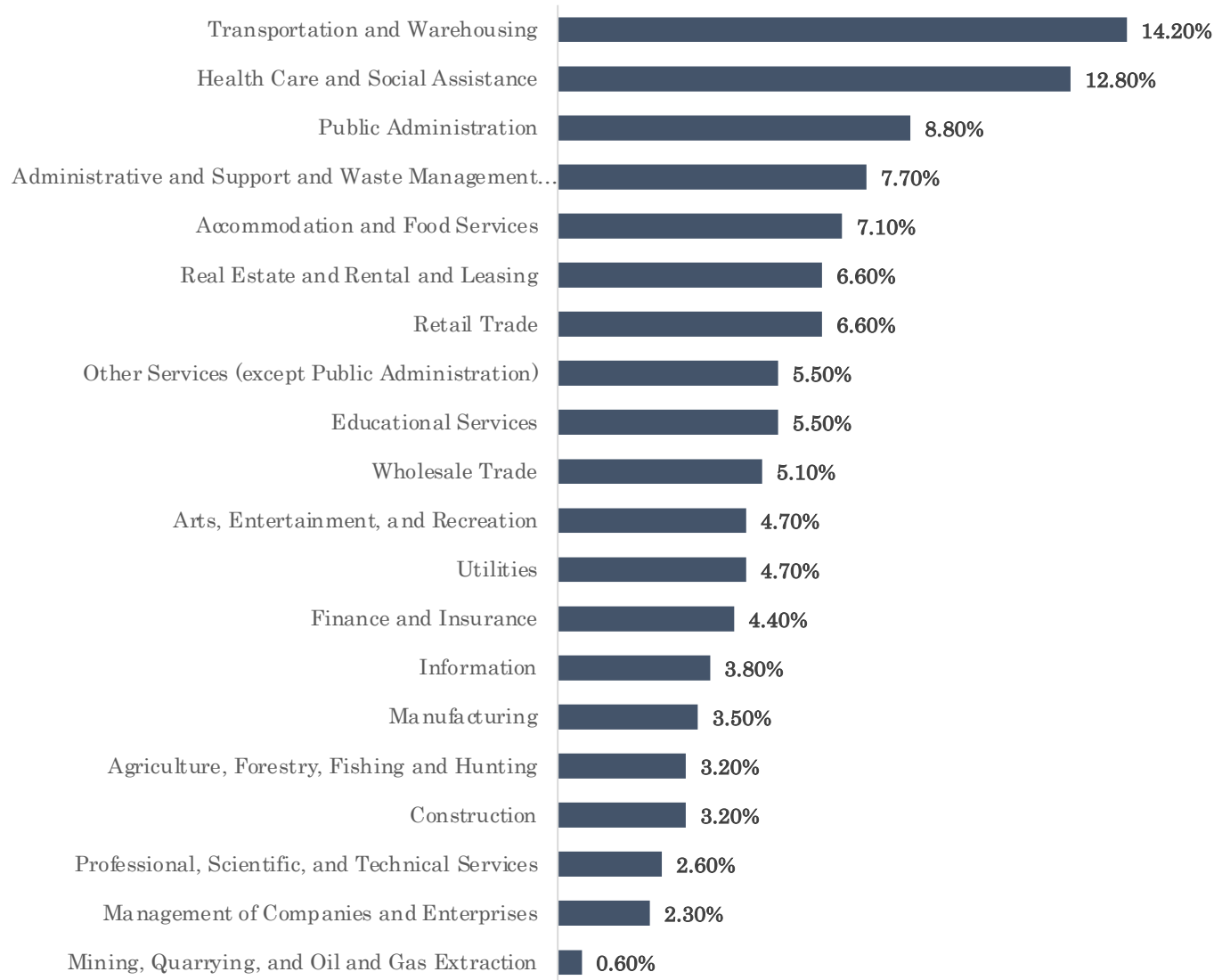


Source: Burning Glass

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- Median salary in Accommodation and Food services is \$27,872
- Admin and support and waste management \$31,719
- Transportation and warehousing \$41,748

# Industry share of Black/African Americans



Source: Burning Glass

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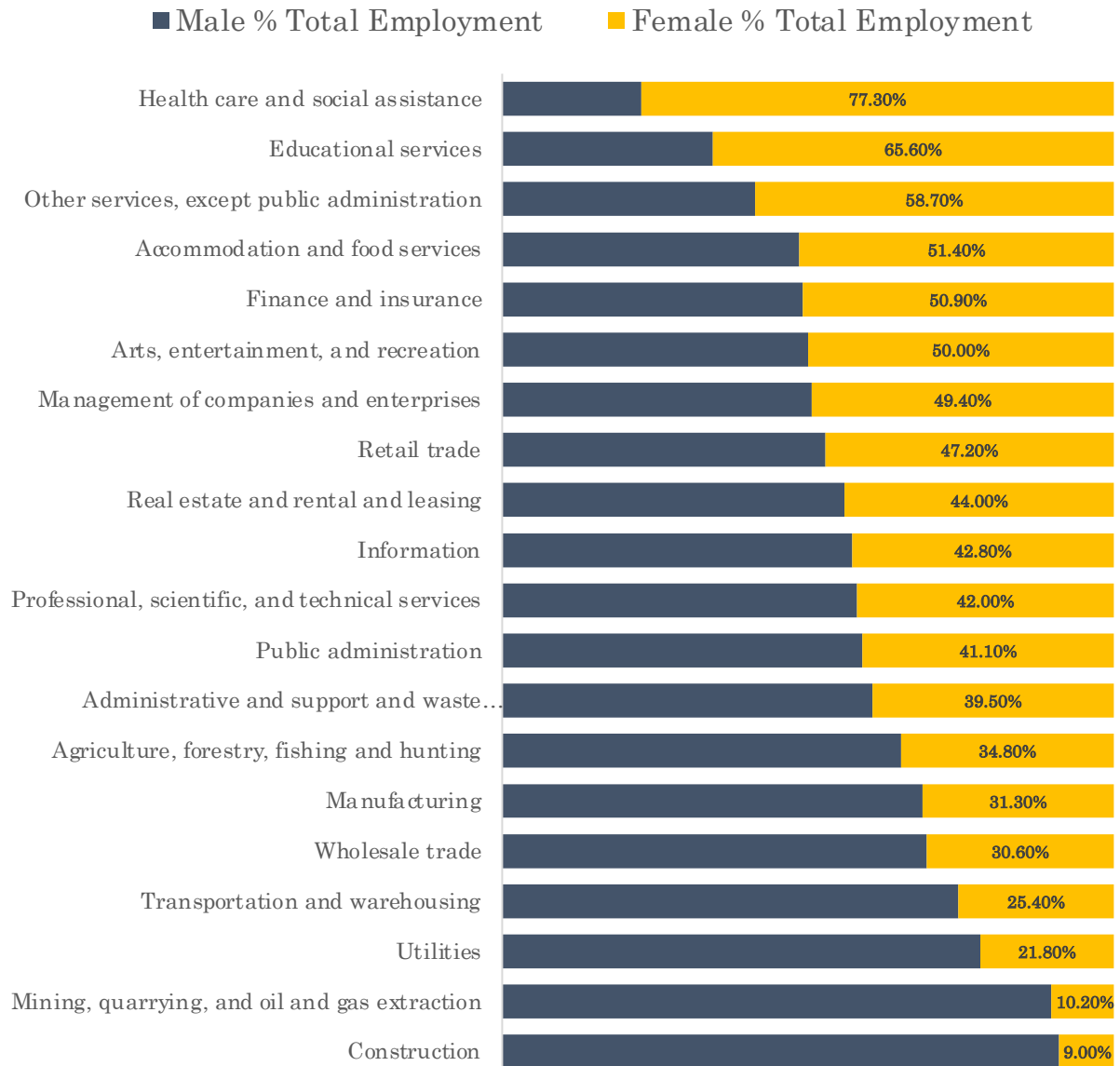
Among the top 3 occupations the median salary is

Transportation and warehousing \$41,748

Health Care and Social Assistance \$45,288

Public administration is \$77,172

# Women's share of employment by industry

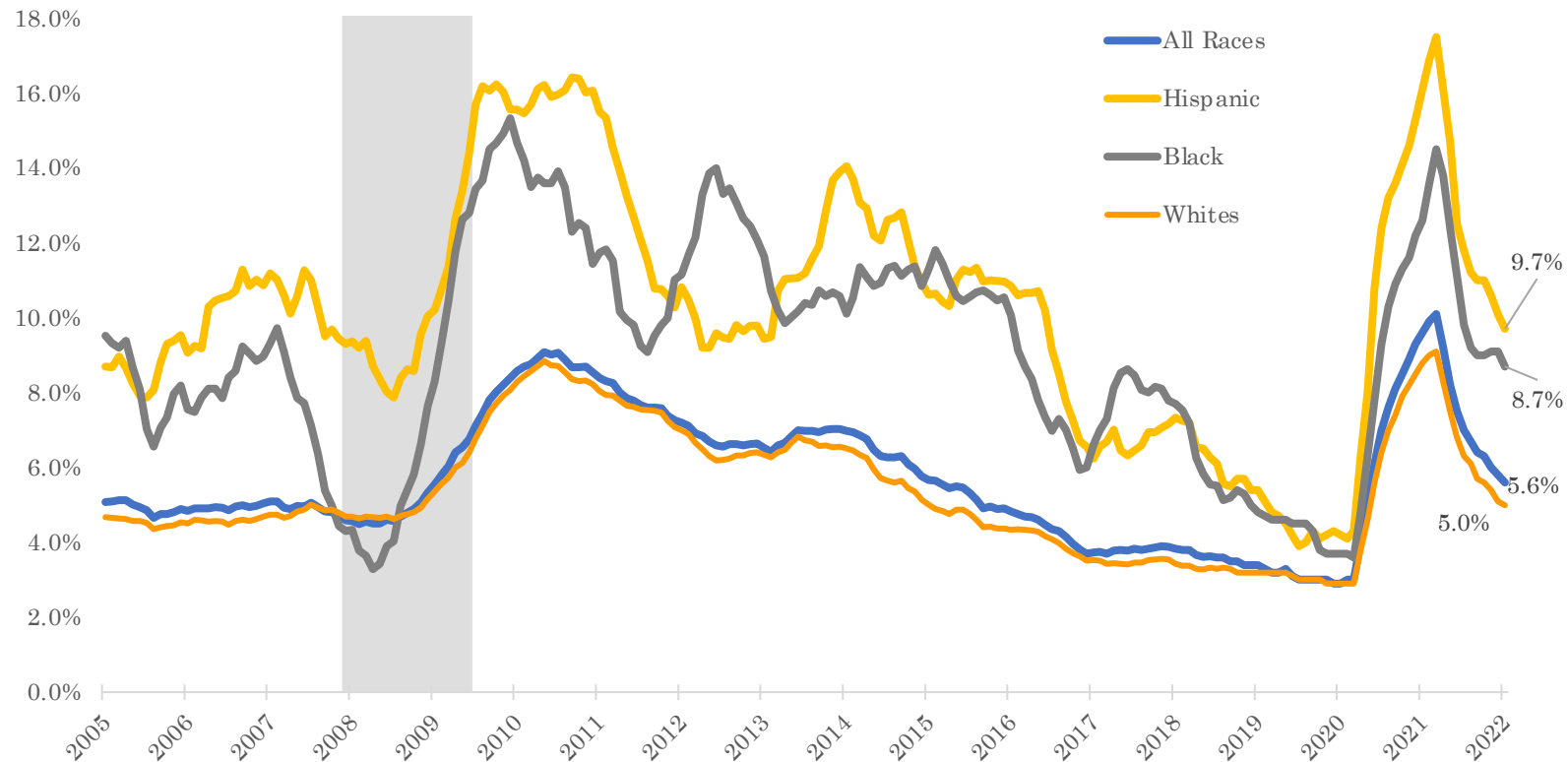


- Healthcare, Education, and Food and Accommodation are occupations with the highest share of women and remain worst hit by the pandemic in terms of jobs yet-to-be-recovered
- Between 2015-2019, 296,418 women worked as Health tech, support, and diagnosing; 187,750 in educational instruction and library; 102,571 women worked in food preparation and serving related occupation

Source: ACS 5-year estimates 2015-2019

# Unemployment Rate - by Race and Ethnicity

January 2022



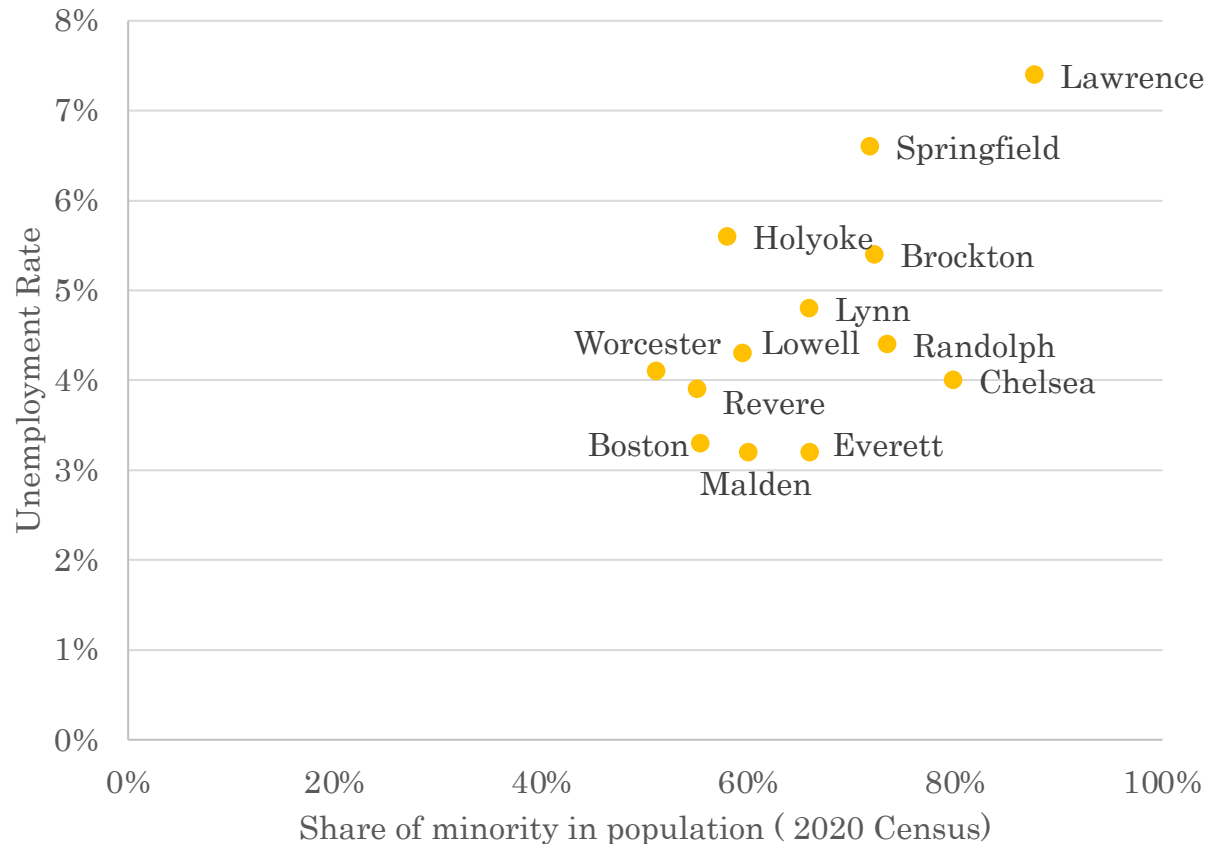
Unemployment among Hispanics has decreased from 10.1% in December to 9.7%

Unemployment among Blacks decreased from 9.1% to 8.7%

Unemployment among Whites decreased from 5.1% to 5%

# Equity and Economic priorities have converged

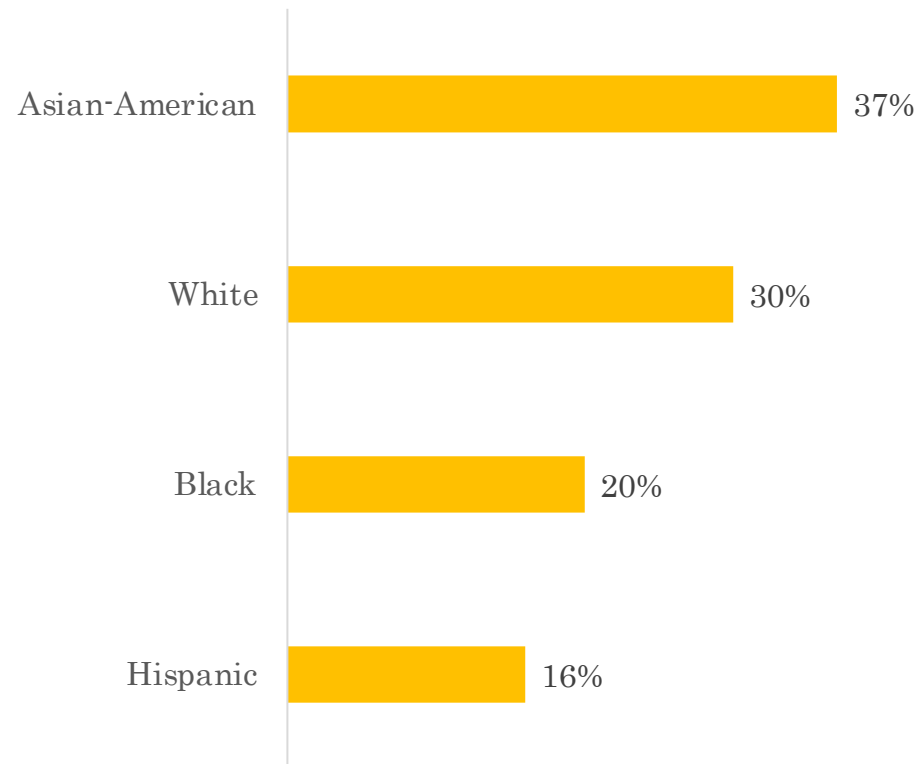
Unemployment Rate in communities with over 50% minority



- Median unemployment rate in Gateway cities is 4.2% as of Dec 2021, compared to 3.9% statewide
- Lawrence has the highest concentration of Hispanic/Latino community in the Commonwealth (82%) and remains the worst impact community in New England in terms of persistent high unemployment (7.4% Dec 2021)
- Springfield has an unemployment rate of 6.6% as of Dec 2021 where 47% of Springfield identify as Hispanic/Latino and 18.3% are Black
- **A targeted strategy is required to address inequities**



## Share of employment in occupations and sectors that allowed for remote work during the pandemic



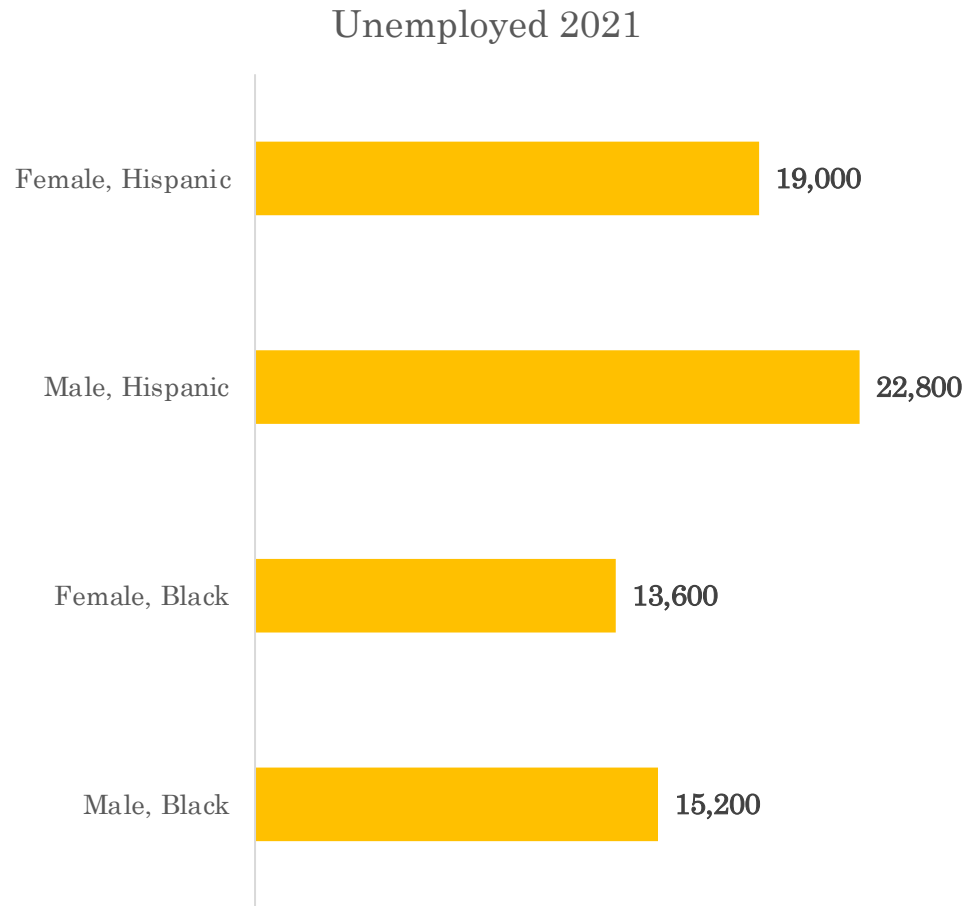
The Future of Work report highlights, Hispanic and Blacks were in occupations that were not conducive for remote work

# Share of employment in occupations that allowed for remote work during the pandemic

Occupational Category	Occupational Share			Remote Work (potential)
	White	Hispanic	Black	
Management, business, science, and arts occupations	87%	7%	6%	64.4% - 86.6%
Sales and office occupations	82%	10%	7%	31.9% - 59.2%
Natural resources, construction, and maintenance occupations	83%	13%	5%	0% - 1.0%
Service occupations	69%	19%	12%	7.90%
Production, transportation, and material moving occupations	68%	21%	11%	0.3% - 0.4%

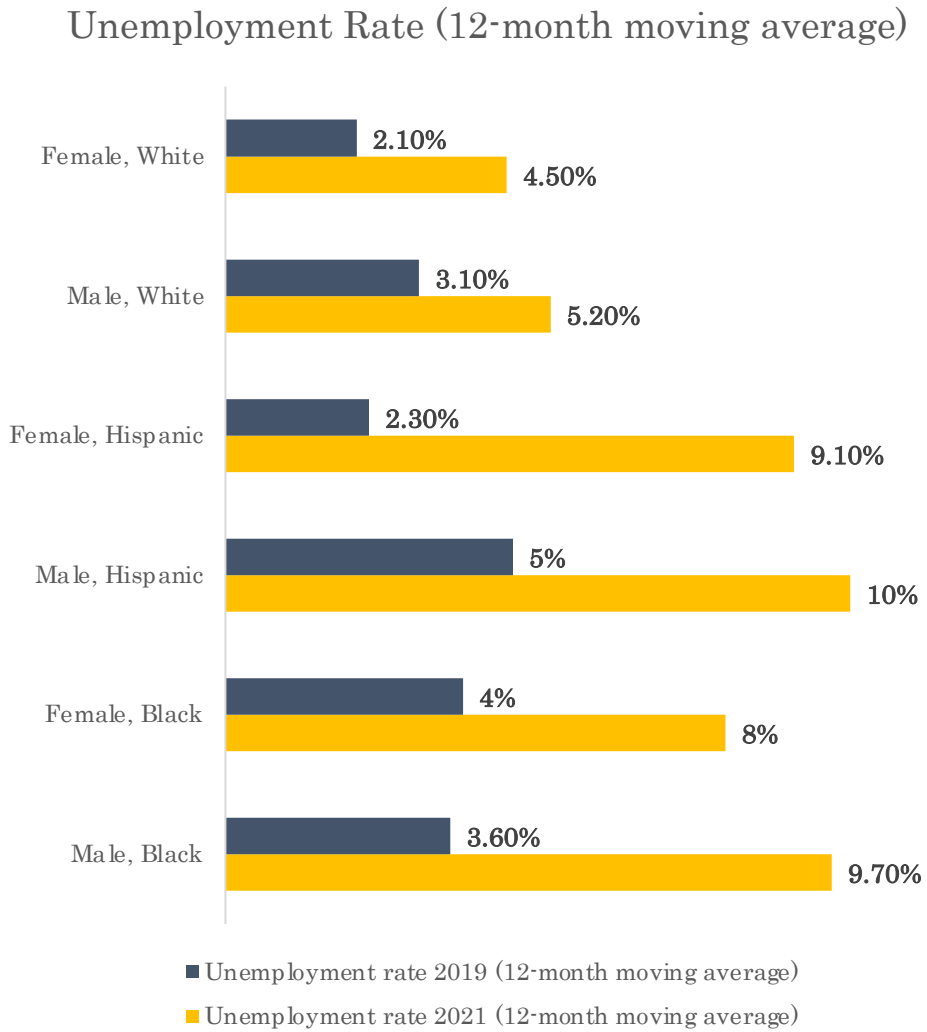
Source: DER's calculations based on U.S. Census 2019 ACS 1-year estimates and BLS's ATUS data

# Unemployed by race/ethnicity/gender



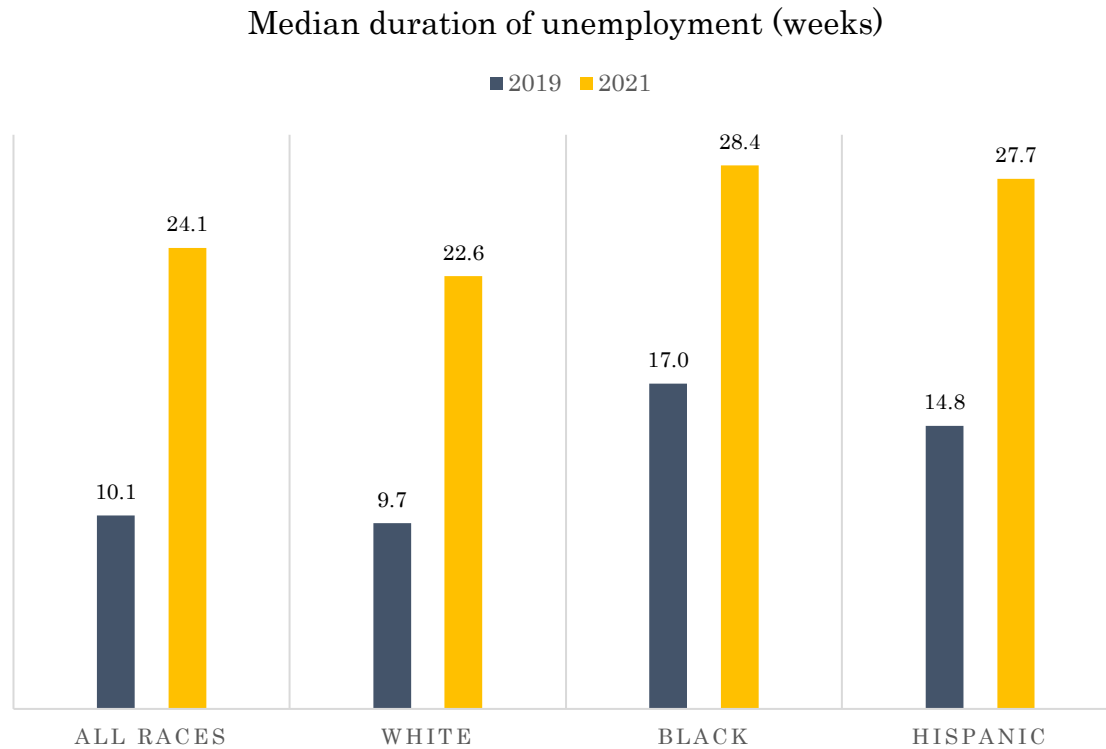
- Out of 194,800 unemployed during 2021, 70,600 were Black and Hispanic residents (12-month moving average over the age of 20) – 19% of the population suffers from 36% of the unemployment
- **Hispanic women saw the highest increase in unemployment between 2019 and 2021**
- In 2021, compared to 2019, Black men saw a 176% increase in unemployment, 94% among Black women, 153% among Hispanic men, and **313% among Hispanic women**

# Unemployment rate by race/ethnicity/gender



- Hispanics continue to be worst impacted by the pandemic
- Hispanic women particularly have the highest increase in unemployment rate compared to level in 2019
- **Unemployment rate among Hispanic women is over 2 times the rate for White women**
- Black and Hispanic communities are the worst hit demographic in the Commonwealth

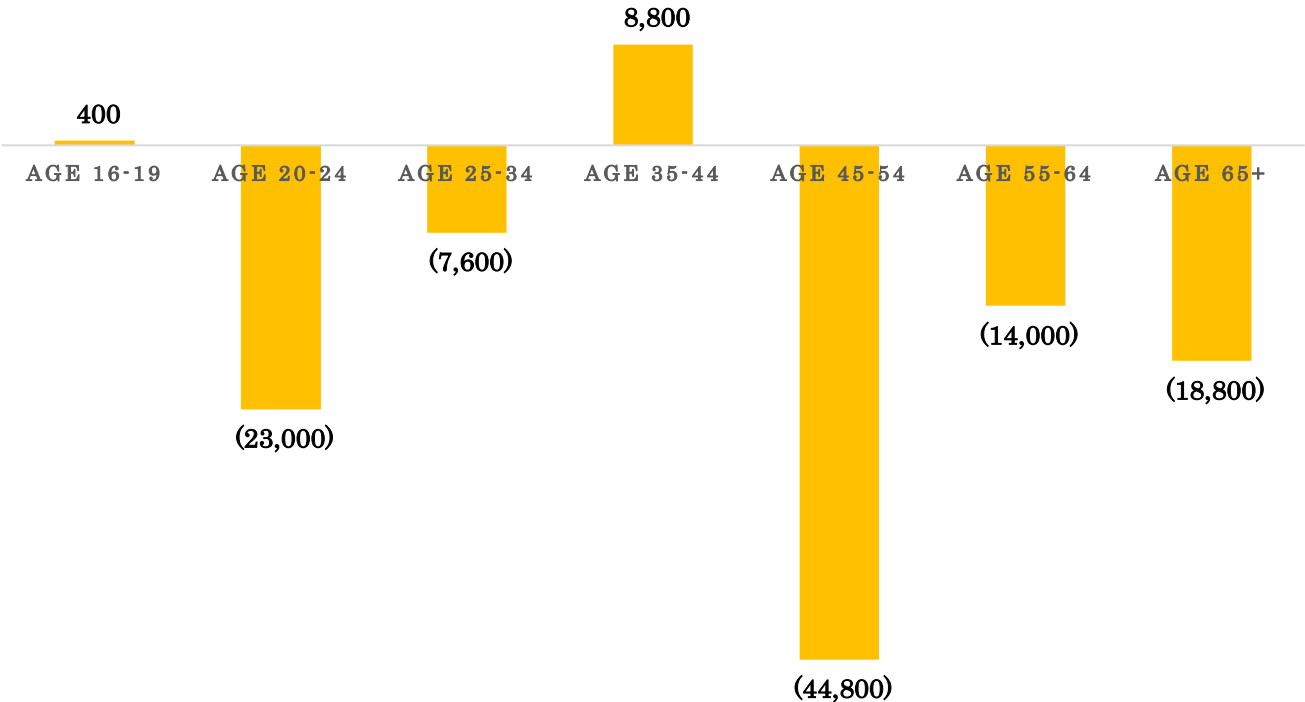
# Duration of Unemployment



- Black and Hispanic communities had higher duration of unemployment in 2019
- Duration of unemployed increased across all races between 2019 and 2021
- In 2021, the median duration of unemployment among Blacks and Hispanics crossed 27 weeks, definition of long-term unemployed

# Women in MA's labor force

CHANGES IN THE COMPOSITION OF WOMEN IN MA'S LABOR FORCE BETWEEN 2019 AND 2021

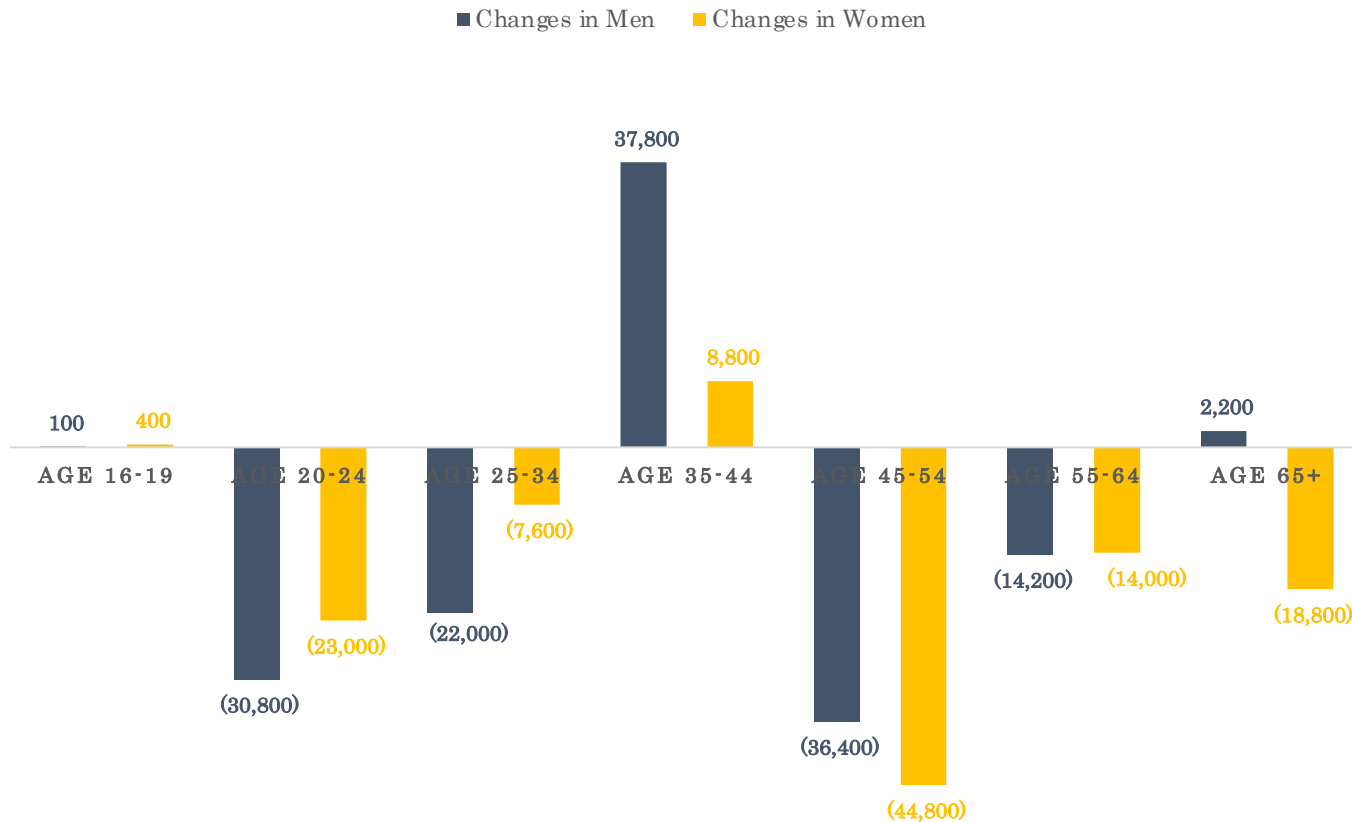


Source: Bureau of Labor Statistics (BLS), 12MMA CPS

- Every age group saw a decline, except for groups 16-19 and 35-44
- 46% of the decline is among the 45-54 age group, followed by age 20-24 by 24%
- The reasons for decrease likely varies by each age group

# Women in MA's labor force

CHANGES IN THE COMPOSITION OF WOMEN & MEN IN MA'S LABOR FORCE BETWEEN 2019 AND 2021

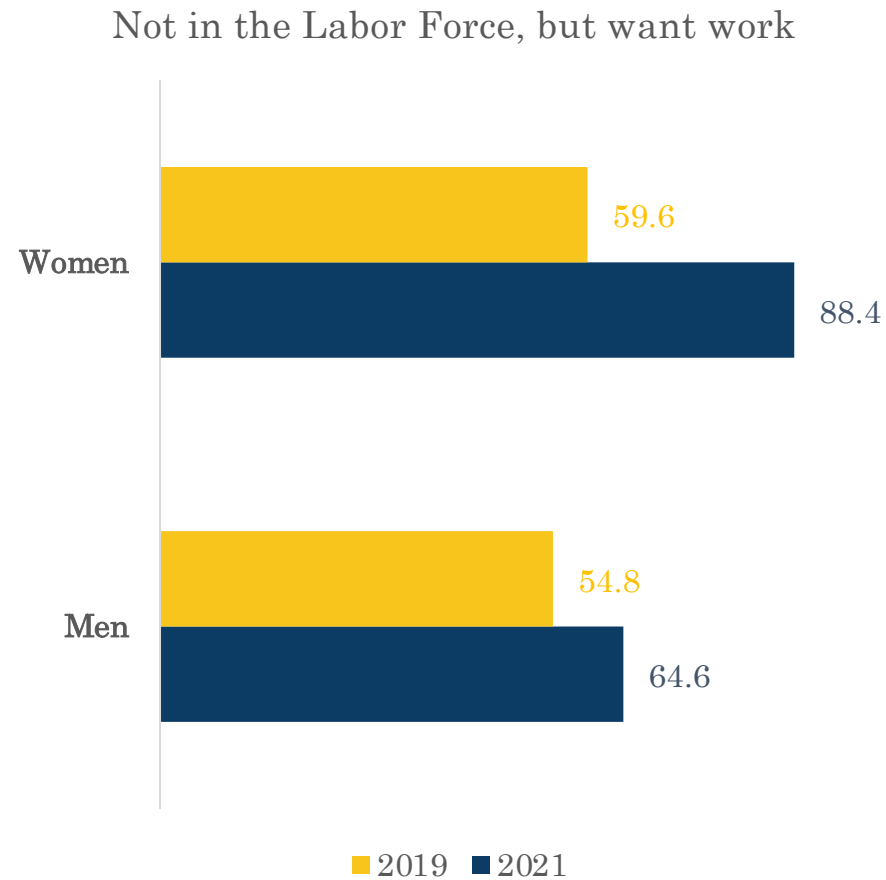


Source: Bureau of Labor Statistics (BLS), 12MMA CPS

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- Overall decline in men in labor force is 61,300, compared to 97,000 decline among Women
- While 18,800 women over 65 exited the labor force, 2,200 men over 65 rejoined
- Among 45-54 group, the decrease in women exceeds men by 8,400
- Among 35-44, the number of men in the labor force increased by 29,000 more than women

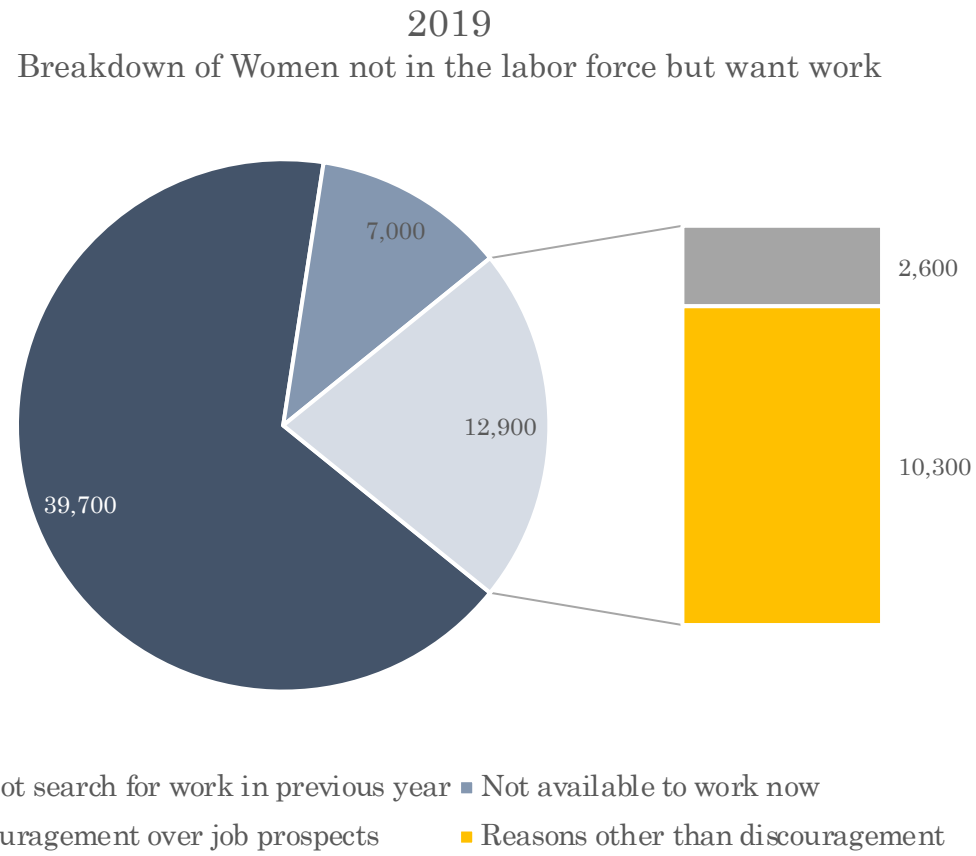
# Women NOT in MA's labor force but want work



- 88,400 women are not in the labor force currently but would like to work. Comparable statistic for men are 64,600
- A 48% increase in the number of women in this category compared to 2019
- Compared to 2019, 28,800 more women are not in the labor force but would like to work (9,800 for men)



# Women NOT in MA's labor force but want work



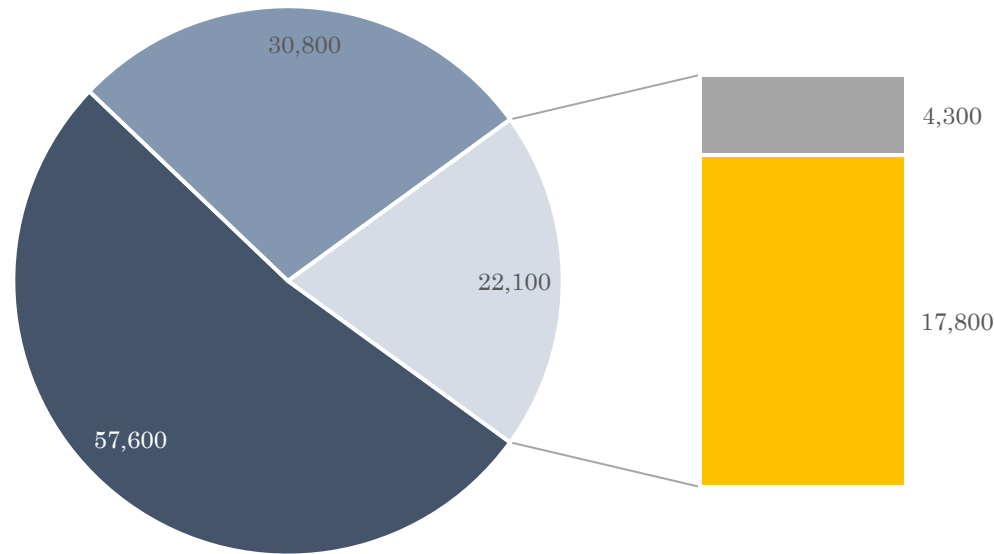
Source: Bureau of Labor Statistics (BLS), 12MMA CPS

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- In 2019, 1.9 million women in MA's workforce and 1.06 million women not in the labor force
- Among women not in the labor force, 59,600 Women wanted a job, among those only 19,900 searched for work in the previous year
- Out of 12,900 available for work now, 2,600 were discouraged over job prospects and the remaining 10,300 are discouraged for other reasons. They are not classified as unemployed because they have not actively searched for work in the last 4 weeks.
- **Their specific responses vary, but common ones include the following:**
  1. There are no jobs available, or none for which they would qualify.
  2. They have been unable to find work in the past.
  3. They lack the education, training, or experience needed for available jobs.
  4. Employers think that they are too young or too old, or they are subject to some other type of discrimination.

# Women NOT in MA's labor force but want work

2021  
Breakdown of Women not in the labor force but want work

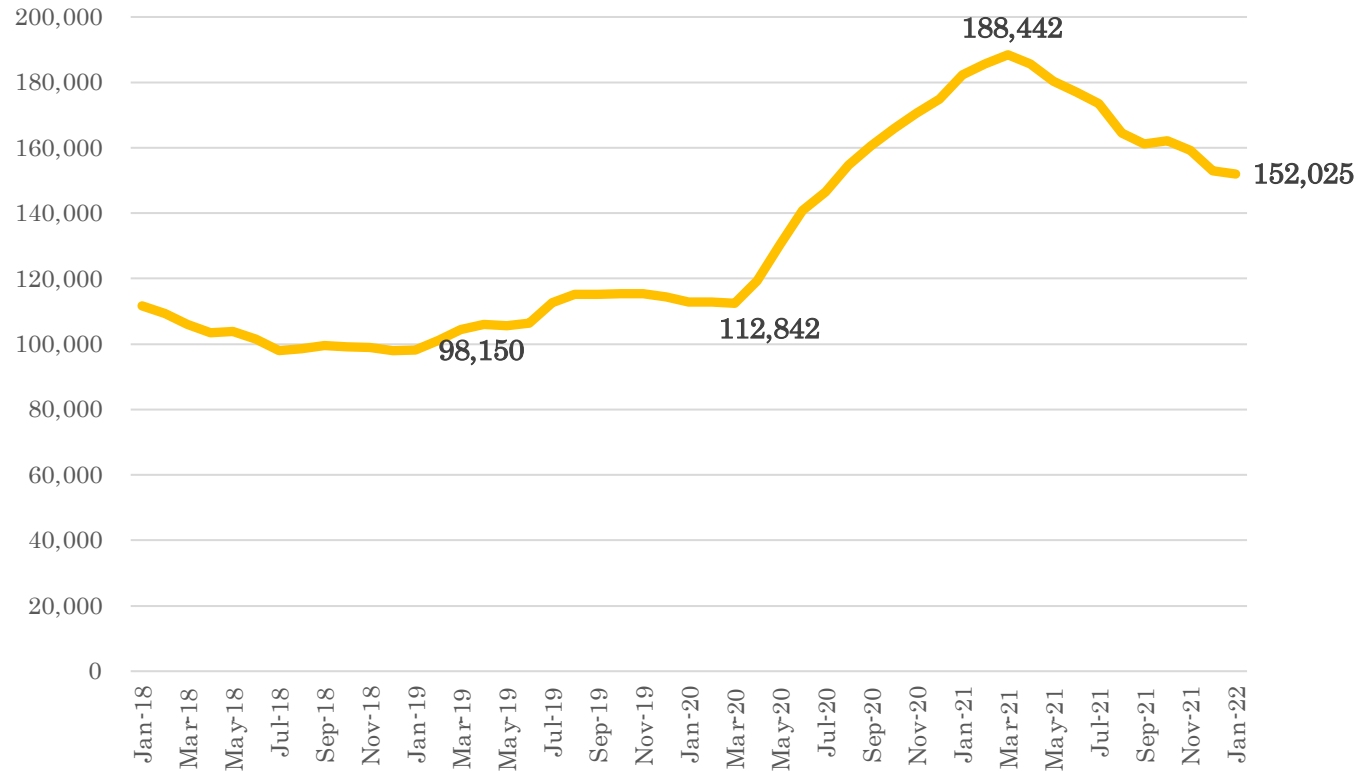


- Did not search for work in previous year
- Discouragement over job prospects
- Not available to work now
- Reasons other than discouragement

- In 2021, 1.79 million women in MA's workforce and 1.15 million women not in the labor force
- Among women not in the labor force, 88,400 Women wanted a job, among those only 30,800 searched for work in the previous year
- Out of 22,100 available for work now, 4,300 were discouraged over job prospects and the remaining 17,800 are discouraged for other reasons
- In 2019, only 12% of those who wanted work where not available for work now, in 2021 that has increased to 35%
- **80% of women not in the labor force but who are available for work were discouraged by "other reasons" than job prospects**

# Not in the Labor Force but want a job

Jan 2018 – Jan 2022



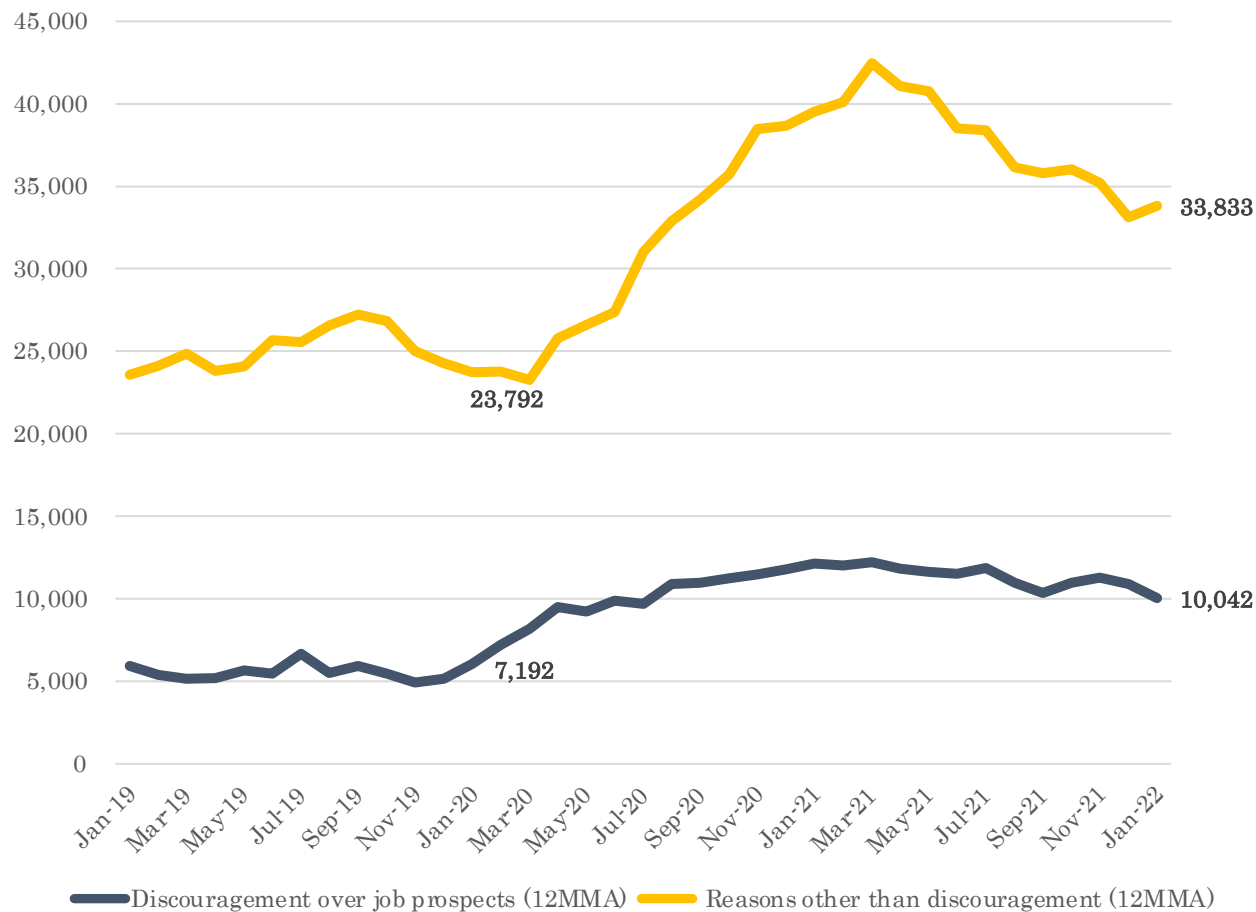
- On Feb 2020, 112,842 workers were in this category, as of Jan 2022 that has risen to 152,025

- In comparison:

Jan 2019	98,150
Jan 2020	112,917
Jan 2021	182,308
Jan 2022	152,025

- Compared to Jan 2020, 39,108 additional workers are not in the labor force but want a job.
- Part of the reason for the increase could be related to retirement, partly economic prospect and non-economic reasons (such as childcare and caring for a sick family member) could also be playing a role.

# Not in the Labor force but want a job, available for work but discouraged

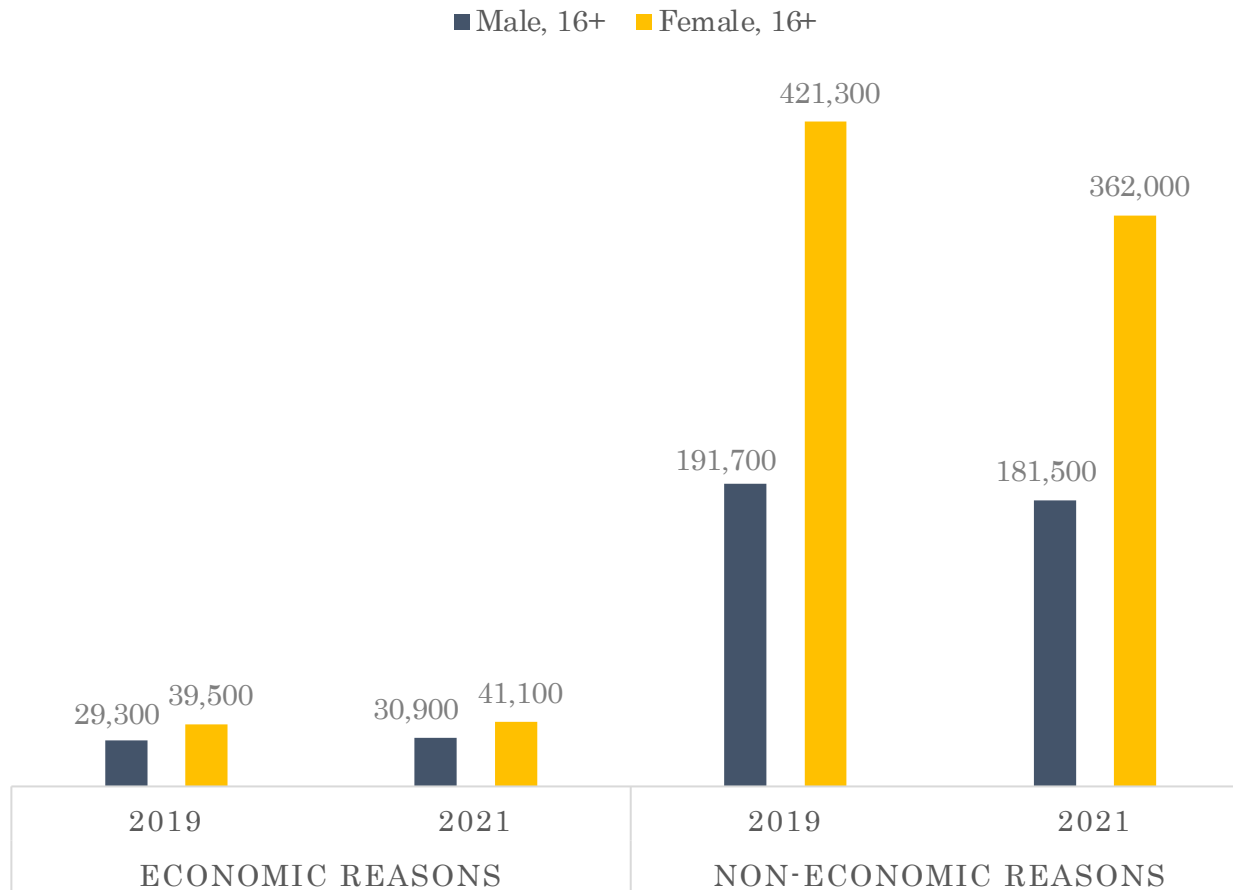


Source: Bureau of Labor Statistics (BLS), 12MMA CPS

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- There has been a rising trend in the number of workers not in the labor force but would like to work and discouraged. They are not classified as unemployed because they have not actively searched for work in the last 4 weeks.
- The number of workers discouraged for non-economic reasons is over 3 times those discouraged over job prospects.
- Their specific responses vary, but common ones include the following:
  1. There are no jobs available, or none for which they would qualify.
  2. They have been unable to find work in the past.
  3. They lack the education, training, or experience needed for available jobs.
  4. Employers think that they are too young or too old, or they are subject to some other type of discrimination.

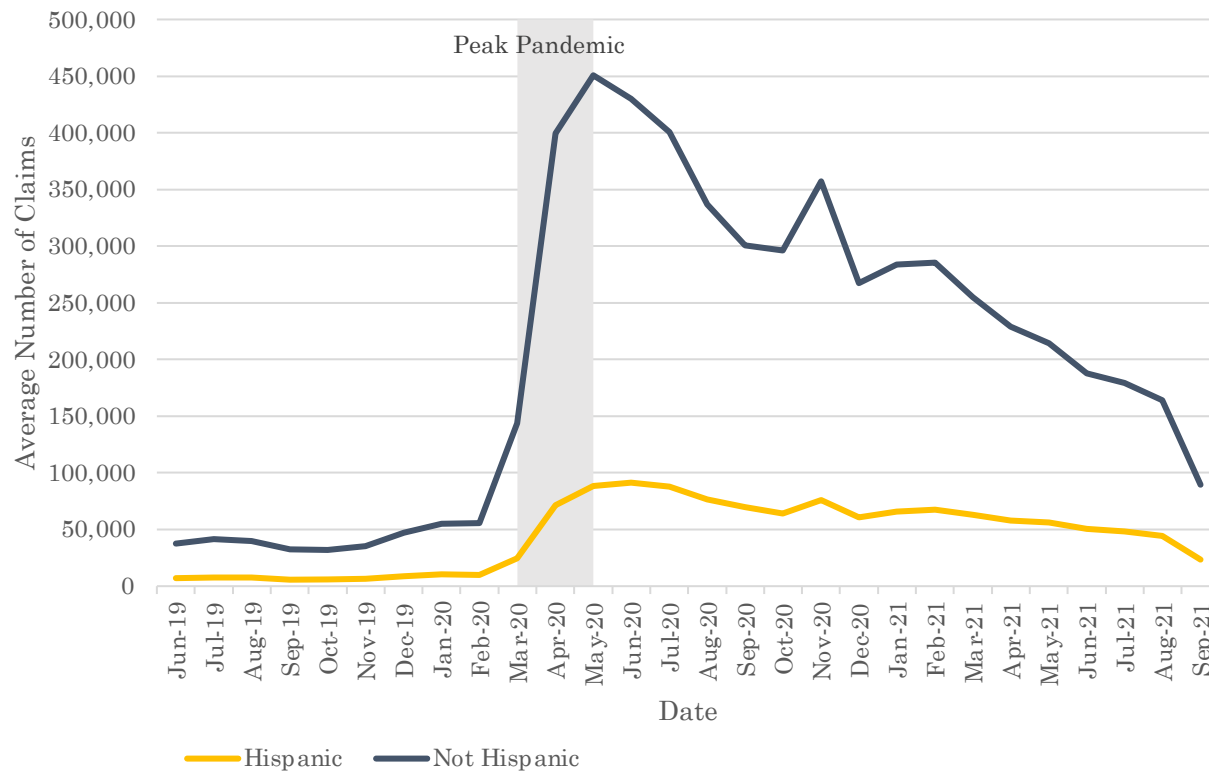
# Labor force employed part-time



- More women work part-time than men in general
- Both men and women work part-time for non-economic reasons than economic reasons
- The number of workers working part-time for economic reasons increased between 2019 and 2021
- Between 2019 and 2021, the number of men and women working part-time for non-economic reasons decreased – the magnitude of decrease is larger among women (upcoming BCG survey could provide some insights on reasons) – decrease in labor force is likely also part of the explanation

# Unemployment Benefits

Massachusetts Total Unemployment Claims by Ethnicity  
June 2019 to September 2021



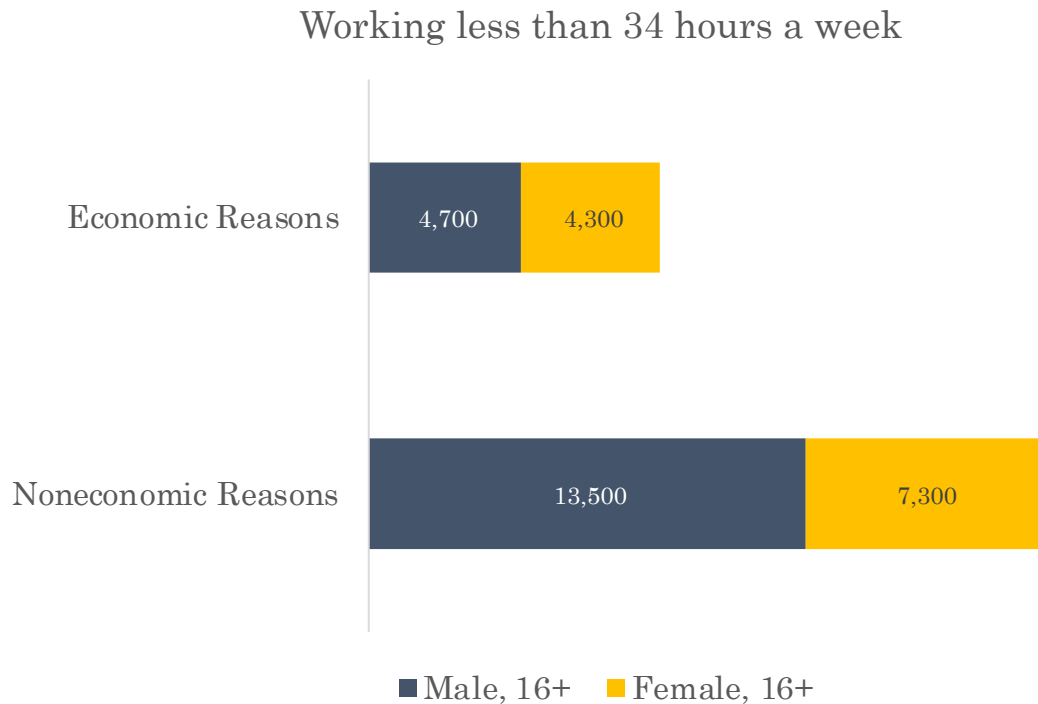
- Pre-pandemic, February 2020, 15% of total unemployment claims were made by Hispanics
- Peak pandemic, shown by May 2020, Hispanics accounted for 16% of claims
- However, in the during the recovery period, Hispanics account for 21% of claims. Furthermore, the rate of fall of claims among non-Hispanics is faster than Hispanics, indicating slower recovery for this community

## Unemployment Benefits – Race

Date	Asian	Black or African American	White	level compared to 2019 (Asians)	level compared to 2019 (Blacks)	level compared to 2019 (Whites)
May-18	1,965	5,494	36,549	--	--	--
May-19	1,903	5,173	33,806	--	--	--
May-20	38,513	58,351	411,399	1923.80%	1027.99%	1116.94%
May-21	19,016	43,381	182,521	899.26%	738.60%	439.91%

- At the height of the pandemic, unemployment claims increased among all races – relative increase among Asians were the highest
- Supporting the trend in the unemployment rate data, the claims data also shows that the recovery has been slower for non-white demographics
- Though most claims are from Whites, compared to the 2019 level, Asians and Blacks remain most impacted

Increase between 2019 and 2021,  
in the number of workers at part-time,  
among those who usually work full-time



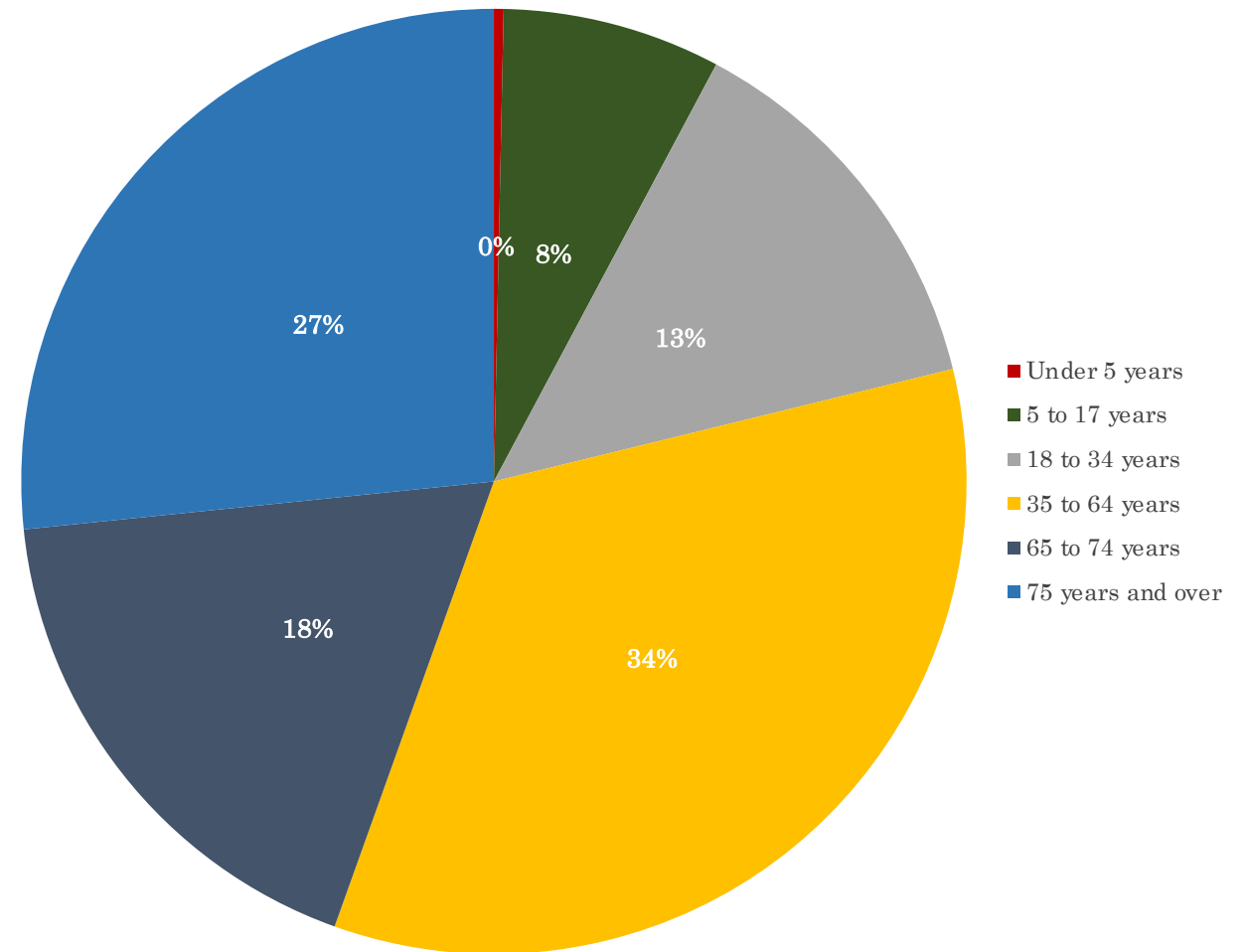
- Compared to 2019, 29,800 more workers who usually work full-time are working part-time in 2021
- Both among men and women, non-economic reasons are the major reason
- More than twice the number of workers are choosing to work part-time due to non-economic reasons than economic reasons
- Overall, in 2021, among those who usually work full-time, 208,600 workers are working part-time due to non-economic reasons and 29,600 due to economic reasons



## Massachusetts residents with disabilities

- 785,093 or 11.5% of MA's residents have a disability
- 88% identify as either Black, Asian, Hispanic and other minority communities

### MA residents with Disabilities by Age

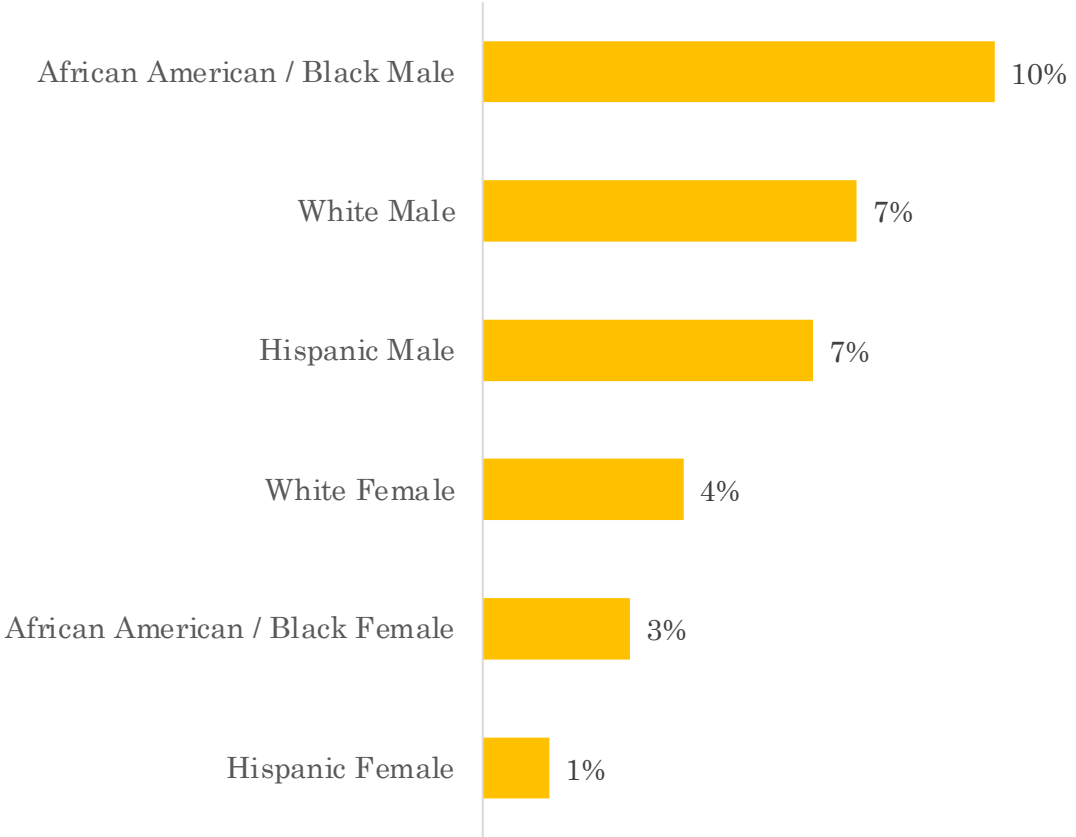


Source: U.S. Census 2019 ACS

# Potential Generational Impact

# Decline in College Enrollment

Decrease in College Enrollment (2019-2020)



Source: IPEDS

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- Student enrollment declined in 2020 across the board – 13,713 less students enrolled (5.2% decline overall)
- Male students had a higher decline in enrollment than female students
- Black Male had the highest decline in enrollment of 10% between 2019-2020
- As the pandemic has shown, unemployment rate among college educated is significantly lower and high school or less education
- **This decline could have generational impact**

## We are also working on several data gaps including

- Massachusetts residents with disabilities
- Tracking employment outcomes across different educational attainments
- Barriers to employment
- More geographically targeted insights
- And much more...