The Unemployment Rate of All Towns Fell in 2022

By Jungmin Charles Joo, CT Department of Labor

In 2022, the annual average statewide unemployment rate was 4.2%, down from 6.3% in 2021. As the labor force bounced back for the second year from the impact of the COVID-19 pandemic, all 169 municipalities experienced a decrease in their unemployment rate last year.

**2021 to 2022**

The unemployment rate in all 169 cities and towns in the state fell in 2022. Roxbury had the lowest unemployment rate of 2.5%, while the residents of Hartford experienced the highest rate of 6.5% last year (see table on page 3 for the complete town data). Overall, a total of 128 cities and towns had jobless rates below the 2022 statewide figure of 4.2%, 37 had rates above it, and 4 had rates equal to it. By comparison, 134 cities and towns had rates below the 2021 statewide average of 6.3%, 30 above it, and 5 were the same.

Of the five largest cities in the state with a 2010 Census population of 100,000 or more, Stamford had the lowest unemployment rate of 3.9% in 2022. Hartford posted the highest jobless rate among the large cities at 6.5%. All five cities experienced over-the-year unemployment rate decreases.

**Town Unemployment Rate Diffusion Index**

The Town Unemployment Rate Diffusion Index is calculated by subtracting the share of towns that experienced increases in their unemployment rates from the share that had rate decreases over the year.

As expected, during 2009-2010, the index values were negative, when Connecticut was in an economic recession. And after nine consecutive years of positive values, the 2020 diffusion index value plunged to -100, as all 169 cities and towns experienced an increase in unemployment rate from the impact of the pandemic. However, the index bounced back in 2021 and completely in 2022 with +100, reflecting a strong labor market recovery (chart). To date, this robust momentum has continued as the statewide unemployment rate continues to fall in the first months of 2023. However, given the uncertainties regarding inflation and the national economy, we cannot be sure that the low unemployment rates will persist through the end of the year. n