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Signs of Hope Despite Unprecedented Declines

By Matthew Krzyzek, Economist, Department of Labor

The global impact of COVID-19 has resulted in an unprecedented pause to economies all over the world. In April, U.S. payroll employment fell by 20.5 million jobs with declines reported in all 50 states. Connecticut lost a historic 266,300 net jobs, a -15.9% decline in just one month.

As of early May 2020, approximately 300,000 Connecticut workers were receiving benefits. Compared to the 2009-2010 recession, 2020 claimants are more likely to be female, are younger on average, and are more likely to have worked in Accommodation & Food Service, Retail Trade, or Health Care & Social Assistance. The 2009-2010 recession saw the largest number of claims in manufacturing and construction. Workers in these industries are, on average, older and more likely to be male than workers in the economy as a whole.

Despite this grim news, a look at Help Wanted Online (HWOL) shows that many employers are still posting job ads. During the week of May 3rd, Healthcare & Social Assistance, Finance & Insurance, and Retail Trade all had almost 2,000 or more job postings in Connecticut. The Conference Board's HWOL data series aggregates and categorizes job postings from over 50,000 online sources to produce deduplicated counts of job postings by various economic and geographic breakdowns.¹ The Connecticut Department of Labor publishes monthly detailed reviews of HWOL data by labor market area and currently produces weekly data briefs to help illustrate short term labor market shifts.²

Industry breakdowns of HWOL are shown in Figure 1. Total postings from early March to early

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In April...

Nonfarm Employment

Connecticut 1,411,100

Change over month -15.88%

Change over year -16.40%

United States 131,072,000

Change over month -13.52%

Change over year -12.90%

Unemployment Rate

Connecticut 7.9%

United States 14.7%

Consumer Price Index

United States 256.389

Change over year +0.3%

Figure 1 - HWOL Weekly Total Statewide Job Ads

Industry	5/3/2020	Week of: 3/8/2020	5/5/2019	8 week change	52 week change
Total	25,276	37,518	31,930	-33%	-21%
Unspecified	6,449	8,336	6,106	-23%	6%
Health Care and Social Assistance	5,691	6,535	5,994	-13%	-5%
Finance and Insurance	2,166	3,571	3,925	-39%	-45%
Retail Trade	1,968	3,572	2,775	-45%	-29%
Prof. & Tech. Services.	1,651	2,687	2,085	-39%	-21%
Manufacturing	1,628	3,548	3,962	-54%	-59%
Accommodation and Food Services	944	1,871	1,122	-50%	-16%
Educational Services	913	1,547	1,175	-41%	-22%
Administrative and Support	819	1,185	764	-31%	7%
Transportation and Warehousing	794	676	771	17%	3%
Information	553	844	828	-34%	-33%
Public Administration	547	743	549	-26%	0%
Real Estate and Rental and Leasing	289	520	511	-44%	-43%
Construction	256	425	350	-40%	-27%
Other Services (except Public Admin.)	246	524	328	-53%	-25%
Arts, Entertainment, and Recreation	101	427	241	-76%	-58%
Wholesale Trade	96	159	181	-40%	-47%
Utilities	66	165	193	-60%	-66%
Agric., Forestry, Fishing, & Hunting	51	82	22	-38%	132%
Mining and Extraction	30	52	12	-42%	150%
Management	18	49	36	-63%	-50%

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May are down 33% to a level 21% below one year ago. Almost every sector experienced a decline in job postings over that two-month period. While down, total postings are still above 25,000 – employers in every sector continue to recruit in Connecticut. One sector that has more postings than eight weeks ago is Transportation and Warehousing. The gains in that sector are driven by job postings for driving or delivery services as home-bound consumers adjust to current conditions.

Of the three sectors with large April job losses, postings in Accommodation & Food Service and Retail Trade fell by 50% and 45% from March to May. Health Care and Social Assistance job ads fell by 13% over two months although there were still thousands of postings in these industries.

Despite the overall declines during the past two months, almost every sector had fewer losses in

April than in March, and some saw gains, suggesting that the precipitous impact of the shutdown on job postings may be subsiding. Industries that had more postings during the first week in May than the first week in April include Wholesale Trade, Information, and Transportation & Warehousing.

Job postings from HWOL are one indicator of labor market activity that should be examined along with other measures. For example, job postings by firms categorized by industry are not the same as vacancy data derived from the Bureau of Labor Statistics Job Openings and Labor Turnover (BLS JOLTS) program which attempts to give a comprehensive view of the entire economy. By their nature, some industries such as Finance or Education and Health Services have a larger share of total job postings than their corresponding

employment share, while industries such as Leisure and Hospitality are underrepresented as they're less likely to post ads for openings online.³

There is no question that the labor market has experienced a severe decline due to the COVID-19 health crisis. Nevertheless, many businesses continue to seek workers. While postings are well below year-ago levels, there are new postings each week in every sector of the Connecticut economy. ■

1 For more info on HWOL, see: <https://www.conference-board.org/data/helpwantedonline.cfm>

2 For more info on CT DOL HWOL publications, see: <https://www1.ctdol.state.ct.us/lmi/HWOL.asp>

3 For more info on Industry Employment and Industry Job ads, see: <https://www1.ctdol.state.ct.us/lmi/digest/articles/IsaJobShortage.asp>

GENERAL ECONOMIC INDICATORS

<i>(Seasonally adjusted)</i>	4Q	4Q	YoY CHG		3Q	QoQ CHG	
	2019	2018	NO.	%	2019	NO.	%
General Drift Indicator (1996=100)*							
Leading	119.4	117.7	1.7	1.5	119.2	0.2	0.17
Coincident	117.5	116.9	0.6	0.6	117.2	0.4	0.32
Liberty Bank Business Barometer (1992=100)**	142.2	142.0	0.3	0.2	141.7	0.5	0.37
Real Gross Domestic Product*** (2012 Chained \$, SAAR)	4Q	4Q	YoY CHG		3Q	QoQ CHG	
	2019	2018	NO.	%	2019	NO.	%
Connecticut (\$ in millions)	250,045.1	244,964.0	5,081.1	2.1	249,471.6	573.5	0.2
United States (\$ in millions)	19,221,970	18,783,548	438,422	2.3	19,121,112	100,858	0.5
New England (\$ in millions)	996,132.2	971,908.4	24,223.8	2.5	991,703.7	4,428.5	0.4
Per Capita Personal Income*** (Current \$, SAAR)	4Q	4Q	YoY CHG		3Q	QoQ CHG	
	2019	2018	NO.	%	2019	NO.	%
Connecticut	79,403	77,466	1,937	2.5	79,053	350	0.4
United States	57,205	55,222	1,983	3.6	56,857	348	0.6
New England	71,095	68,815	2,280	3.3	70,654	441	0.6
Philadelphia Fed's Coincident Index (2007=100)****	Apr	Apr	YoY CHG		Mar	MoM CHG	
	2020	2019	NO.	%	2020	NO.	%
Connecticut	110.72	127.91	-17.2	-13.4	126.13	-15.4	-12.2
United States	111.96	127.80	-15.8	-12.4	127.26	-15.3	-12.0

Sources: *Dr. Steven P. Lanza, University of Connecticut **Liberty Bank ***U.S. Bureau of Economic Analysis ****Federal Reserve Bank of Philadelphia

General Drift Indicators are composite measures of the four-quarter change in three coincident (Connecticut Manufacturing Production Index, nonfarm employment, and real personal income) and three leading (housing permits, manufacturing average weekly hours, and initial unemployment claims) economic variables, and are indexed so 1996 = 100.

The **Liberty Bank Business Barometer** is a measure of overall economic growth in the state of Connecticut that is derived from non-manufacturing employment, real disposable personal income, and manufacturing production.

The **Philadelphia Fed's Coincident Index** summarizes current economic condition by using four coincident variables: nonfarm payroll employment, average hours worked in manufacturing, the unemployment rate, and wage and salary disbursements deflated by the consumer price index (U.S. city average).