



Labor Market Trends in the Southeast Region

By Robert Clifford

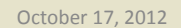
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and New England Public Policy Center of the
Federal Reserve Bank of Boston

Motivation

- Promote better public policy by conducting objective research and analysis of regional economic/policy issues.
- Understand the long-term labor force challenges facing the regional labor markets in Massachusetts.
- Provide detailed data on labor supply and demand trends to support workforce development policy discussions at a local level.
- Build off the labor market work of Harrington and Fogg (2008) and the demographics research of Sasser Modestino (2009, 2010).

Labor Market Trends in the Southeast Region



Summary

- The Southeast region was one of the hardest hit regional labor markets in the Great Recession, resulting in the highest unemployment rate of all regional labor markets.
- Despite gains in the educational attainment of its labor force in the past decade, the region still has one of the highest shares of individuals with a High School Degree or less.
- Addressing the barriers to full employment facing the regions unemployed, particularly among the young and less educated, is key to the recovery of the Southeast region.
- Public institutions in the region play a sizeable role in the supply of post-secondary educated labor.

Outline

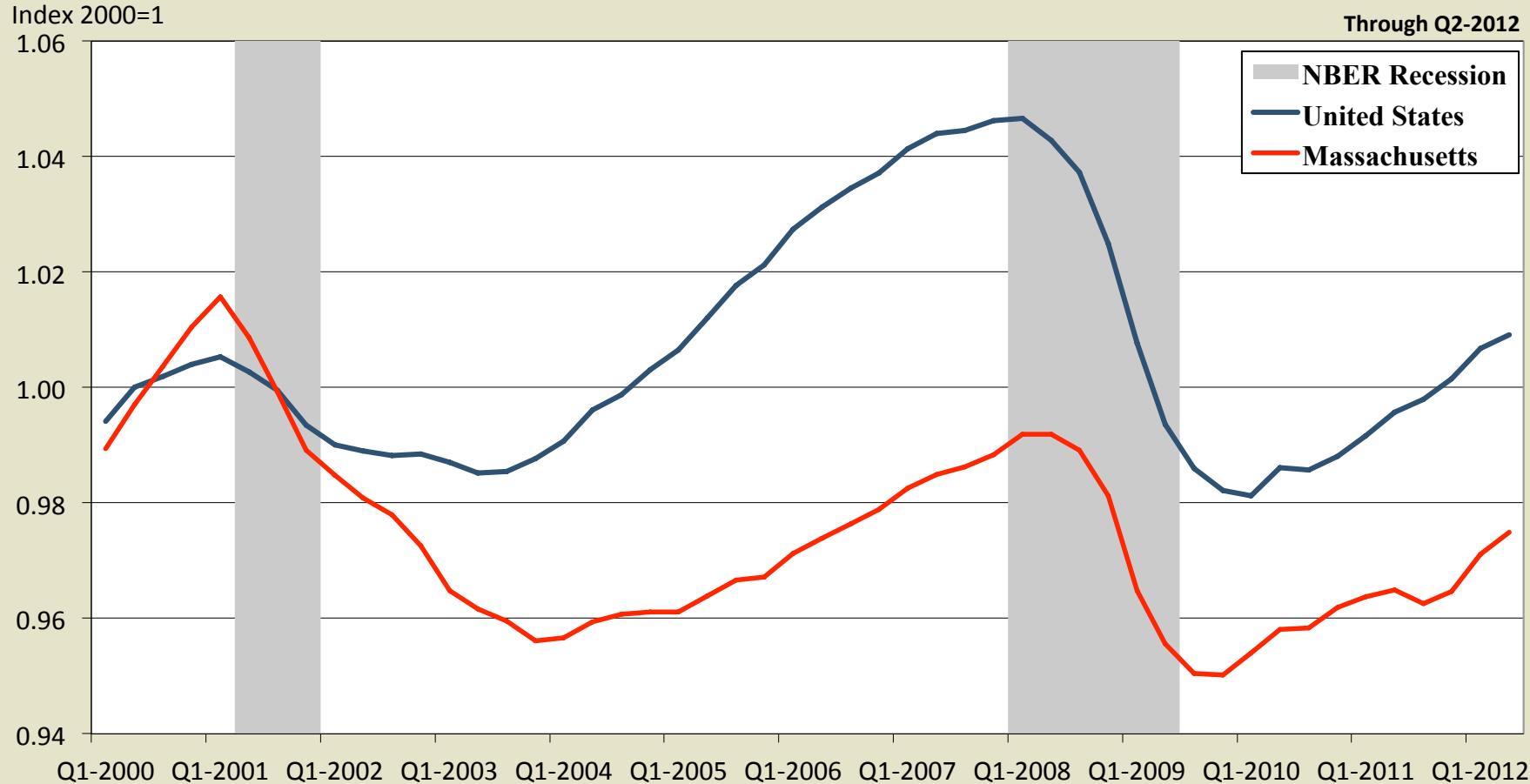
- Labor Market Performance
- Labor Supply
- Labor Demand
- The Pipeline: Educational Supply of Post-Secondary Degrees

Labor Market Performance

- National and State Employment Trends
- Performance of Regional Labor Markets
- Employment Trends by Industry in the Southeast Region and Massachusetts

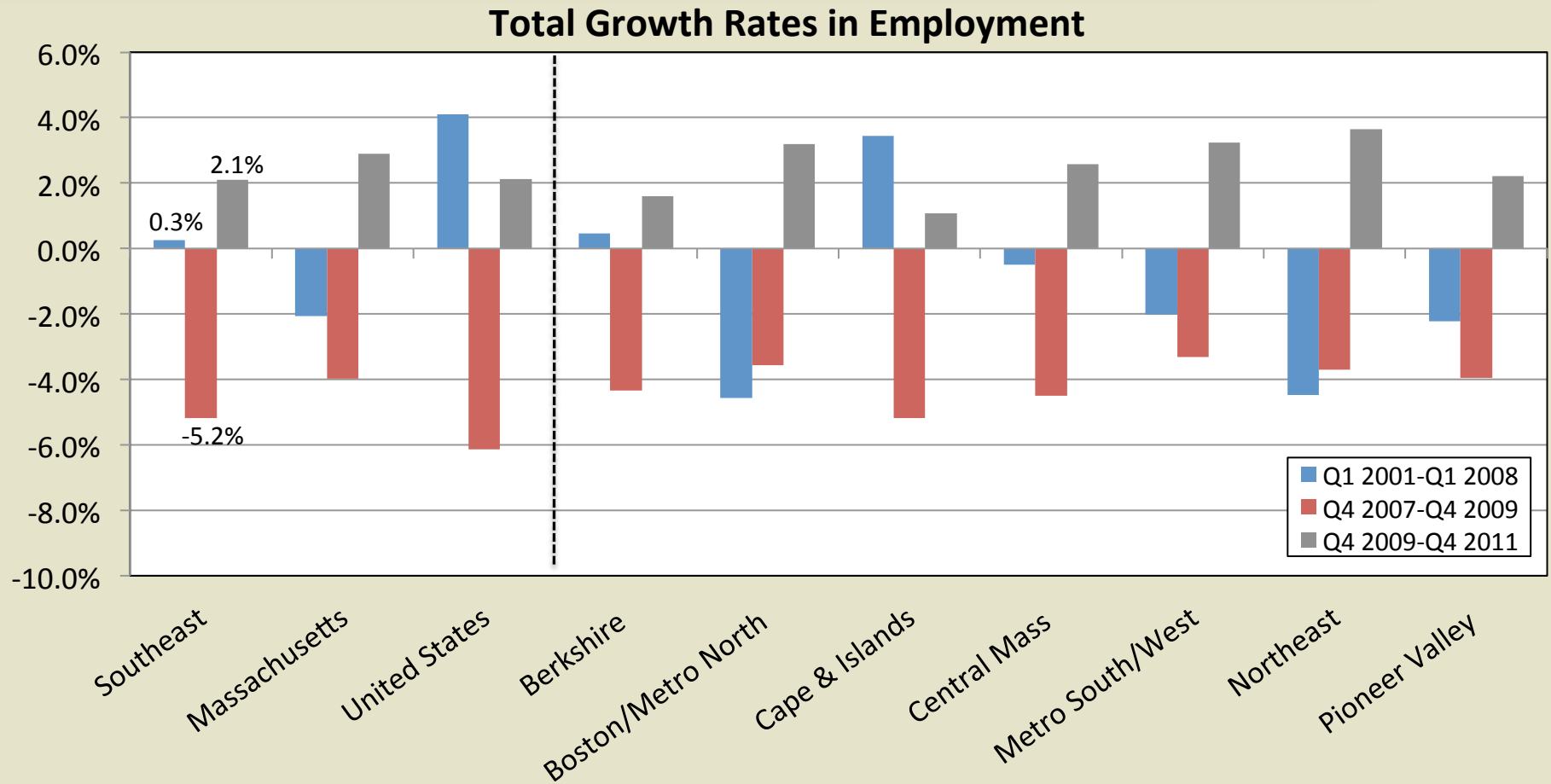
Massachusetts is still far below its peak employment levels of the early 2000's.

Total Non-Agricultural Employment, Q1-2000 to Q2-2012



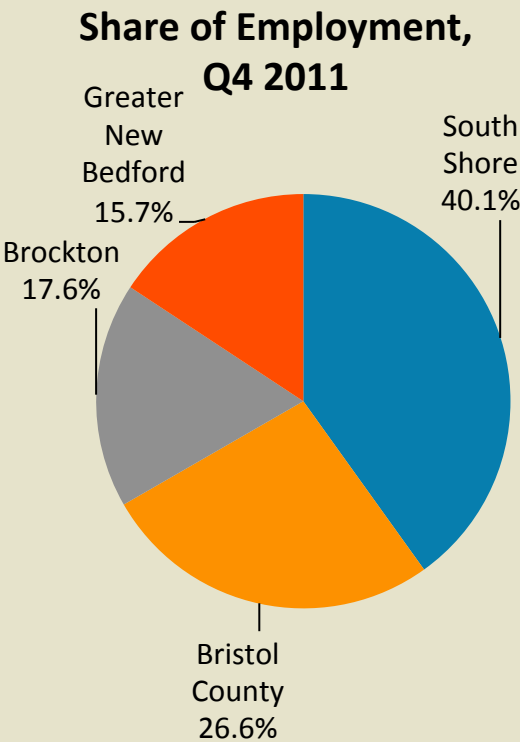
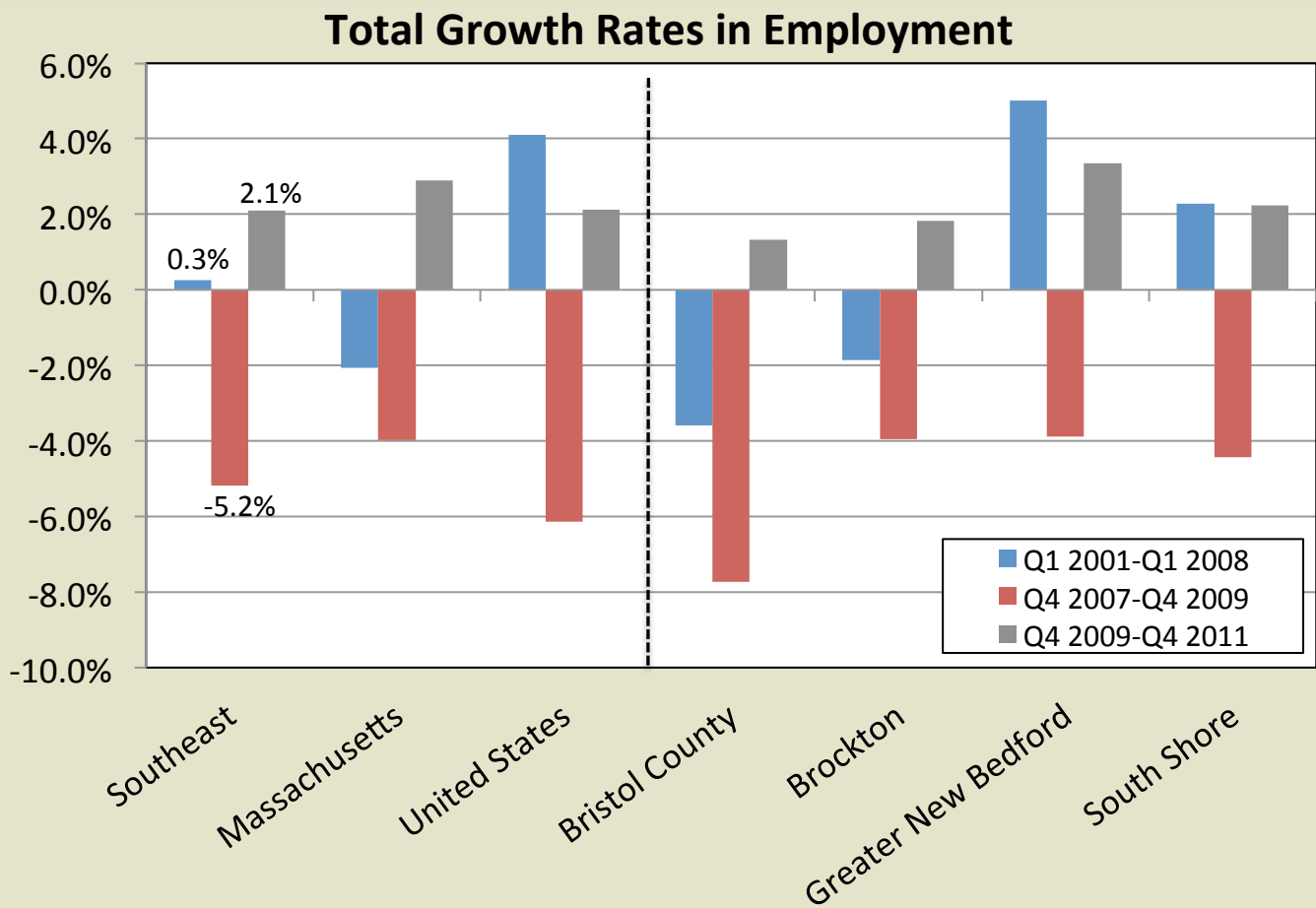
Sources: U.S. Bureau of Labor Statistics, Current Employment Statistics.

The Southeast region was one of the hardest hit regional labor markets in the Great Recession and is recovering modestly.



Sources: Massachusetts Executive Office of Labor and Workforce Development (EOLWD), ES-202 and U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW).

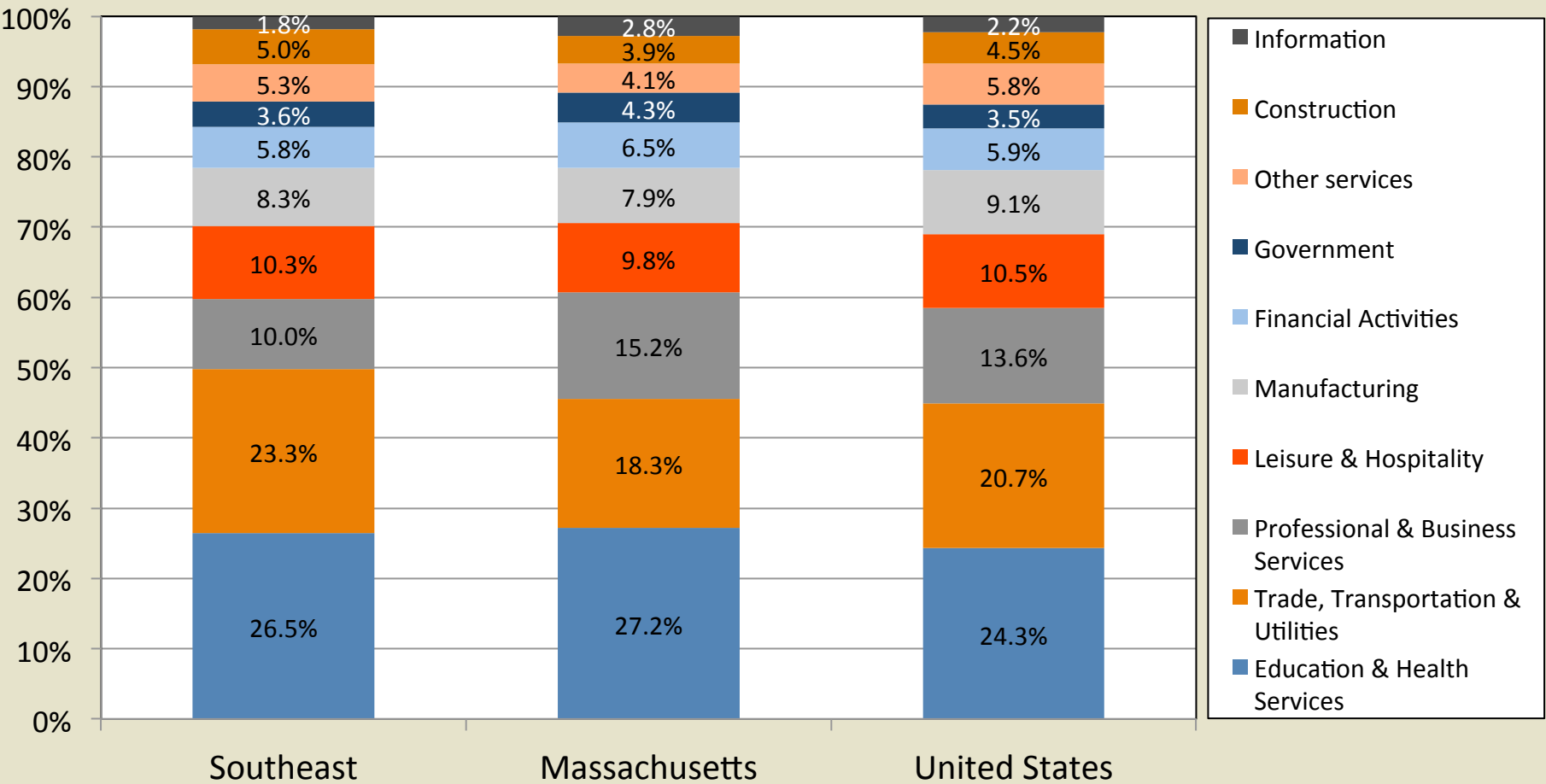
Greater New Bedford and the South Shore have fared better than Bristol County and Brockton.



Sources: Massachusetts Executive Office of Labor and Workforce Development (EOLWD), ES-202 and U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW).

The region has stronger concentrations in Construction, Manufacturing, and Trade, Transportation, & Utilities.

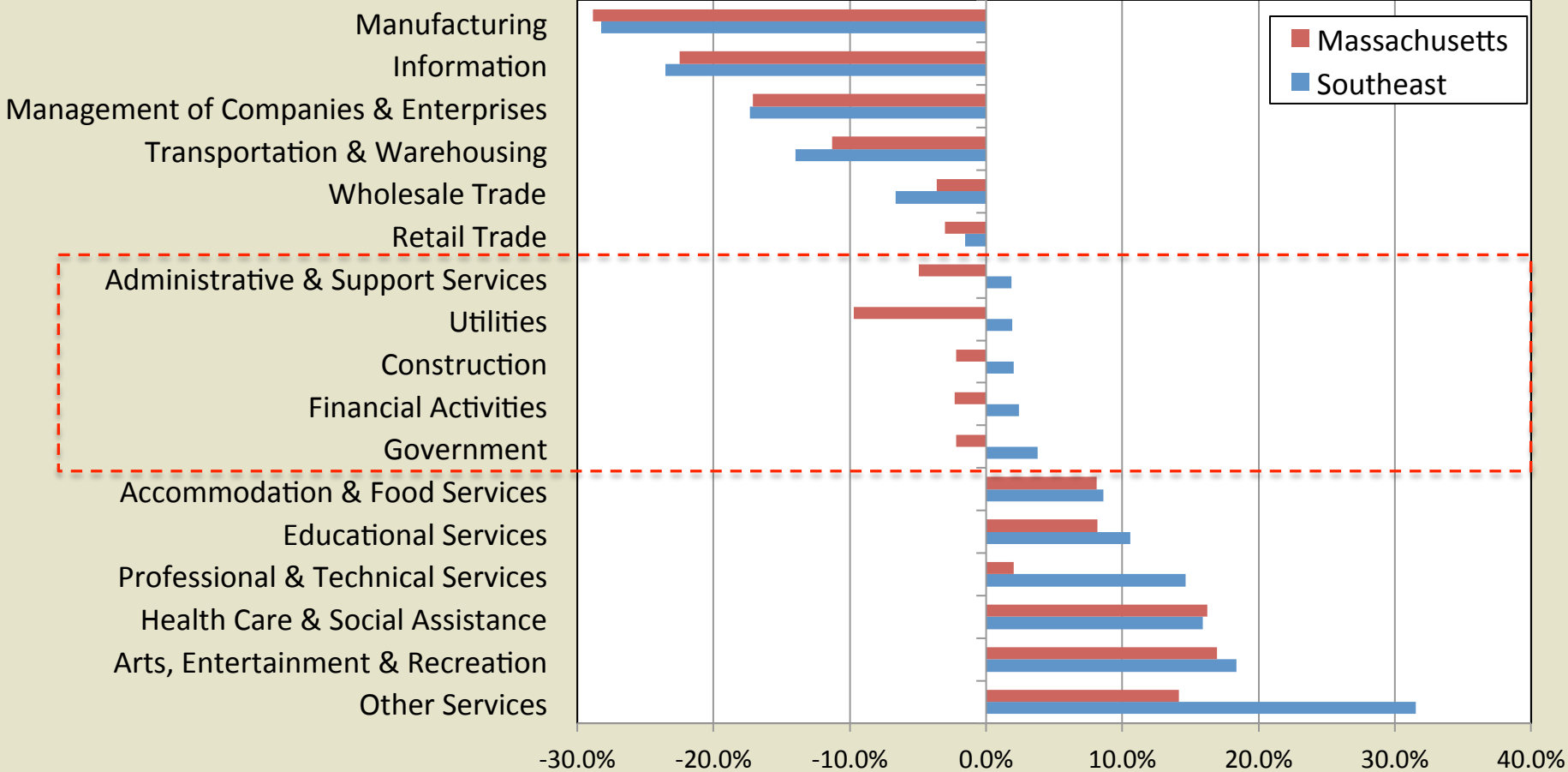
Employment Distribution by Supersector, Q4 2011



Sources: Massachusetts EOLWD, ES-202 and U.S. Bureau of Labor Statistics, QCEW.

Between recessions, the Southeast region gained jobs in a number of industries which contracted statewide.

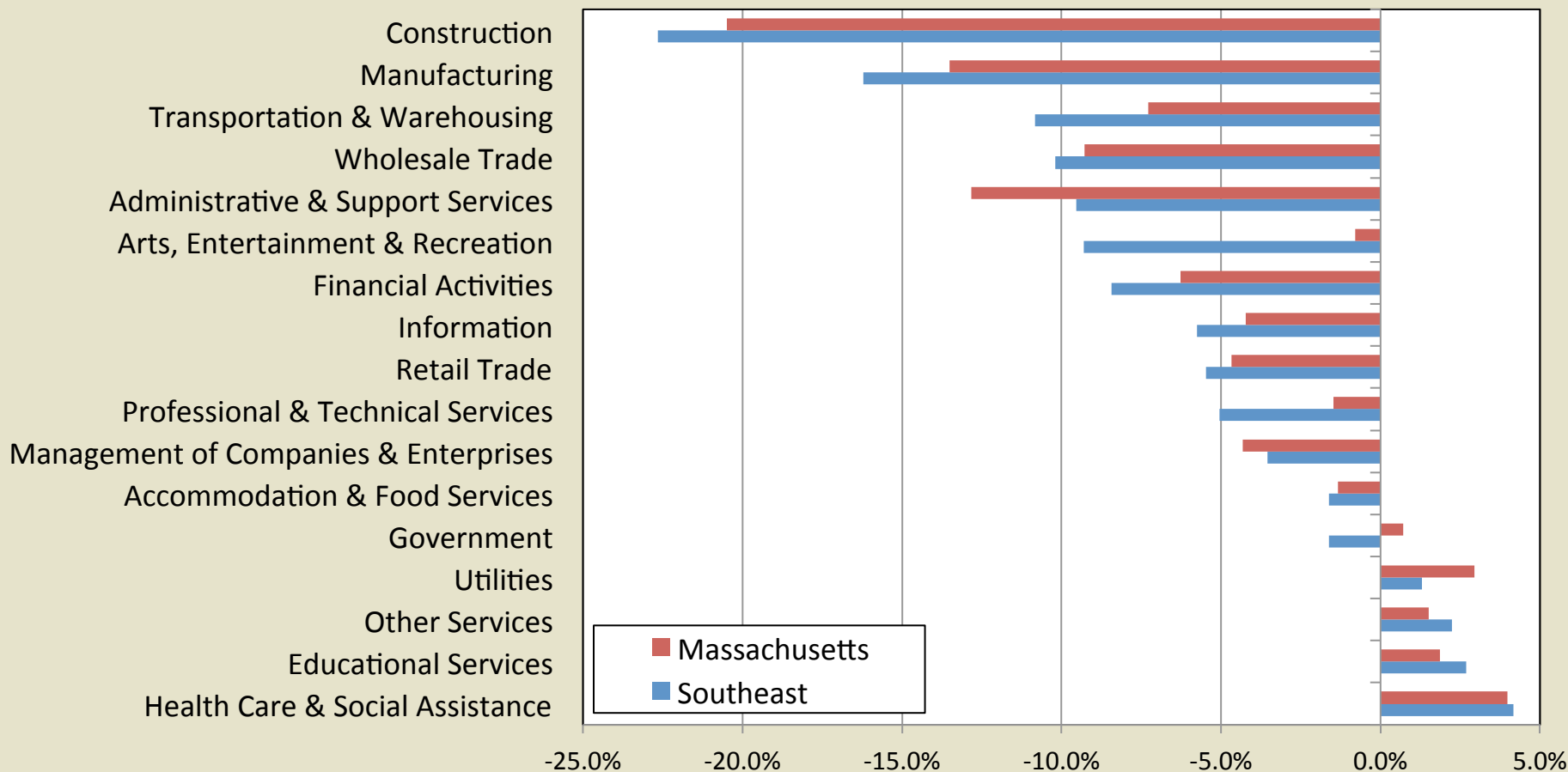
Employment Changes, Q1-2001 to Q1-2008



Sources: Massachusetts EOLWD, ES-202.

The Great Recession hit a number of industries in the region harder than it did statewide.

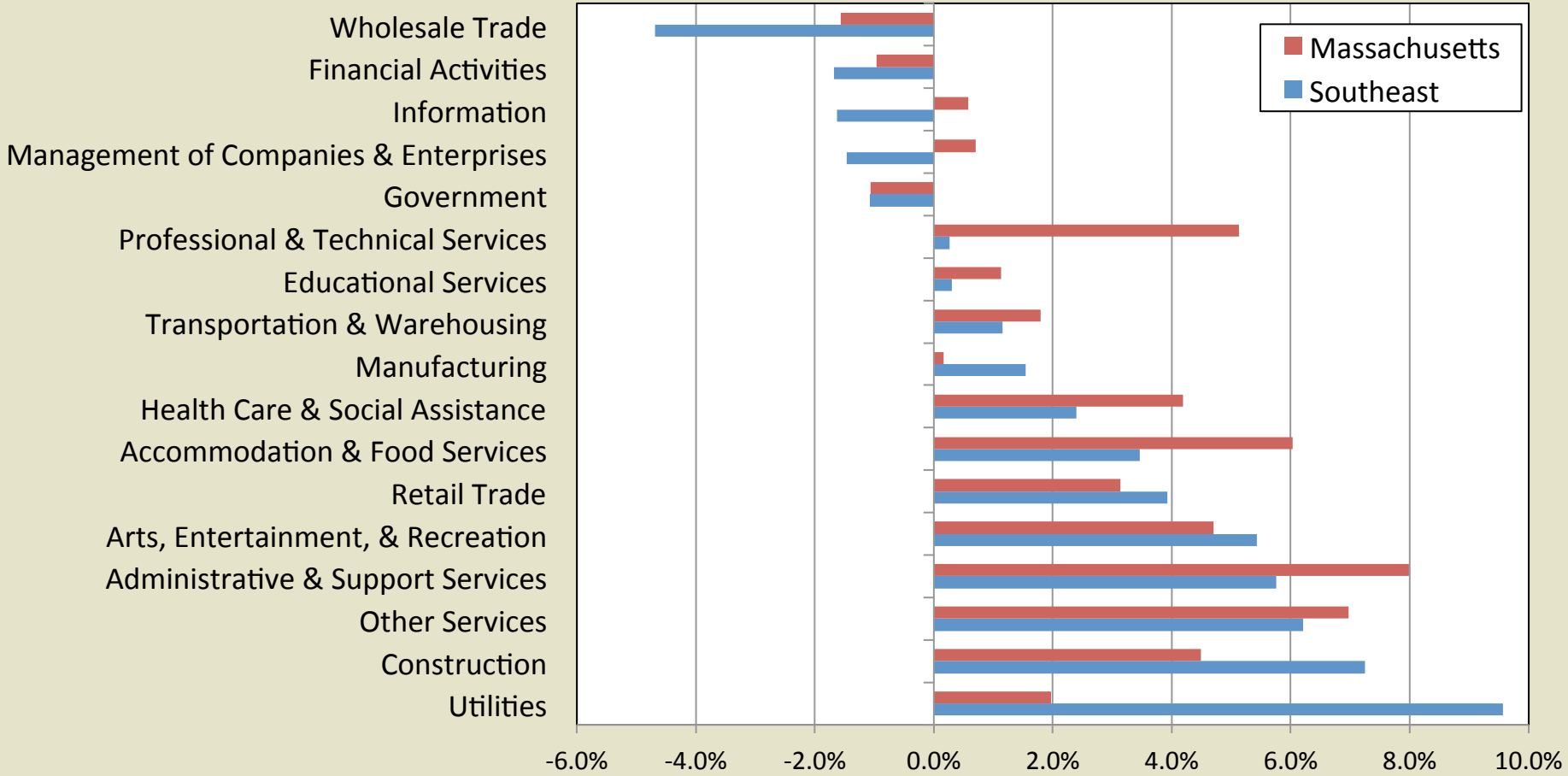
Employment Changes, Q4-2007 to Q4-2009



Sources: Massachusetts EOLWD, ES-202.

In the recovery, the region has continued to lose jobs in some industries and trails statewide employment gains in others.

Employment Changes, Q4-2009 to Q4-2011

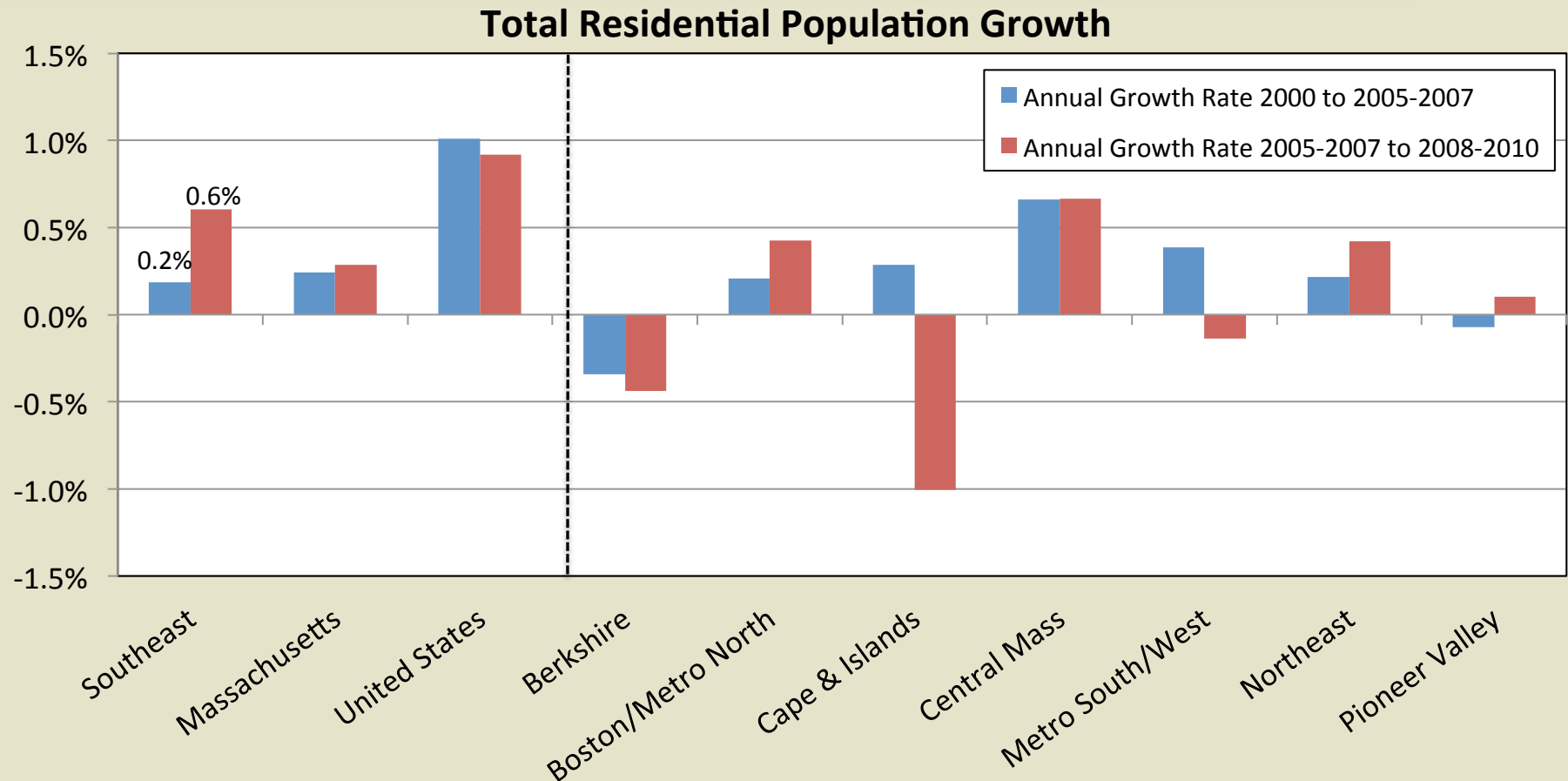


Sources: Massachusetts EOLWD, ES-202.

Labor Supply

- Residential Population Changes and Characteristics
- Age and Education of the Civilian Labor Force
- Trends and Characteristics of the Unemployed
- Commuting Patterns

The Southeast region experienced one of the fastest growing residential populations of all regions in the past decade.



Source: U.S. Census Bureau 2000 Decennial Census Public Use Microdata Samples (PUMS) data files, 2005-2007 and 2008-2010 American Community Survey (ACS) Public Use Micro Sample (PUMS) data files.

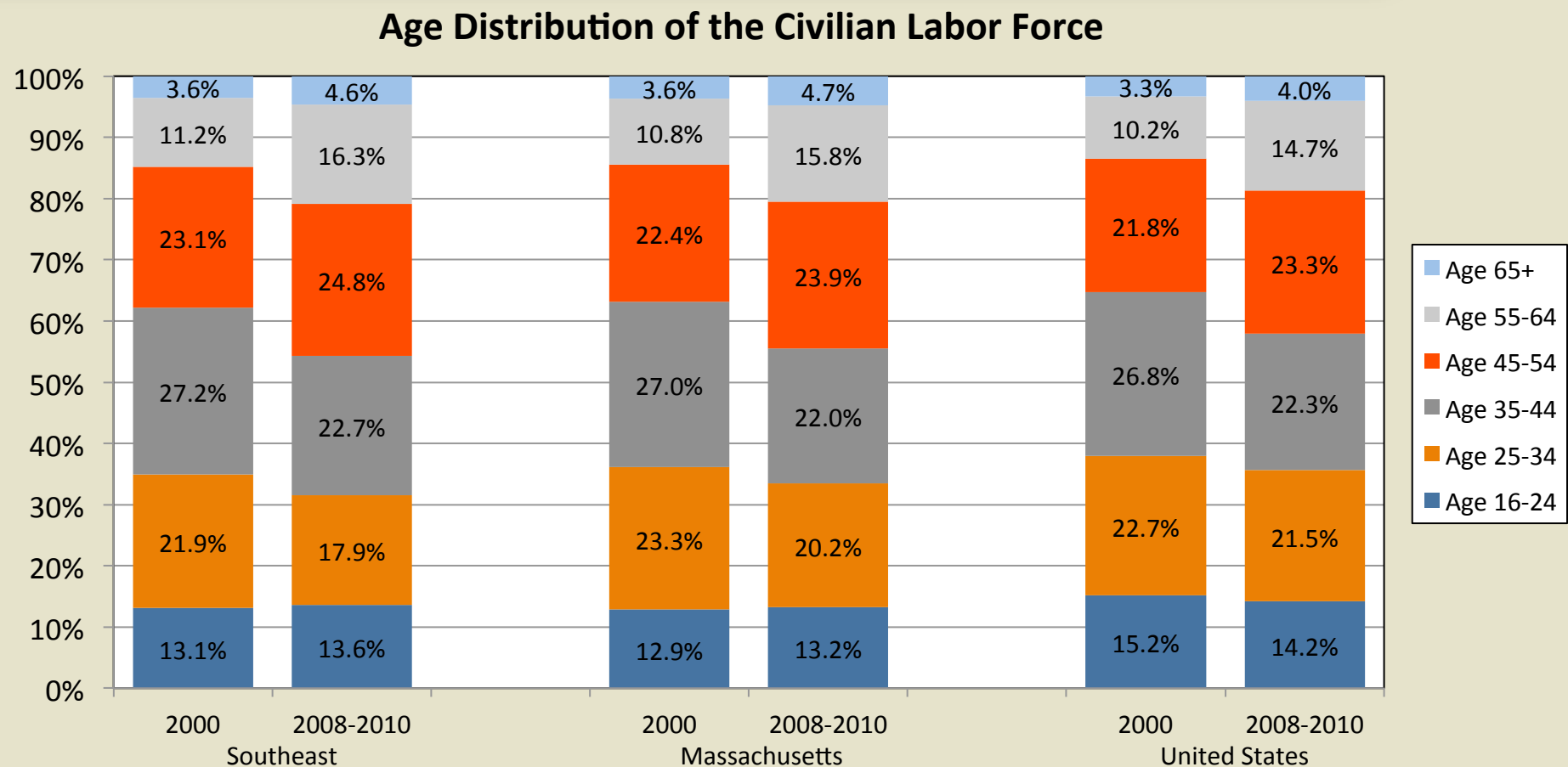
Growth in immigrant and minority populations accounted for nearly all of the growth in the residential population.

Demographic Characteristics of the Southeast

	2000	2008-2010	Absolute Change	Annual Growth Rate
Resident Population	1,281,613	1,319,715	38,102	0.3%
<u>Gender</u>				
Male	618,463	635,944	17,481	0.3%
Female	663,150	683,771	20,621	0.3%
<u>Nativity</u>				
Native Born	1,135,918	1,142,325	6,407	0.1%
Immigrant	145,695	177,390	31,695	2.2%
<u>Race/Ethnicity</u>				
White, non-Hispanic	1,124,396	1,096,965	-27,431	-0.3%
Black, non-Hispanic	43,735	82,958	39,223	7.4%
Asian, non-Hispanic	31,600	49,362	17,762	5.1%
Hispanic	35,313	55,012	19,699	5.0%
Other race, non-Hispanic	46,569	35,418	-11,151	-3.0%

Source: U.S. Census Bureau 2000 Decennial Census PUMS data files and 2008-2010 ACS PUMS data files.

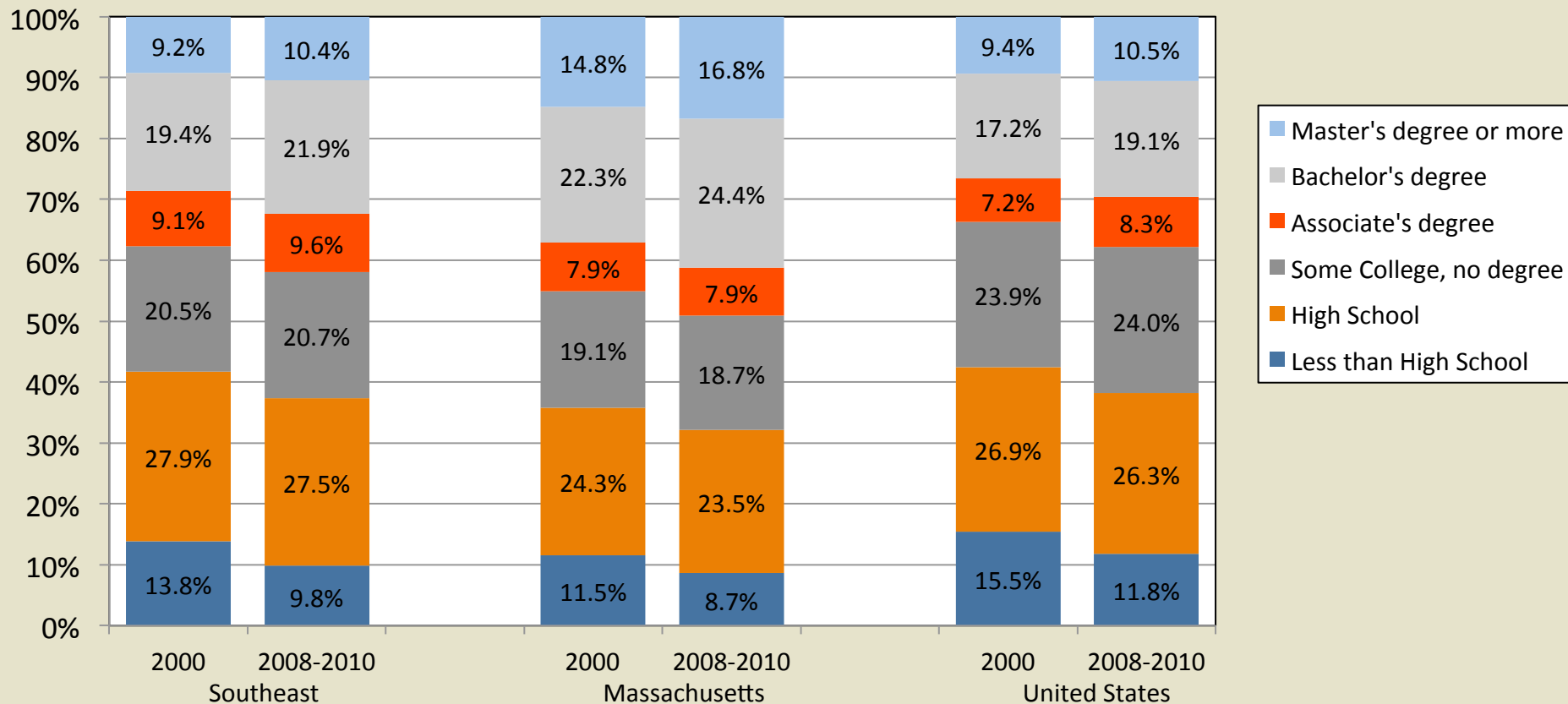
The civilian labor force in the Southeast region is slightly older than that of Massachusetts and the United States.



Source: U.S. Census Bureau 2000 Decennial Census PUMS data files and 2008-2010 ACS PUMS data files.

The region's labor force has one of the highest concentrations of individuals with a High School Degree or less in the state.

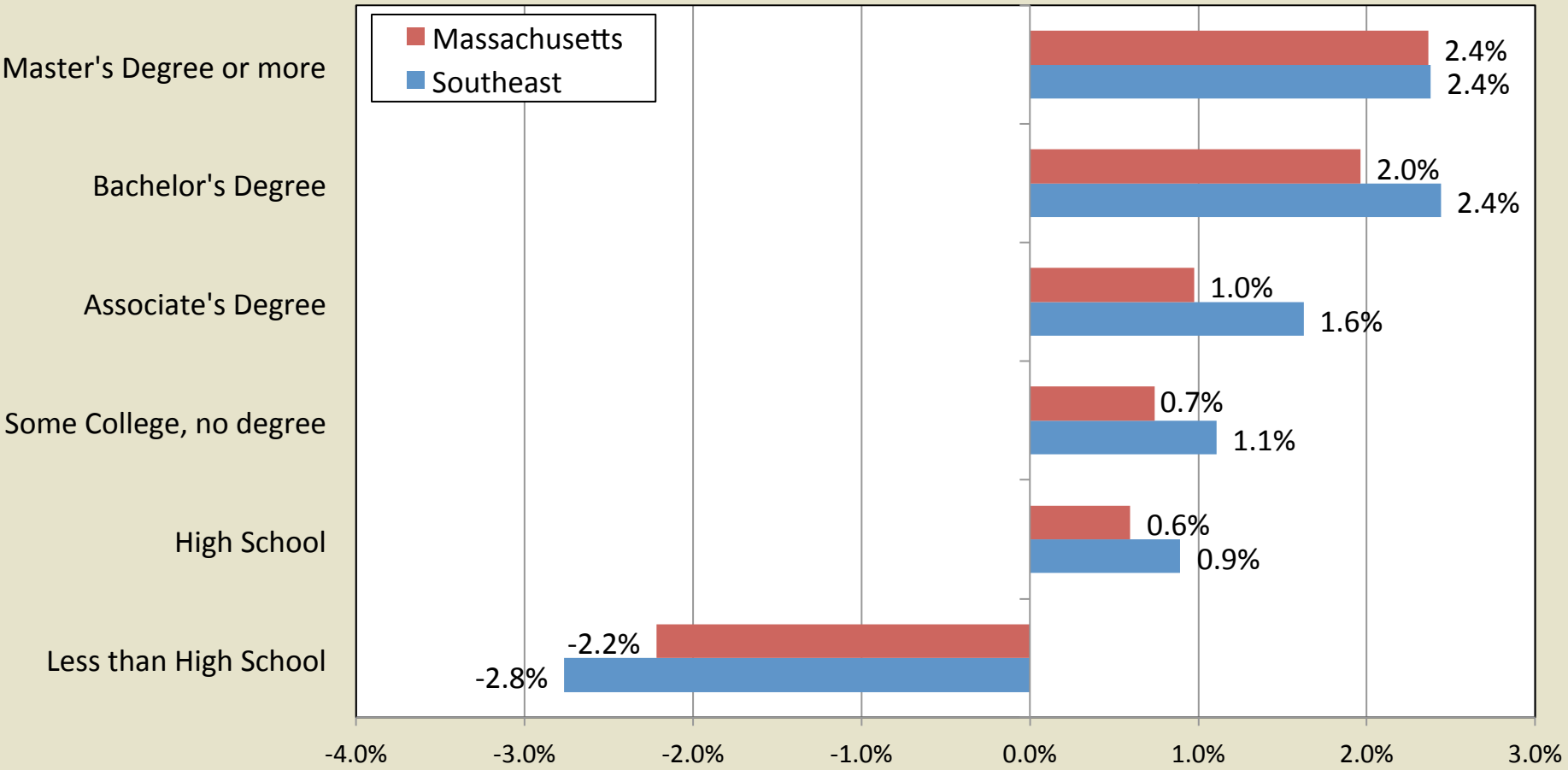
Educational Attainment of the Civilian Labor Force



Source: U.S. Census Bureau 2000 Decennial Census PUMS data files and 2008-2010 ACS PUMS data files.

In the past decade the Southeast region has seen progressively stronger growth the higher the level of educational attainment.

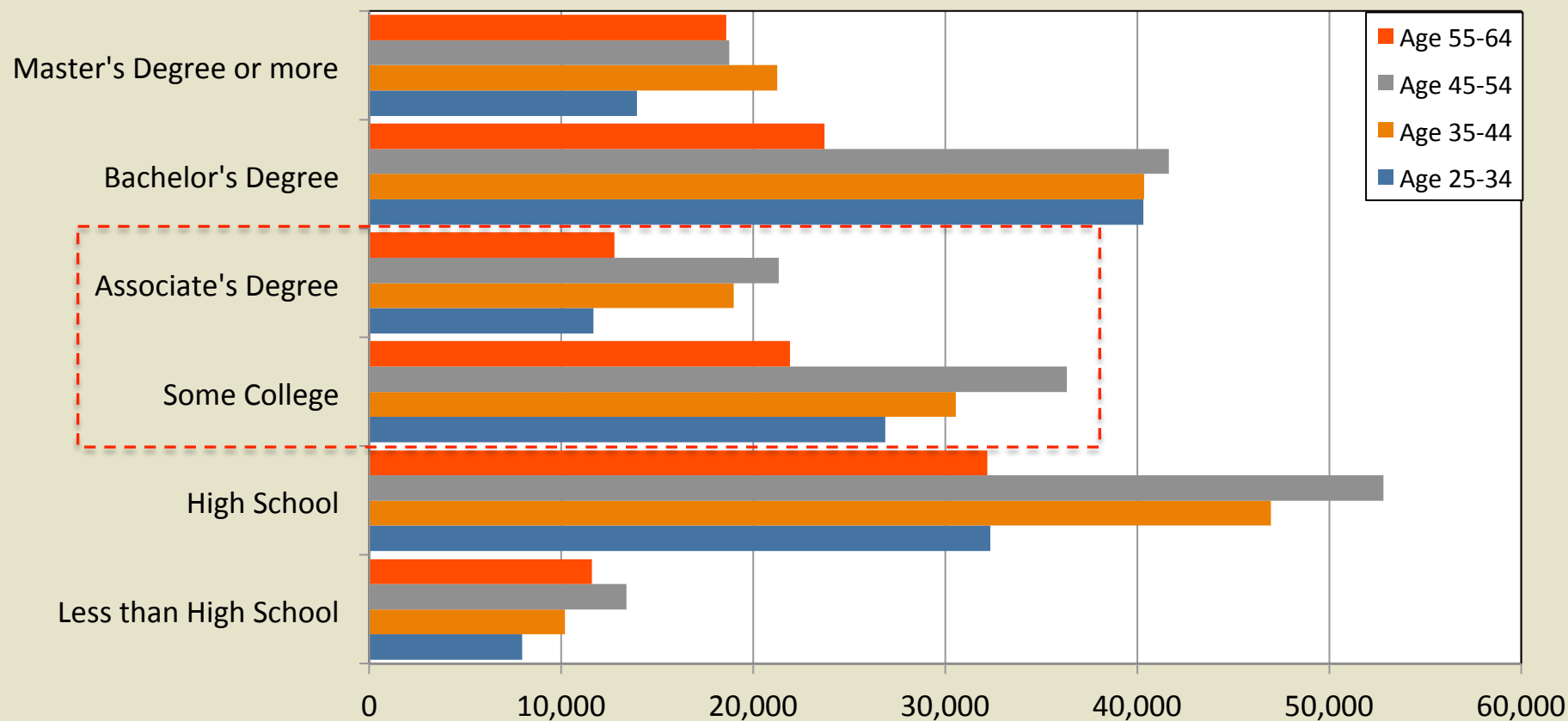
Annual Growth in the Civilian Labor Force by Education, 2000 to 2008-2010



Source: U.S. Census Bureau 2000 Decennial Census PUMS data files and 2008-2010 ACS PUMS data files.

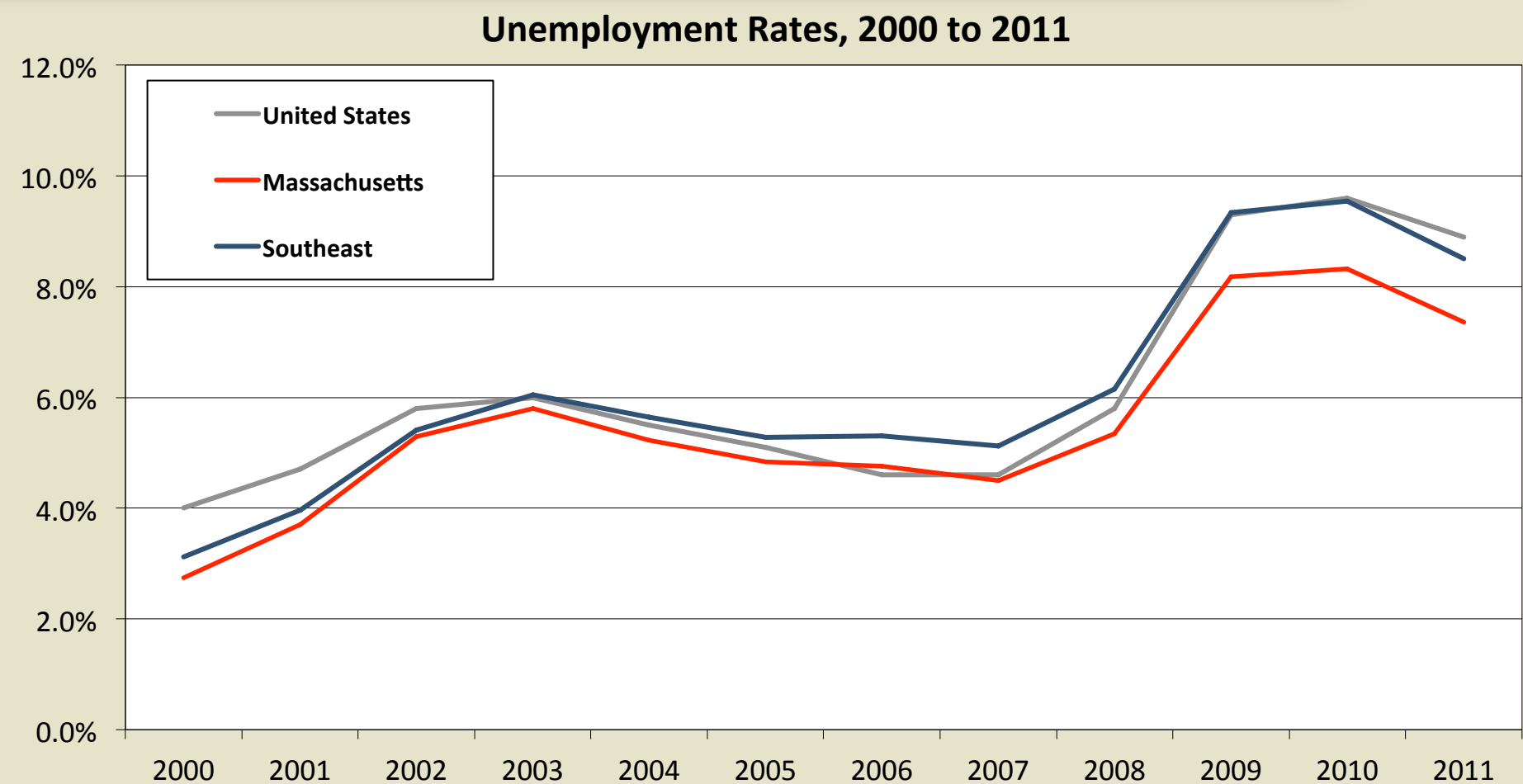
The trends in educational attainment and aging leave the region with potential shortfalls of workers in nearly every category.

Educational Attainment of the Civilian Labor Force in the Southeast



Source: U.S. Census Bureau 2008-2010 ACS PUMS data files.

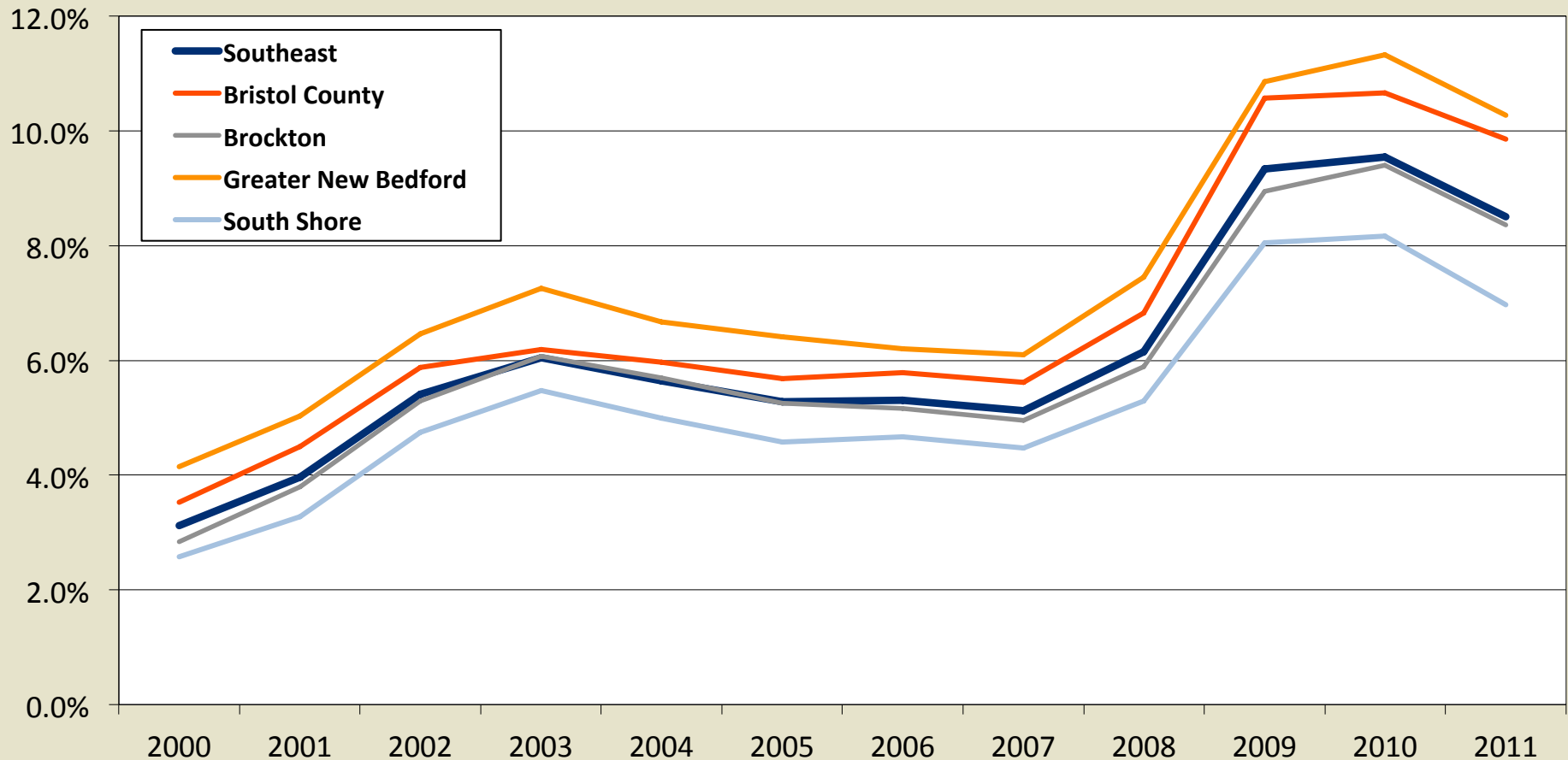
In the Great Recession the unemployment rate reached 9.6 percent in the Southeast region, highest among all regions.



Source: U.S. Bureau of Labor Statistics, Current Population Survey and Massachusetts EOLWD, Labor Force and Unemployment Rates.

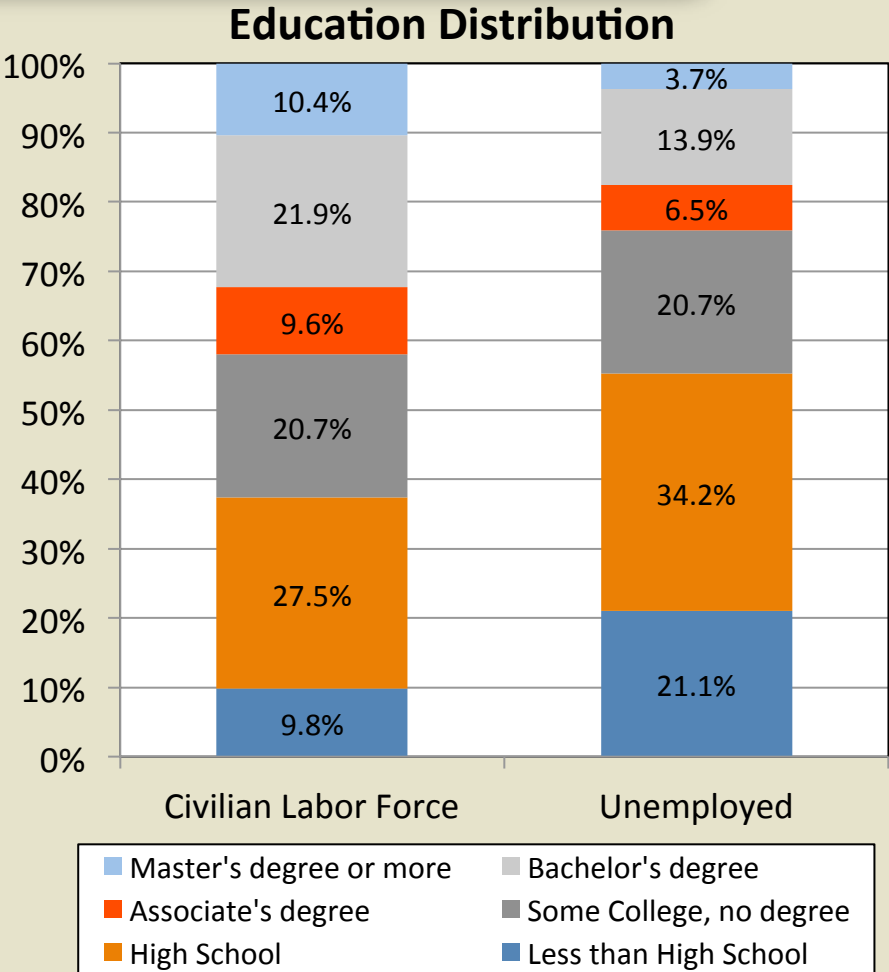
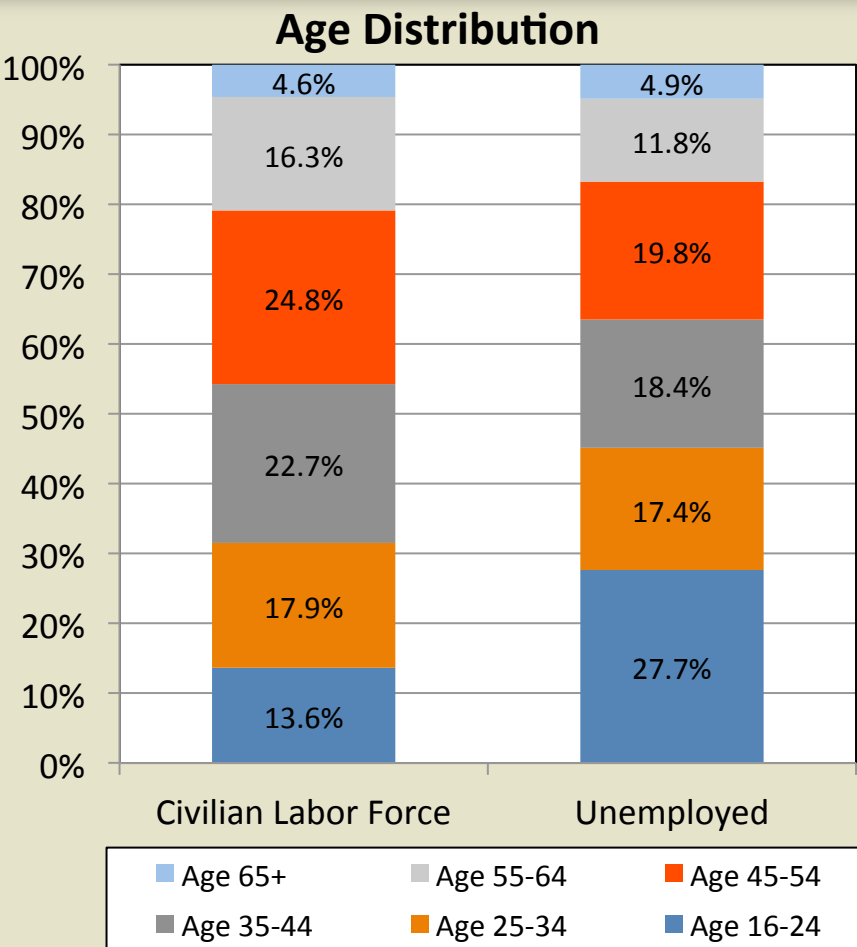
The highest unemployment rates were reached in Greater New Bedford (11.3 percent) and Bristol County (10.7 percent).

Unemployment Rates, 2000 to 2011



Source: Massachusetts EOLWD, Labor Force and Unemployment Rates.

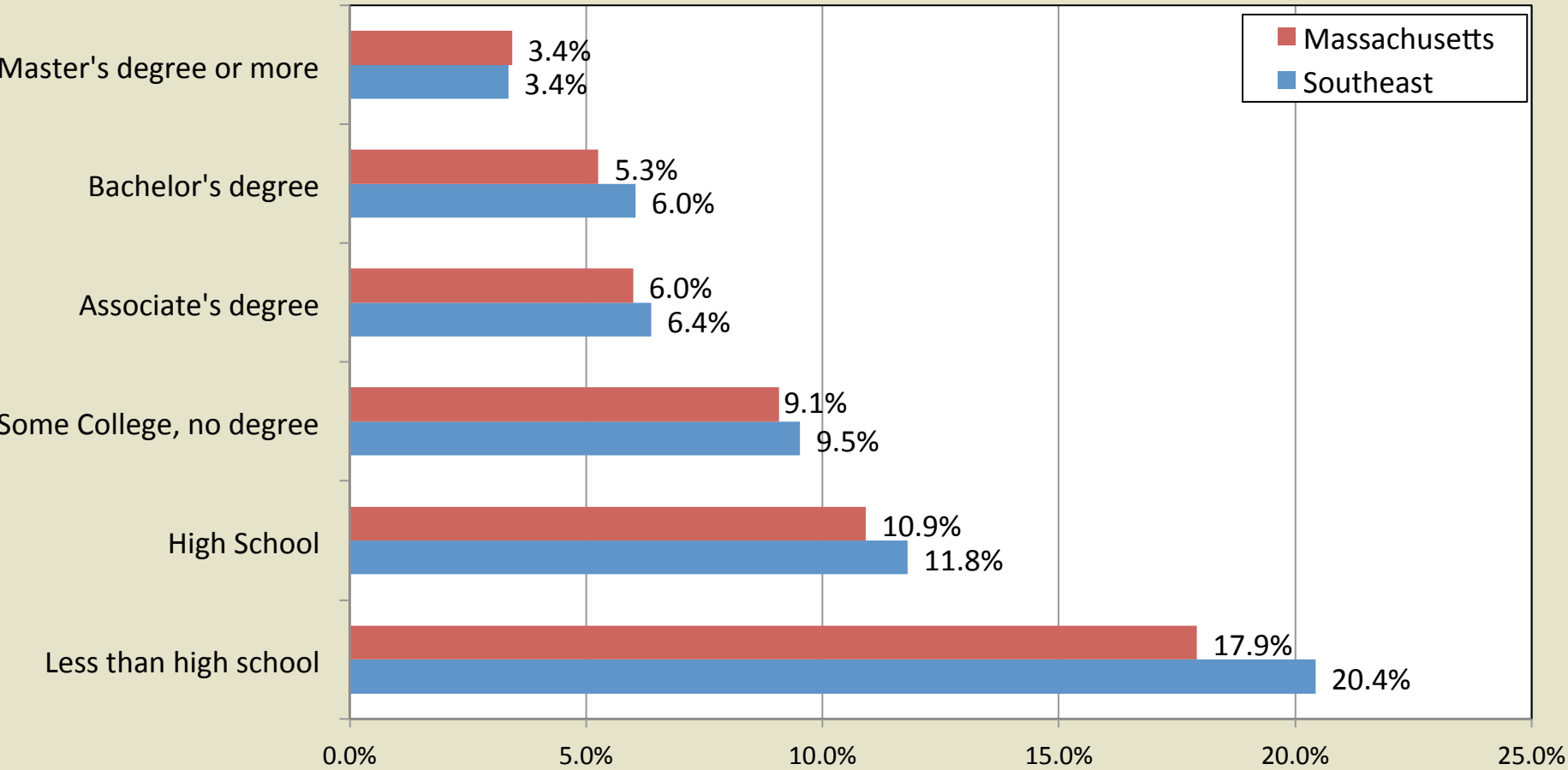
The unemployed in the Southeast region are disproportionately younger and have lower levels of educational attainment.



Source: U.S. Census Bureau 2008-2010 ACS PUMS data files.

In both the region and statewide individuals with lower levels of educational attainment face significant barriers to employment.

Unemployment Rates by Education, 2008-2010



Source: U.S. Census Bureau 2008-2010 ACS PUMS data files.

The Southeast region is closely tied to neighboring labor markets, with large shares of residents working elsewhere.

	Number	Percent of Total
Total number of employed persons living in the Southeast region...	652,693	100.0%
...that work in:		
Southeast	441,244	67.6%
Boston/Metro North	106,686	16.3%
Metro South/West	57,855	8.9%
Cape & Islands	7,195	1.1%
Other parts of Massachusetts	6,915	1.1%
Rhode Island	28,110	4.3%
Other places outside Massachusetts	4,688	0.7%
Total number of persons working in the Southeast region...	535,070	100.0%
...that live in:		
Southeast	441,244	82.5%
Boston/Metro North	20,692	3.9%
Metro South/West	26,439	4.9%
Cape & Islands	6,770	1.3%
Other parts of Massachusetts	7,512	1.4%
Rhode Island	27,964	5.2%
Other places outside Massachusetts	4,449	0.8%
Net in-commuting	-117,623	-

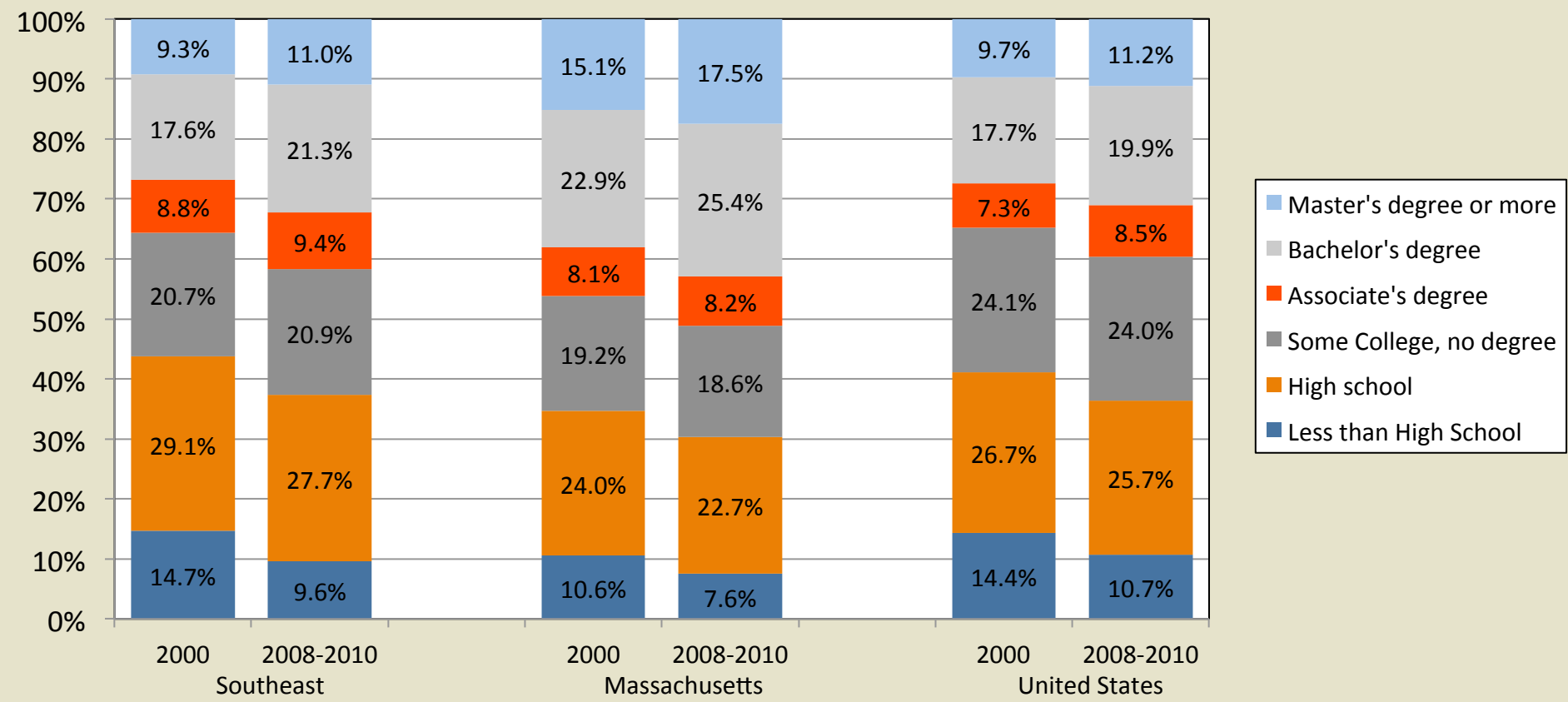
Source: U.S. Census Bureau 2008-2010 ACS PUMS data files.

Labor Demand

- Educational Attainment of Employed
- Educational Attainment and Composition of Industries and Occupations
- Demand for Workers with Post-Secondary Education Pre- and Post-Recession

The educational attainment of those employed in the Southeast region is closer to the nationwide workforce than statewide.

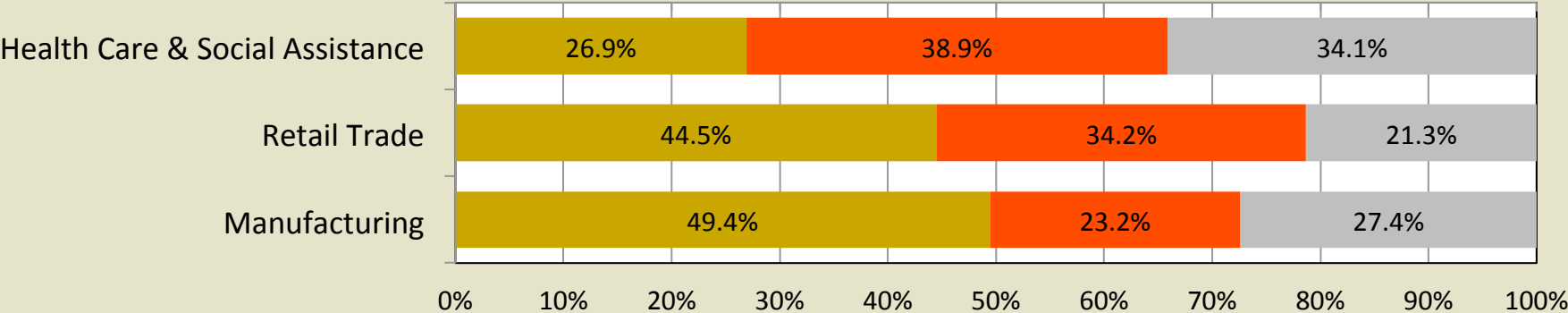
Educational Attainment of Individuals Employed in the Region



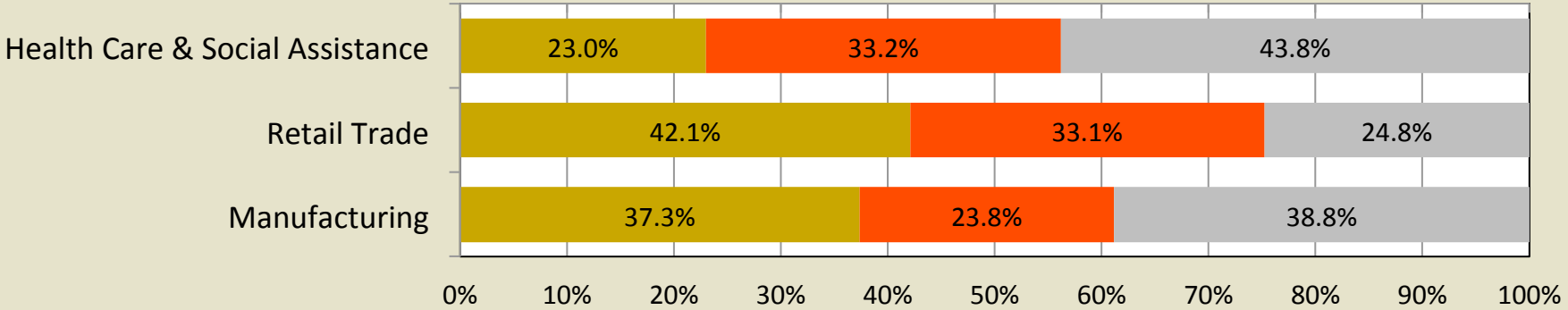
Source: U.S. Census Bureau 2000 Decennial Census PUMS data files and 2008-2010 ACS PUMS data files.

Industries in the region have small shares of employees with a Bachelor's Degree or Higher, but large shares with "middle-skills".

Educational Attainment of Employees by Selected Major Industries in the Southeast Region



Educational Attainment of Employees by Selected Major Industries in Massachusetts

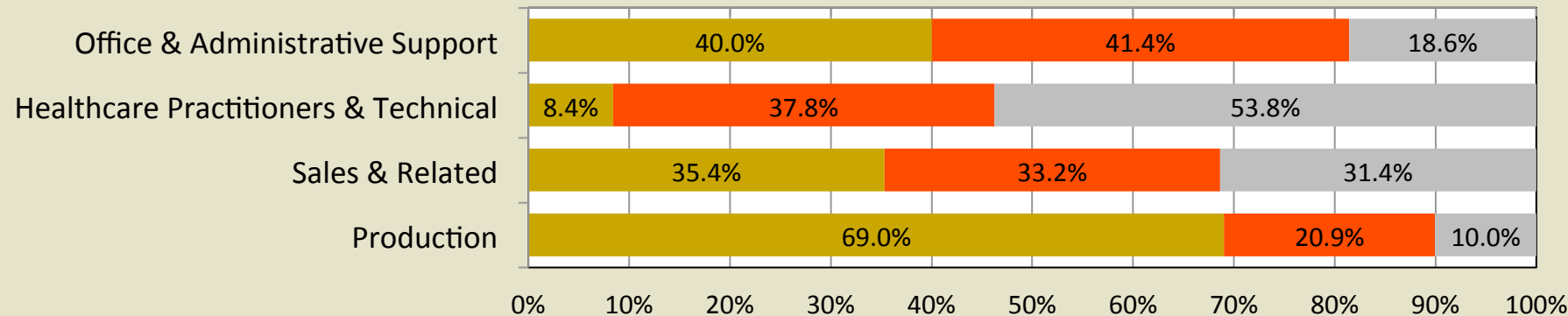


■ High School Degree or Less ■ Some College or Associate's Degree ■ Bachelor's Degree or Higher

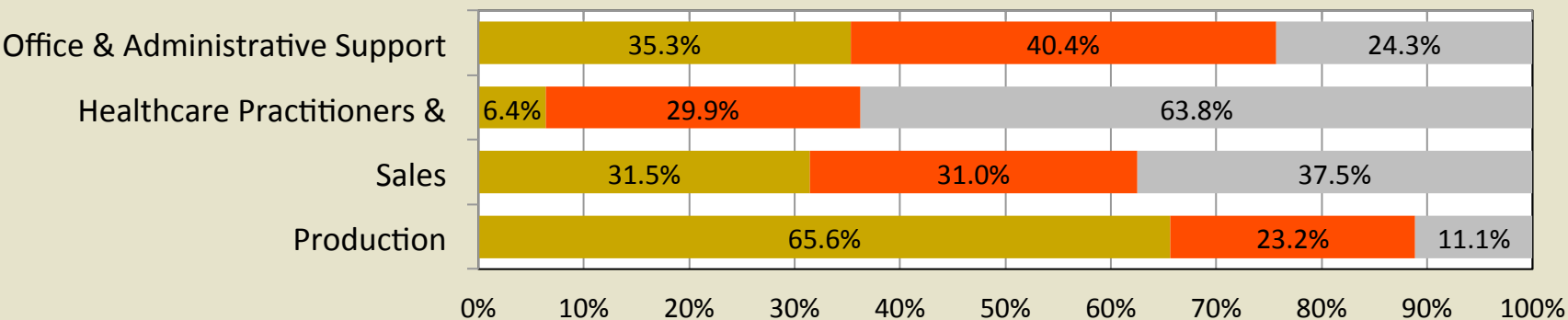
Source: U.S. Census Bureau 2008-2010 ACS PUMS data files.

The pattern persists across occupations, although the difference in post-secondary educational attainment is not as large.

Educational Attainment of Employees by Selected Occupations in the Southeast Region



Educational Attainment of Employees by Selected Occupation in Massachusetts

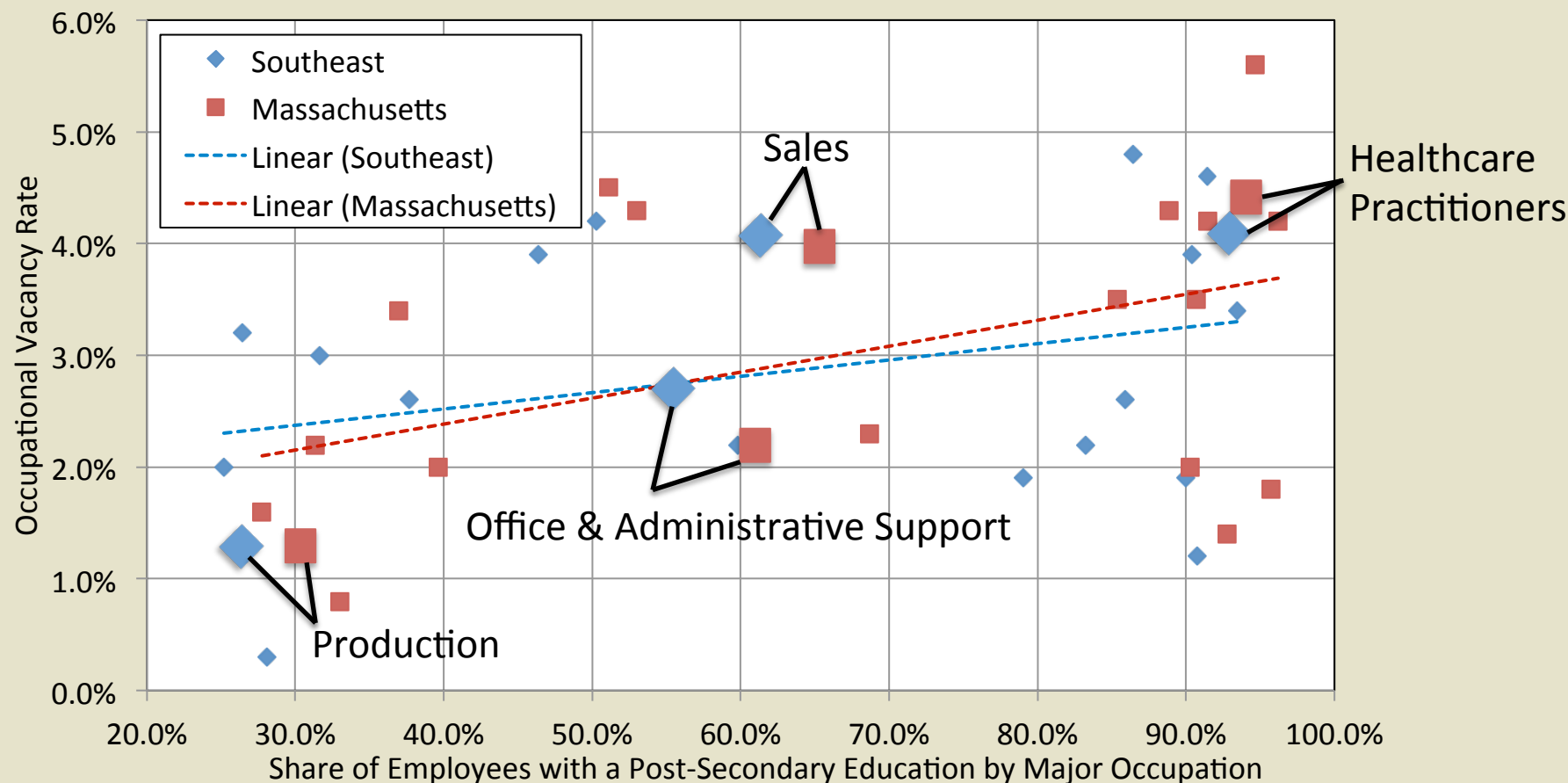


■ High School Degree or Less ■ Some College or Associate's Degree ■ Bachelor's Degree or Higher

Source: U.S. Census Bureau 2008-2010 ACS PUMS data files.

Prior to the recession there were higher vacancy rates in the more highly educated occupations than in the less educated.

Job Vacancies and Educational Attainment by Occupation, Pre-Recession

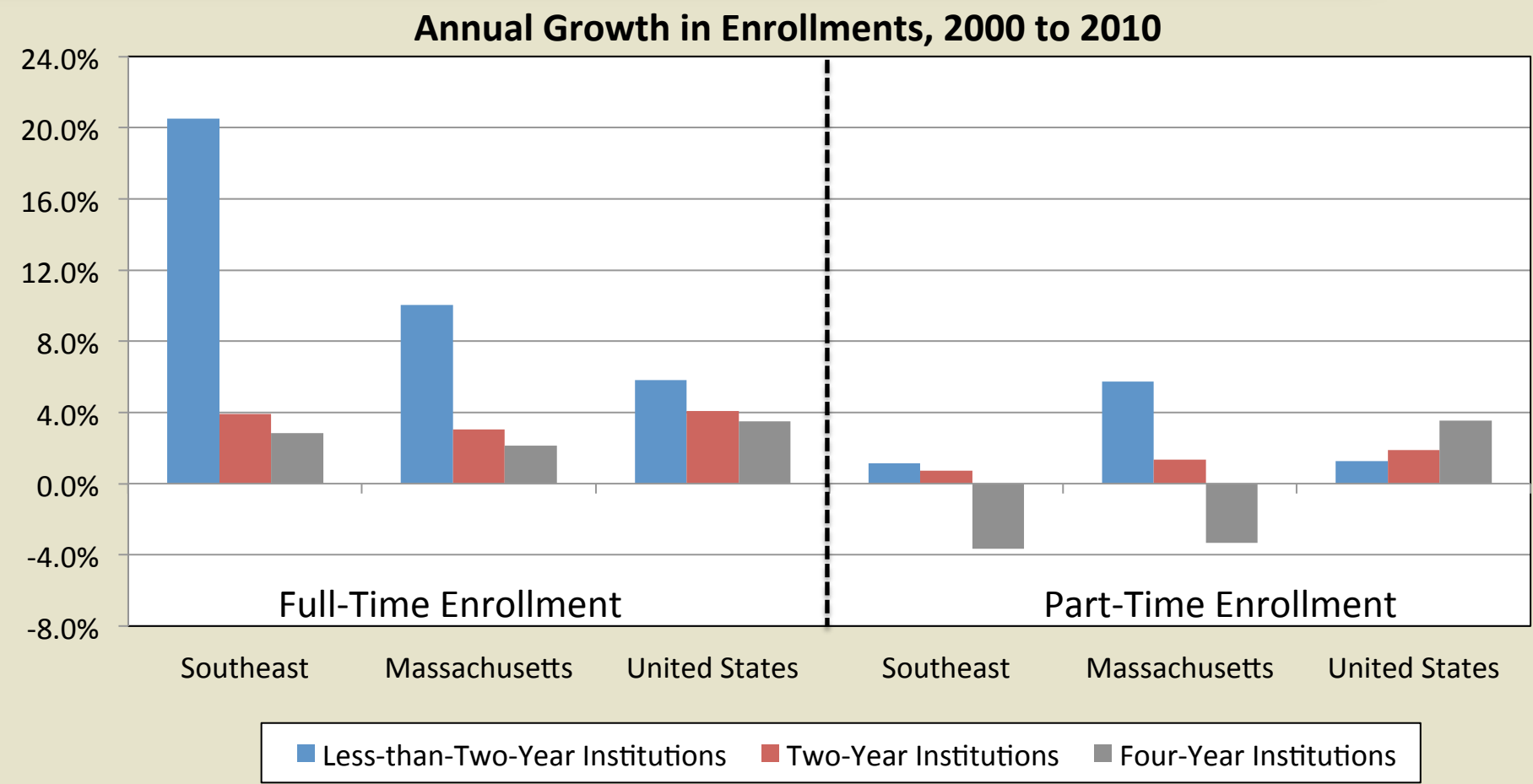


Source: Massachusetts EOLWD, Job Vacancy Survey and U.S. Census Bureau 2008-2010 ACS PUMS data files.

The Pipeline: Educational Supply of Post-Secondary Degrees

- Enrollment Patterns
- Degree Completions
- Major Fields of Study by Degree Type

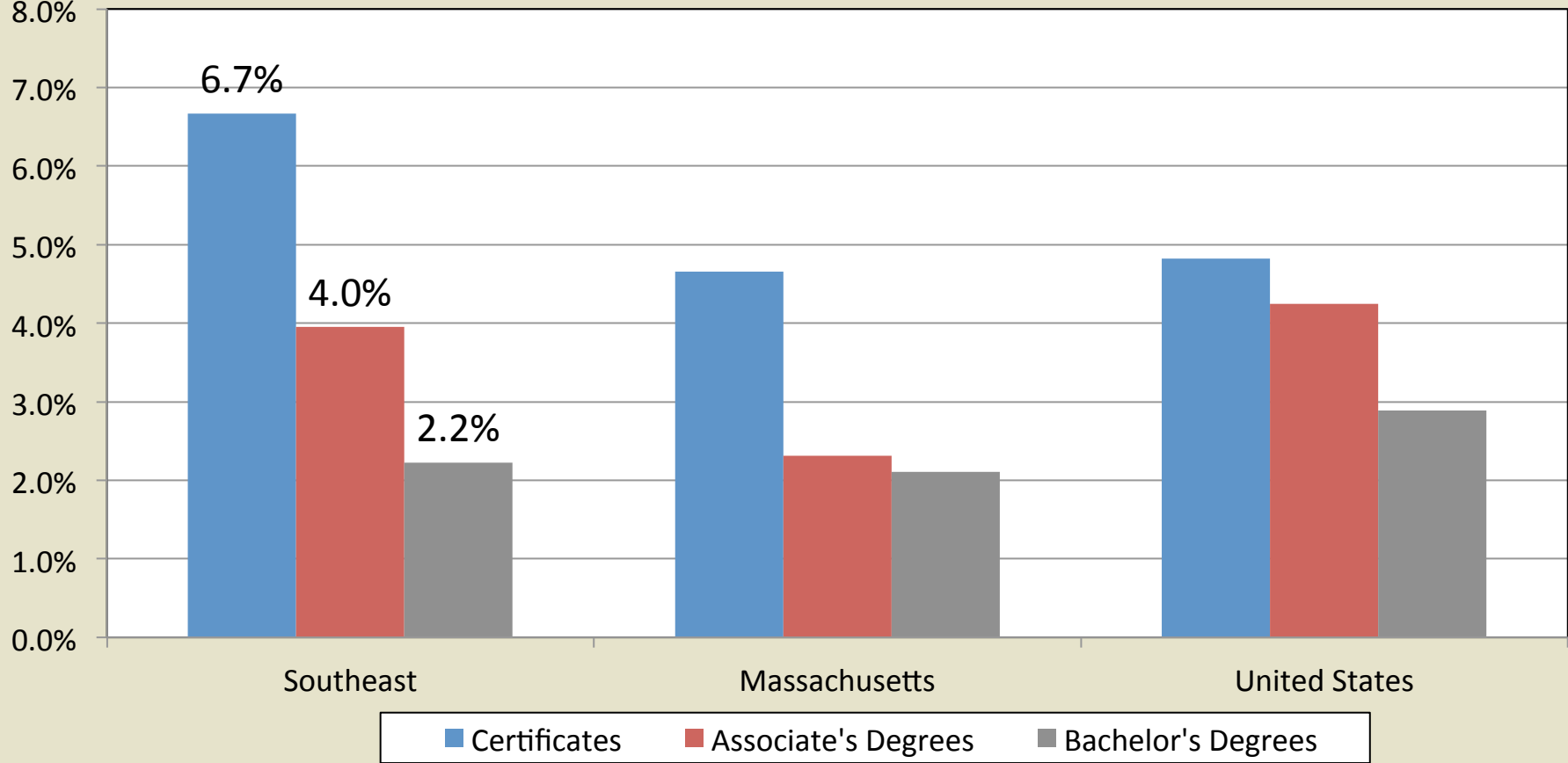
Enrollment at higher educational institutions in the region has varied by type of institution and enrollment status.



Source: National Center for Education Statistics, Integrated Post-Secondary Educational Data System.

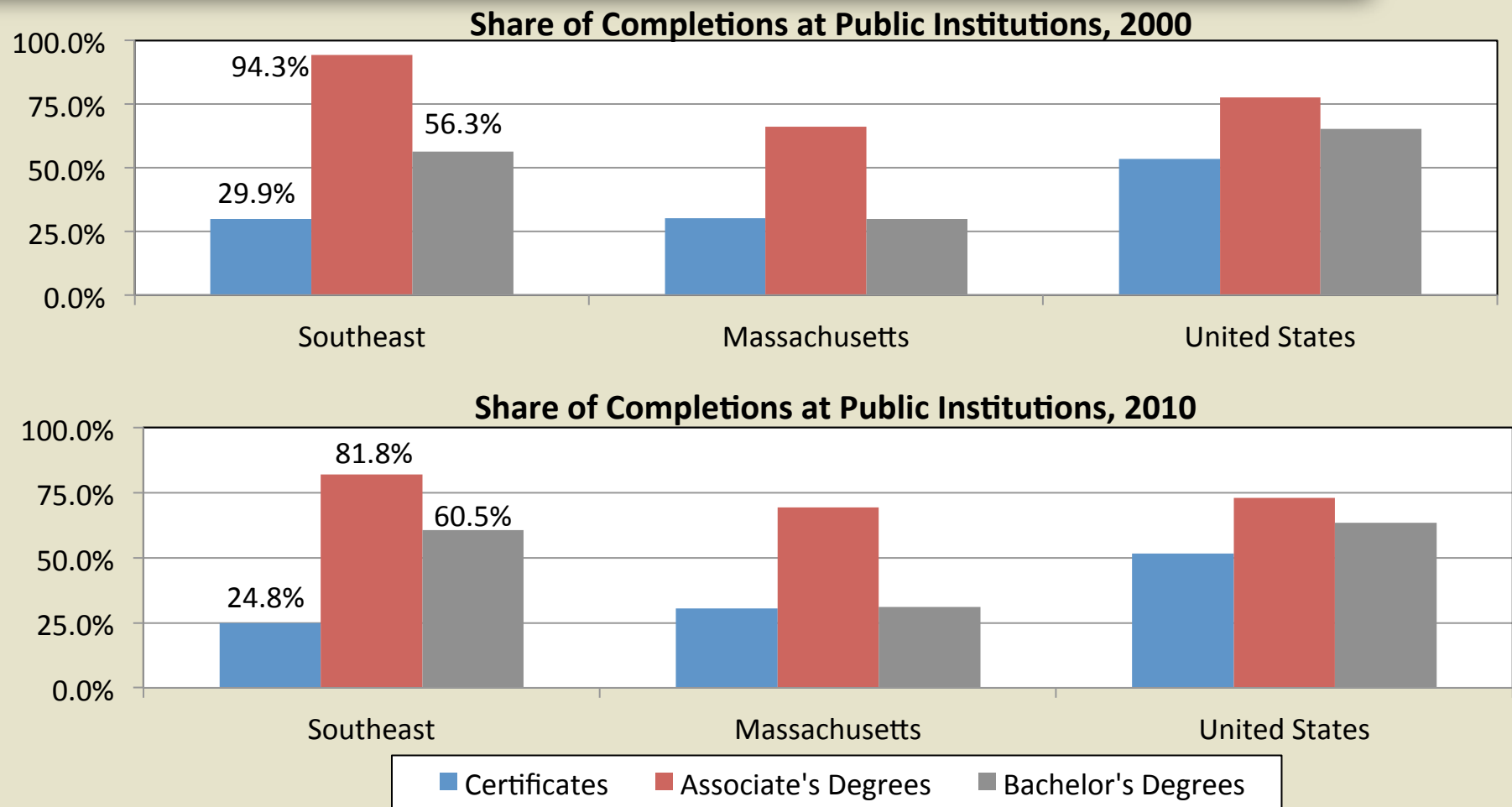
Growth in certificate and degree completions in the region exceeded statewide trends in the past decade.

Annual Growth in Completions, 2000 to 2010



Source: National Center for Education Statistics, Integrated Post-Secondary Educational Data System.

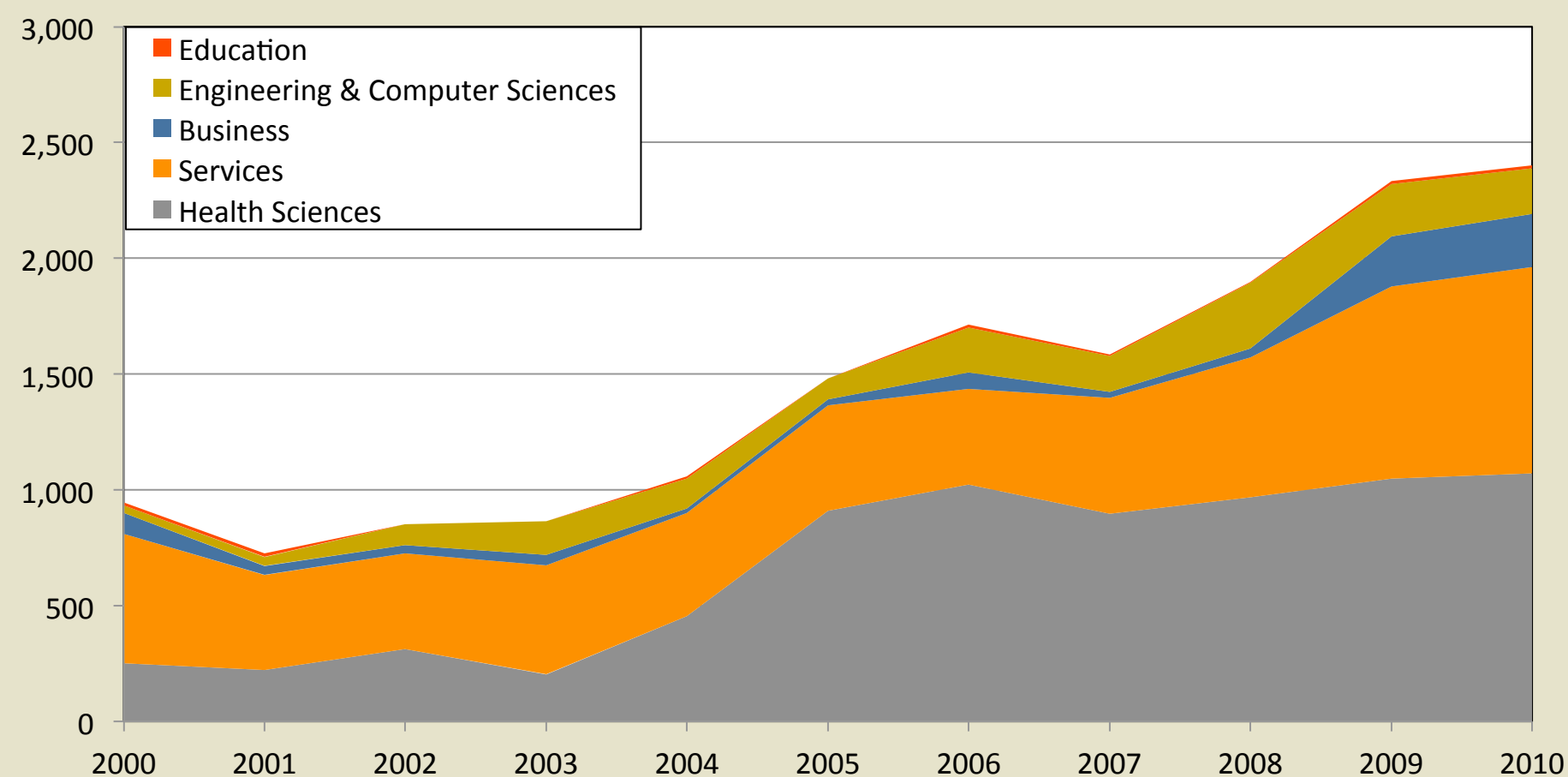
Public institutions account for a larger share of Associate's and Bachelor's Degrees completions in the region than statewide.



Source: National Center for Education Statistics, Integrated Post-Secondary Educational Data System.

Health Sciences and Services have accounted for most of the Certificates completed in the Southeast region.

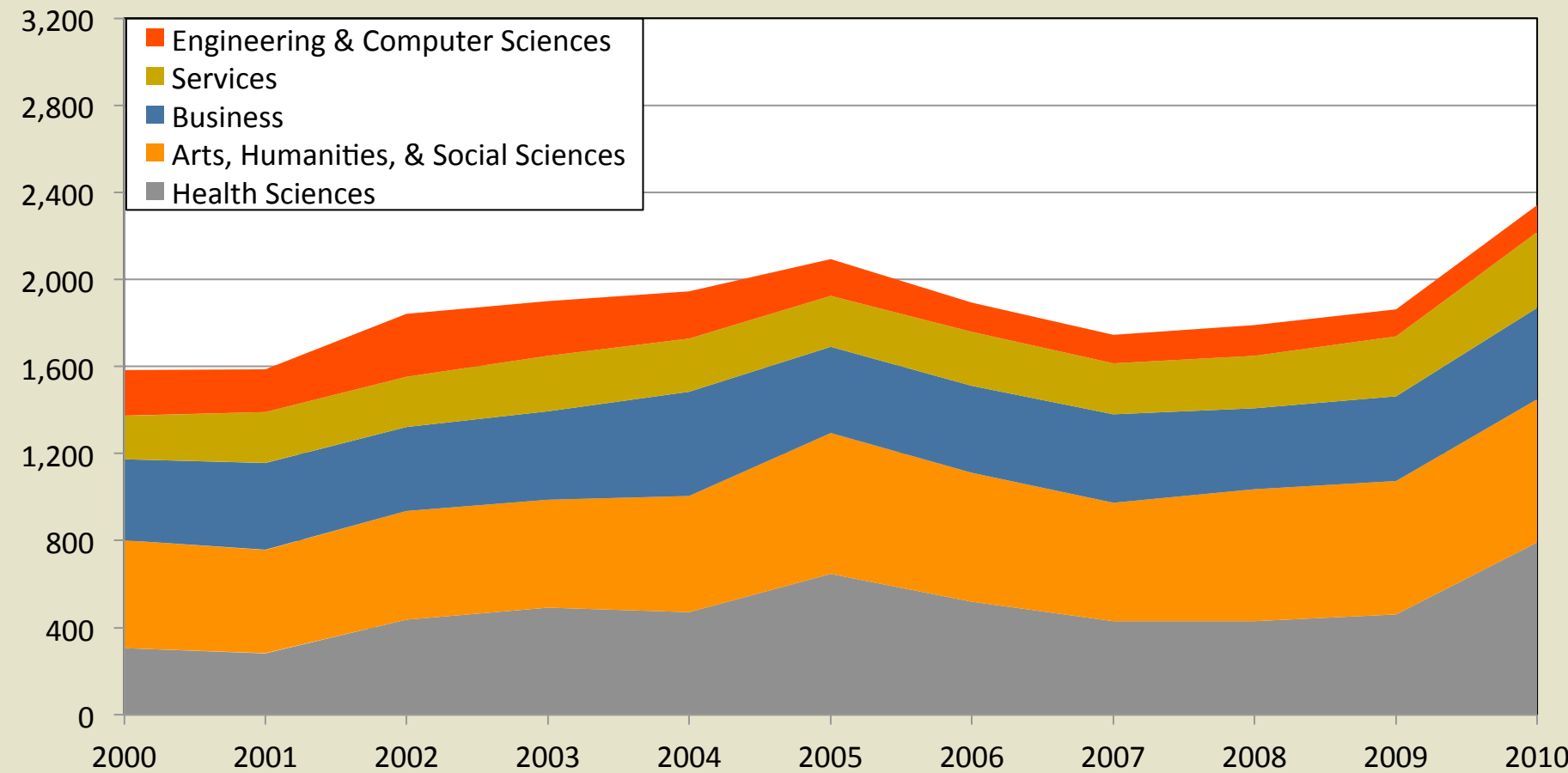
Annual Certificate Completions by Major in the Southeast Region, 2000 to 2010



Source: National Center for Education Statistics, Integrated Post-Secondary Educational Data System.

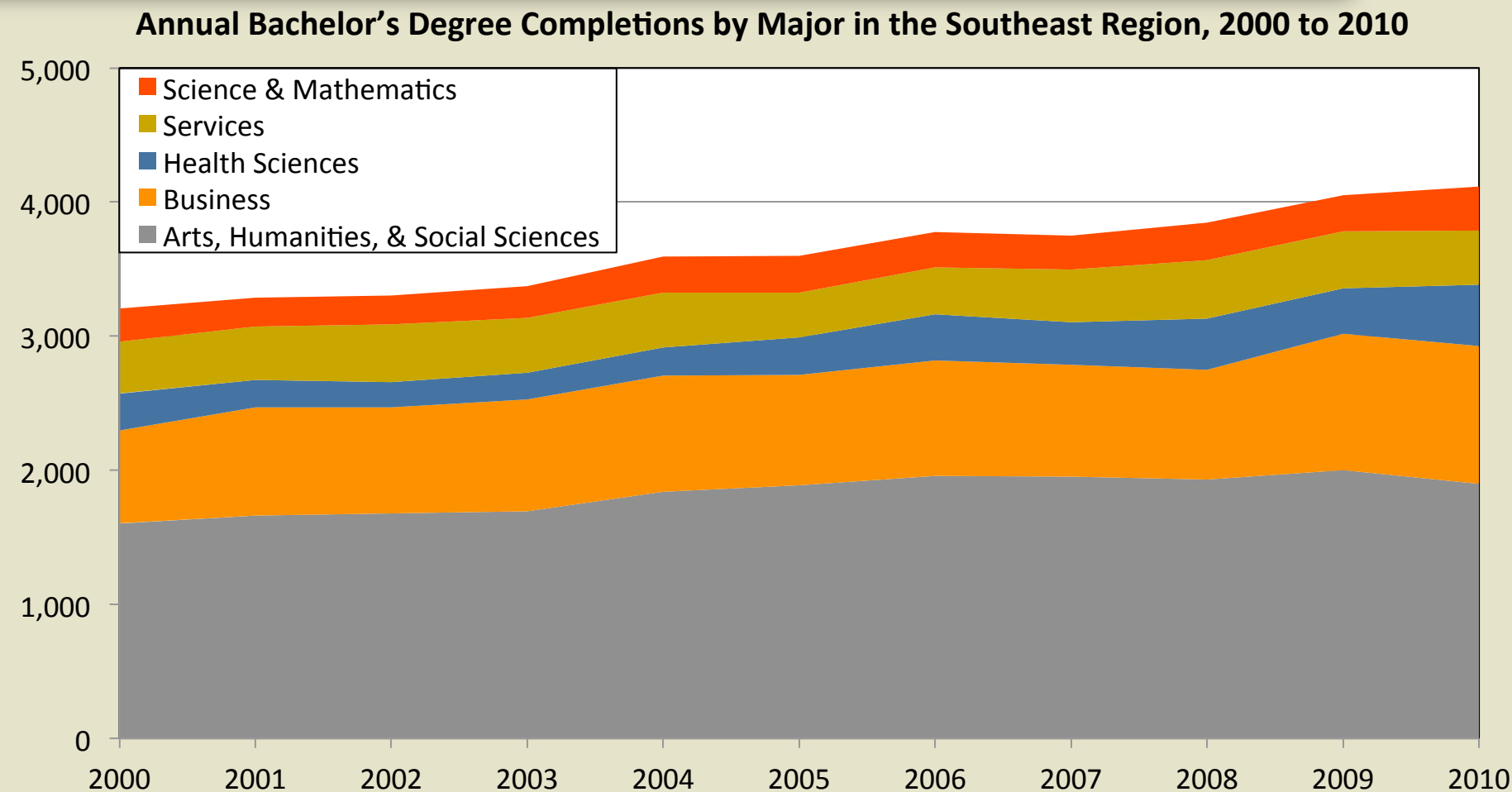
Associate's Degree completions have been in a number of fields of study, with more coming in Health Sciences in recent years.

Annual Associate's Degree Completions by Major in the Southeast Region, 2000 to 2010



Source: National Center for Education Statistics, Integrated Post-Secondary Educational Data System.

Art, Humanities, & Social Sciences accounted for nearly half of all Bachelor's Degrees completed in the Southeast region.



Source: National Center for Education Statistics, Integrated Post-Secondary Educational Data System.

Summary

- In the Great Recession, the region experienced a steep decline in employment and large increase in unemployment that positioned the region for a tough labor market recovery.
- While educational attainment of the region's labor force has increased more rapidly in the Southeast region than statewide in the past decade, it still has one of the highest shares of individuals with a High School Degree or less.
- Addressing the employment barriers facing the region's unemployed, particularly among the young and less educated, is one key to the recovery of the Southeast region.
- Given such trends, what should be done to ensure the future economic vitality of the Southeast region moving forward?

Thank You

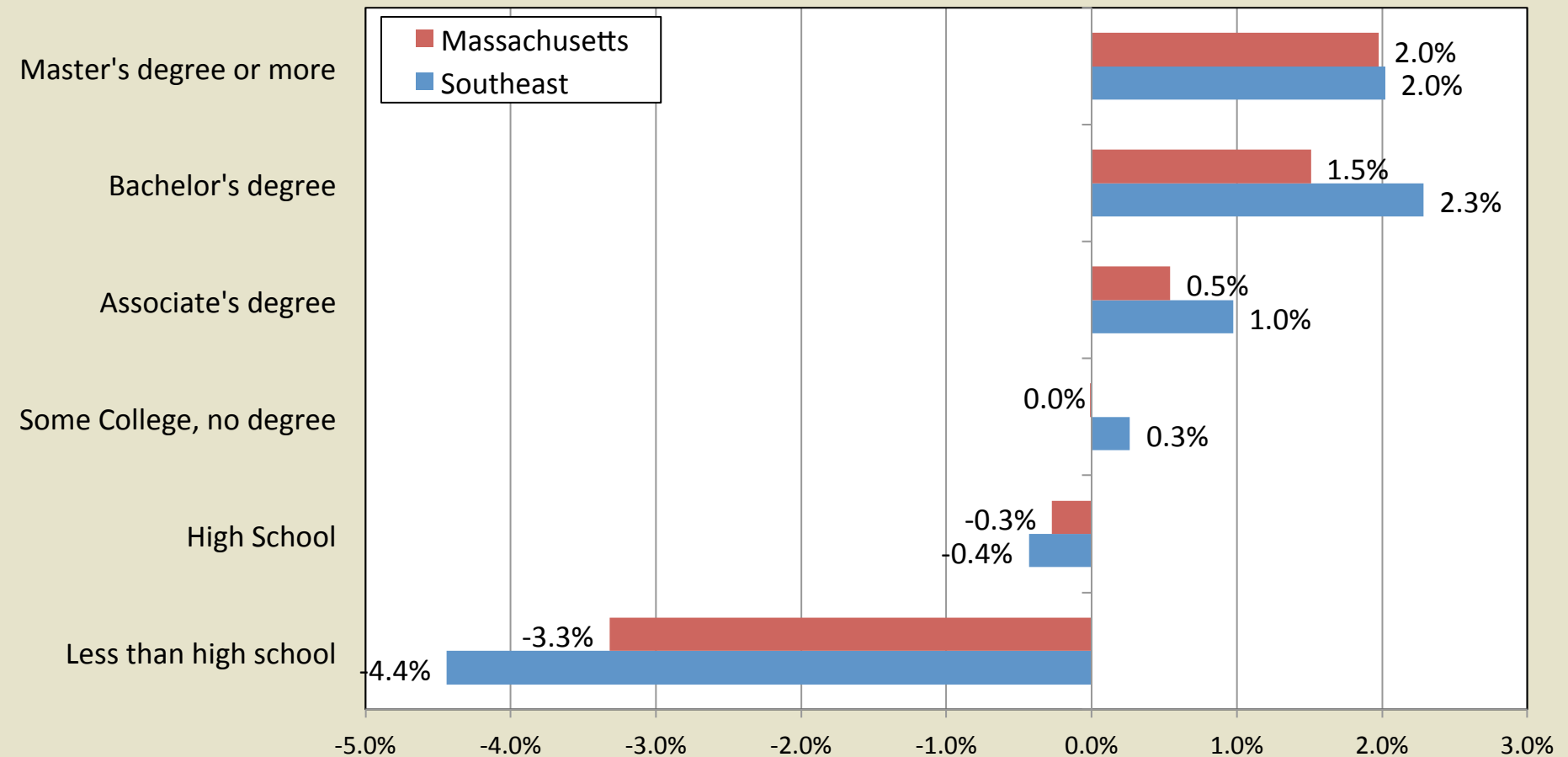


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In both the region and statewide employment growth has been fastest among the post-secondary educational categories.

Annual Growth in the Employed by Education, 2000 to 2008-2010



Source: U.S. Census Bureau 2000 Decennial Census PUMS data files and 2008-2010 ACS PUMS data files.