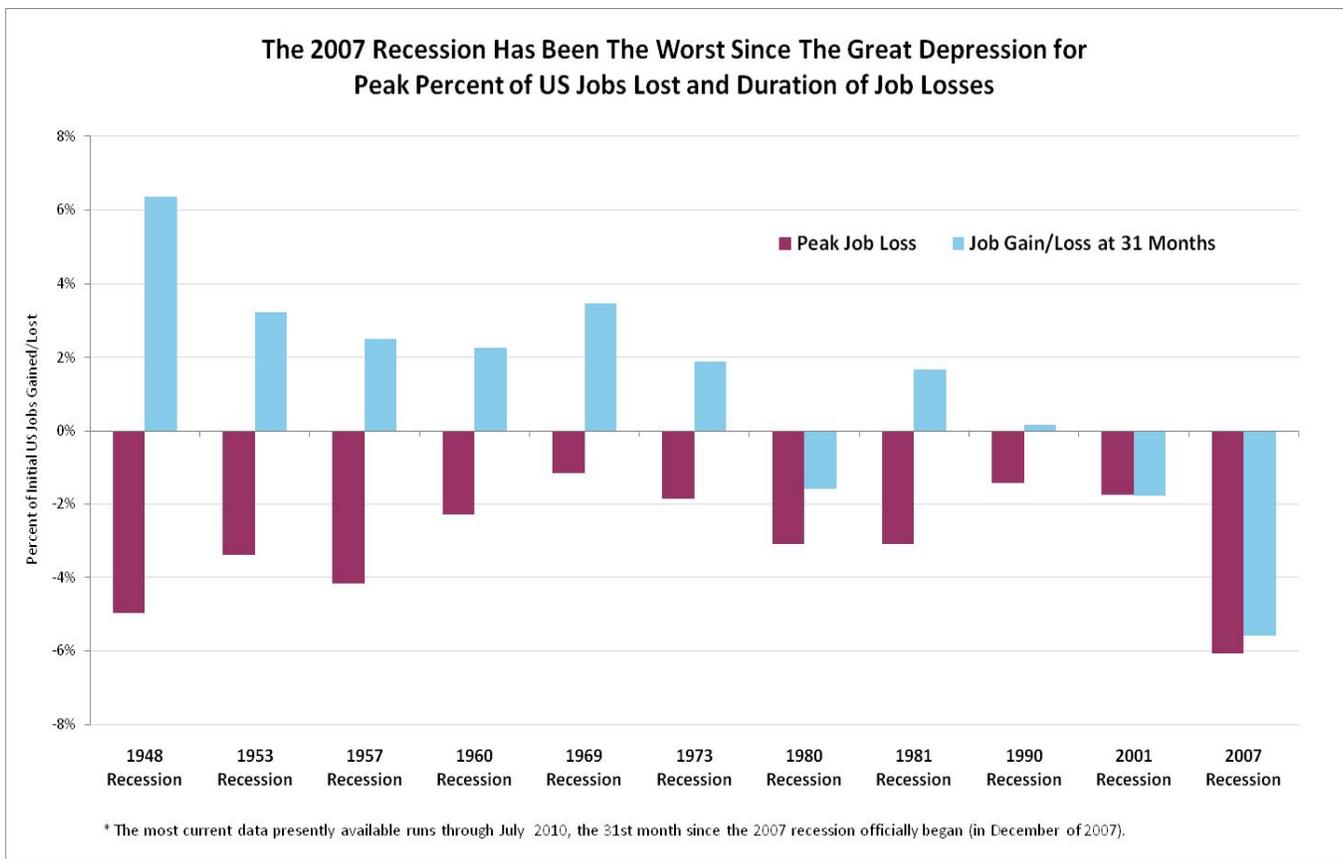


Jobs and the Massachusetts Economy on Labor Day 2010

Labor Day 2010 will be a challenging day for working people across America. The nation is in the third year of a terrible economic crisis, one that has claimed a larger percentage of US jobs than any other recession since the Great Depression.¹ Adding to the pain, at 31 months since the latest recession officially began, the US now has regained a far smaller share of those jobs than in past recessions.

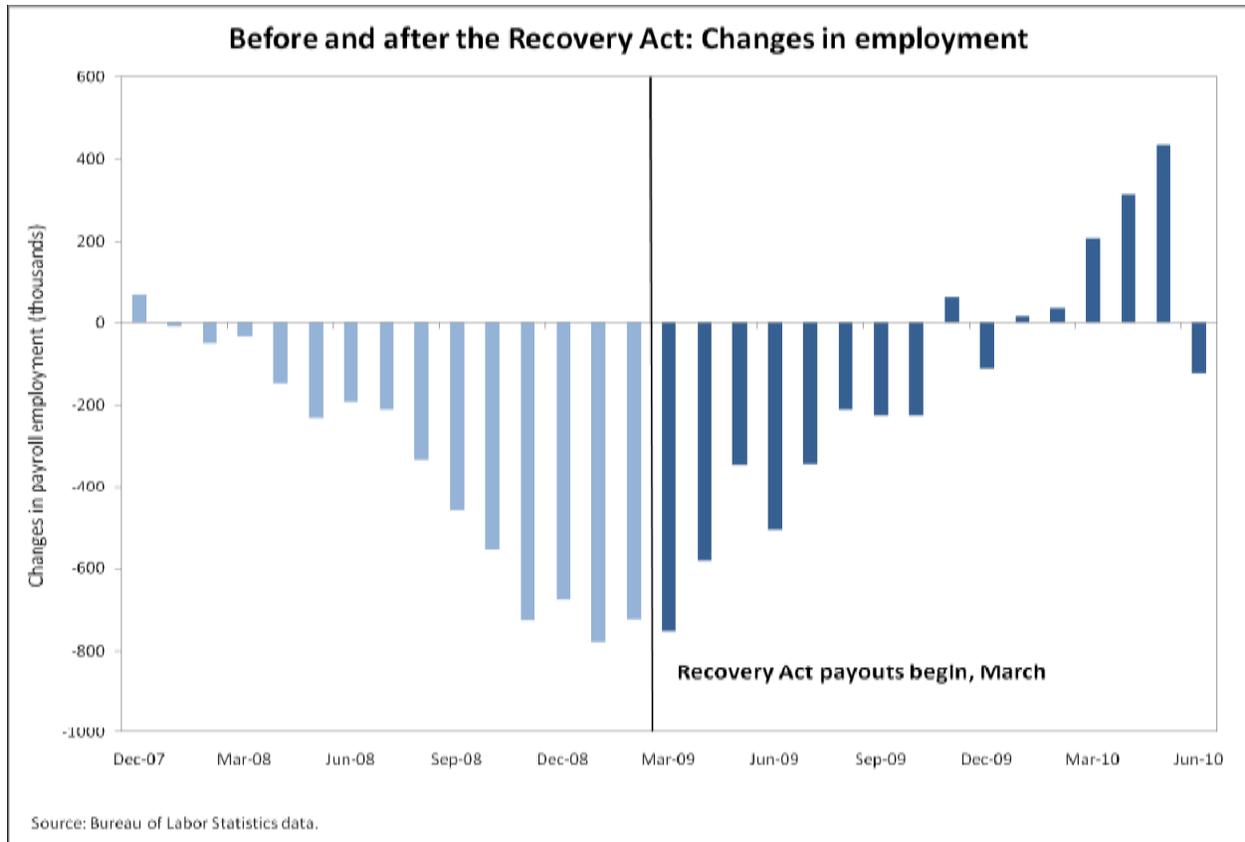


The situation could have been even worse. As many analyses have demonstrated, significantly greater job losses were averted by the American Recovery and Reinvestment Act (ARRA) and its support for individuals (including food stamps, tax cuts and unemployment benefits), infrastructure, education, health care and other investments to protect and create jobs and strengthen the nation’s economic foundation.² In the six months prior to April 2009 (when significant ARRA dollars began to

¹ Center on Budget and Policy Priorities, “Chart Book: The Legacy of The Great Recession,” Aug.27, 2010 (see Part III): <http://www.cbpp.org/cms/index.cfm?fa=view&id=3252>

² MassBudget, “The American Recovery and Reinvestment Act of 2009: Federal Stimulus in Massachusetts,” Oct. 14, 2009, available at: <http://massbudget.org/doc/695>

flow into the economy), average employment fell by some 650,000 jobs a month.³ In the six months after ARRA dollars began to arrive, average declines were cut nearly in half, to about 370,000 jobs lost each month.⁴ In the first six months of this year, average employment has grown by 147,000 jobs a month.⁵



With the crucial support provided to the economy by the Recovery Act a second Great Depression was averted.⁷ Yet the stimulus provided by the federal government so far has not been enough to ignite a robust recovery. Nationally, unemployment stands at 9.6 percent (as reported on Sept. 3, 2010) and job growth has been too slow to reduce that number significantly.⁸

Here in Massachusetts, the painful effects of the economic crisis are being felt daily, particularly by residents with lower levels of education. At 9.0 percent, the overall unemployment rate in Massachusetts does not trail the national rate by much. At the same time, the picture in our Commonwealth is somewhat less bleak than that which we see in most of the rest of the nation. While in Massachusetts we have lost 2.8 percent of the jobs that we started the recession with, that is

³ House Budget Committee, Testimony by Josh Bivens, macroeconomist with the Economic Policy Institute, July 14, 2010 (page 5): http://epi.3cdn.net/ba687f2eb83747a3ca_xem6bp0zs.pdf

⁴ Ibid.

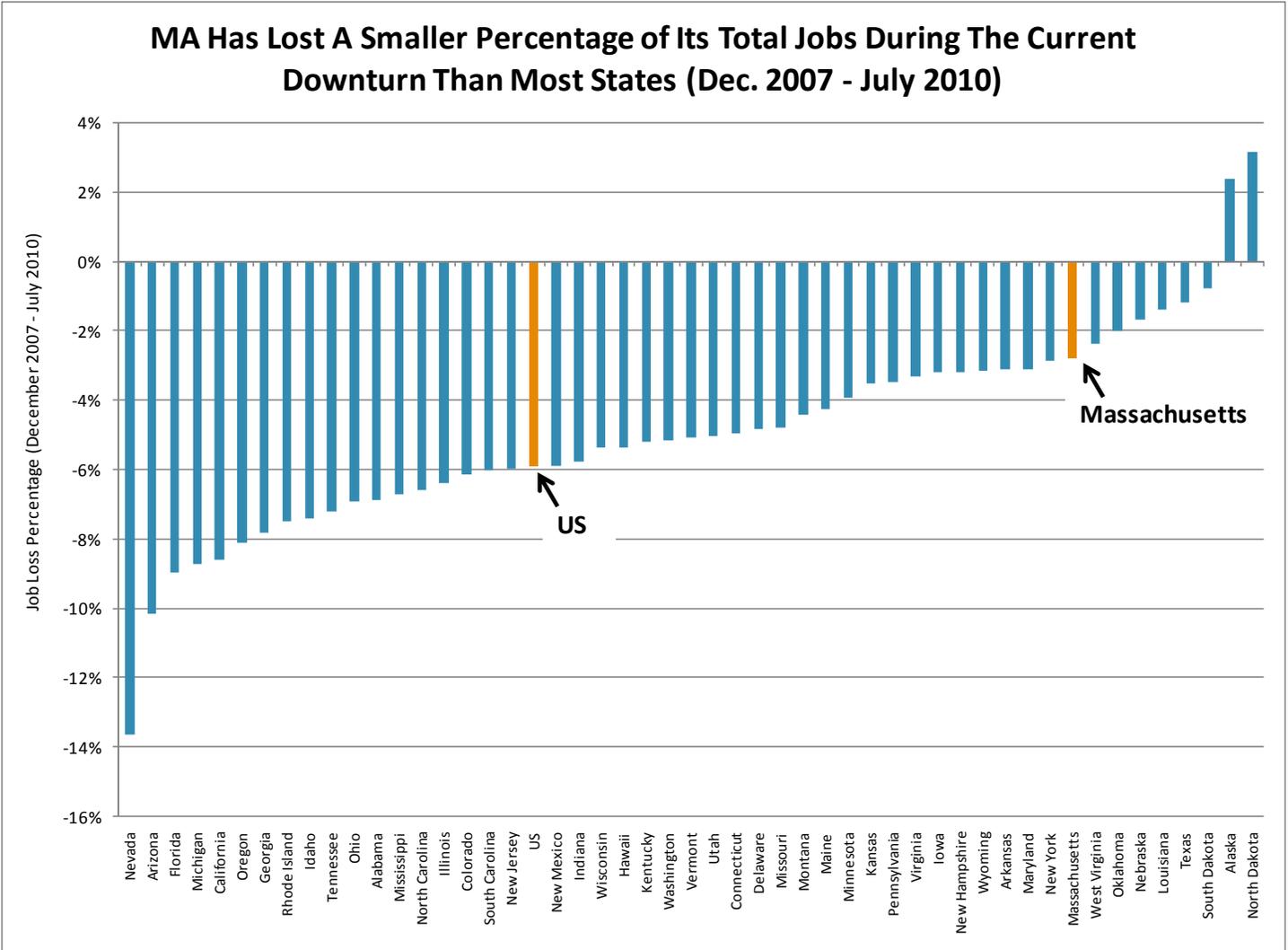
⁵ Ibid.

⁶ Ibid.

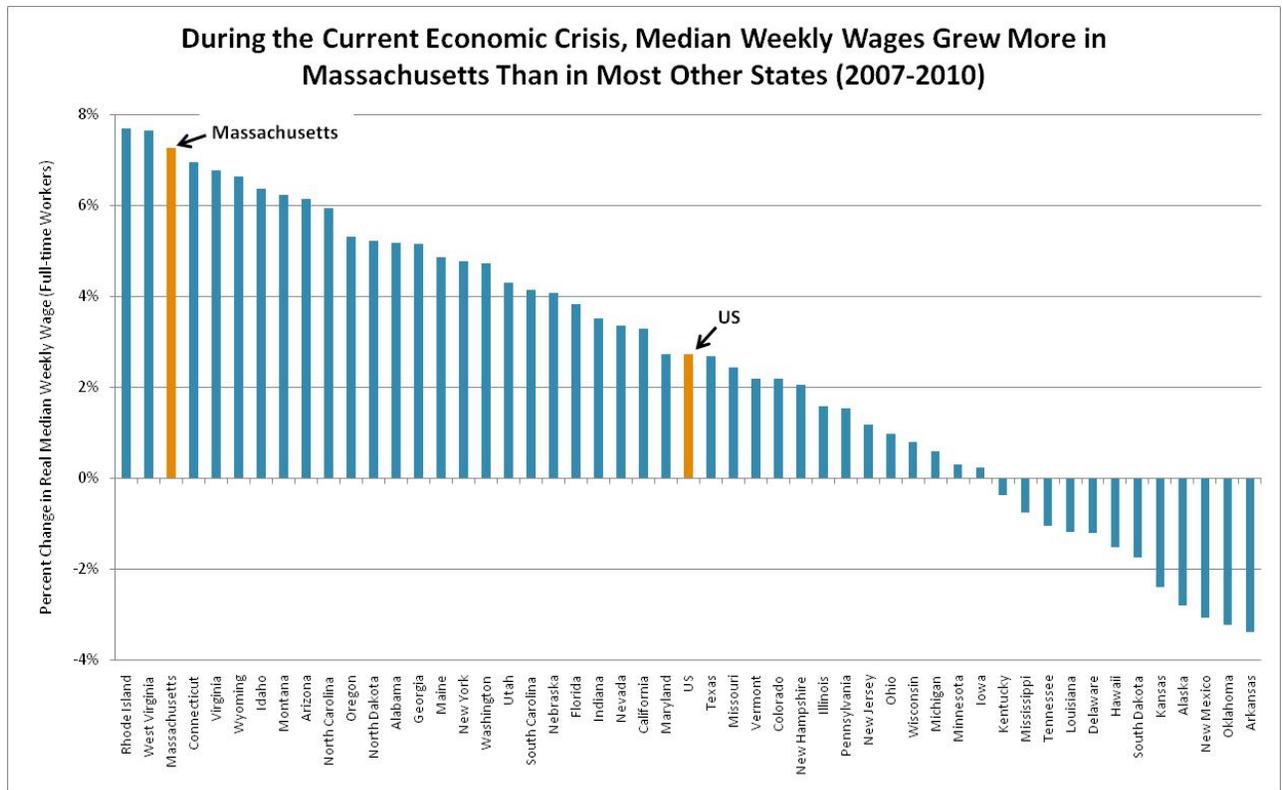
⁷ Center on Budget and Policy Priorities, “Chart Book: The Legacy of The Great Recession,” Aug. 27, 2010 (see Part III): <http://www.cbpp.org/cms/index.cfm?fa=view&id=3252>

⁸ Bureau of Labor Statistics (accessed Sept. 3, 2010): <http://www.bls.gov/news.release/empsit.nr0.htm>

less than half the rate of job loss of the nation as a whole (5.9 percent) – and a better performance than most other states.

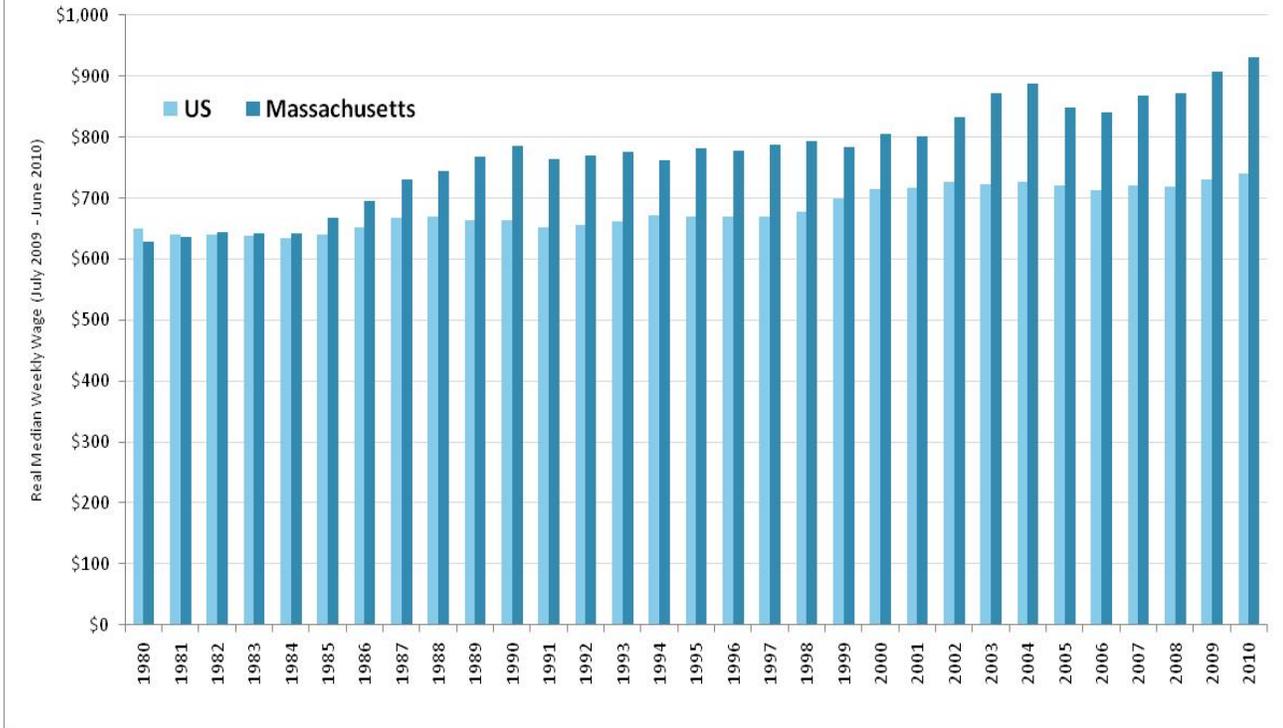


Wages also have held up better in Massachusetts than in most states. The growth in median weekly wages (the midpoint in the range of weekly wages paid to full-time employees) in Massachusetts was among the strongest rates of growth of any state between 2007 and 2010.



The trend of above average median wages in Massachusetts (relative to the rest of the nation) has been evident for several decades now.

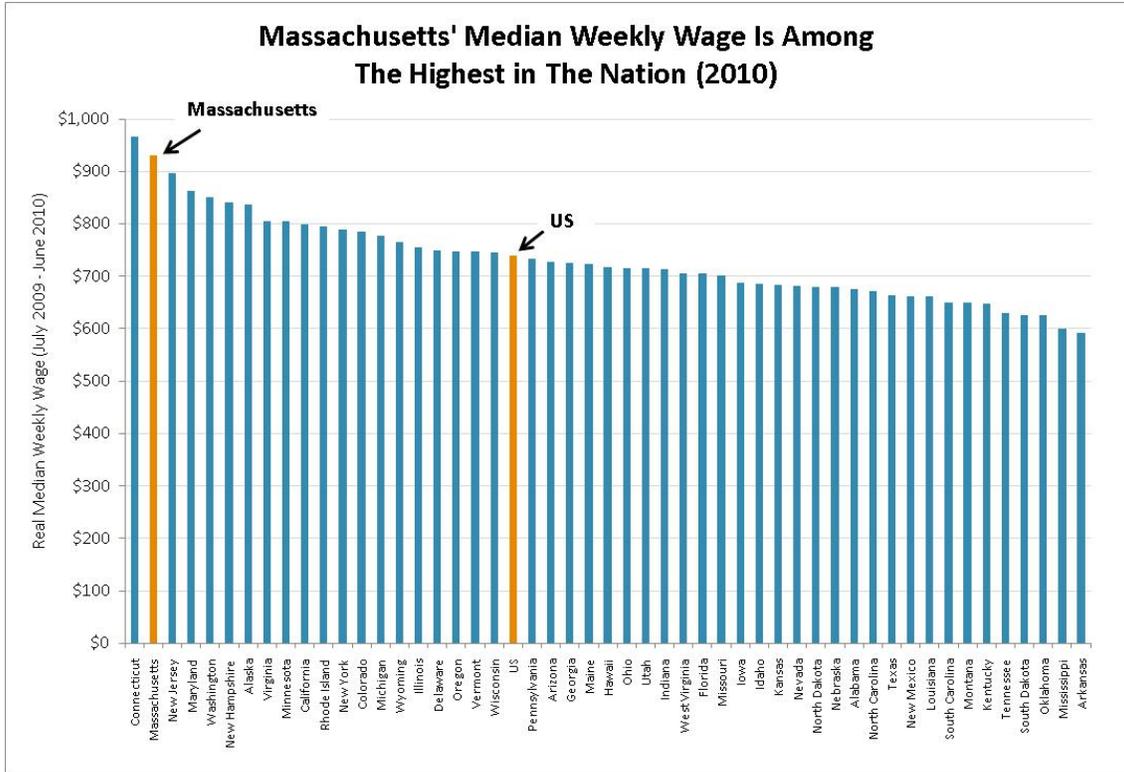
Massachusetts' Median Weekly Wage Growth Has Outpaced That of The US Since The Early 1980s (Inflation Adjusted)



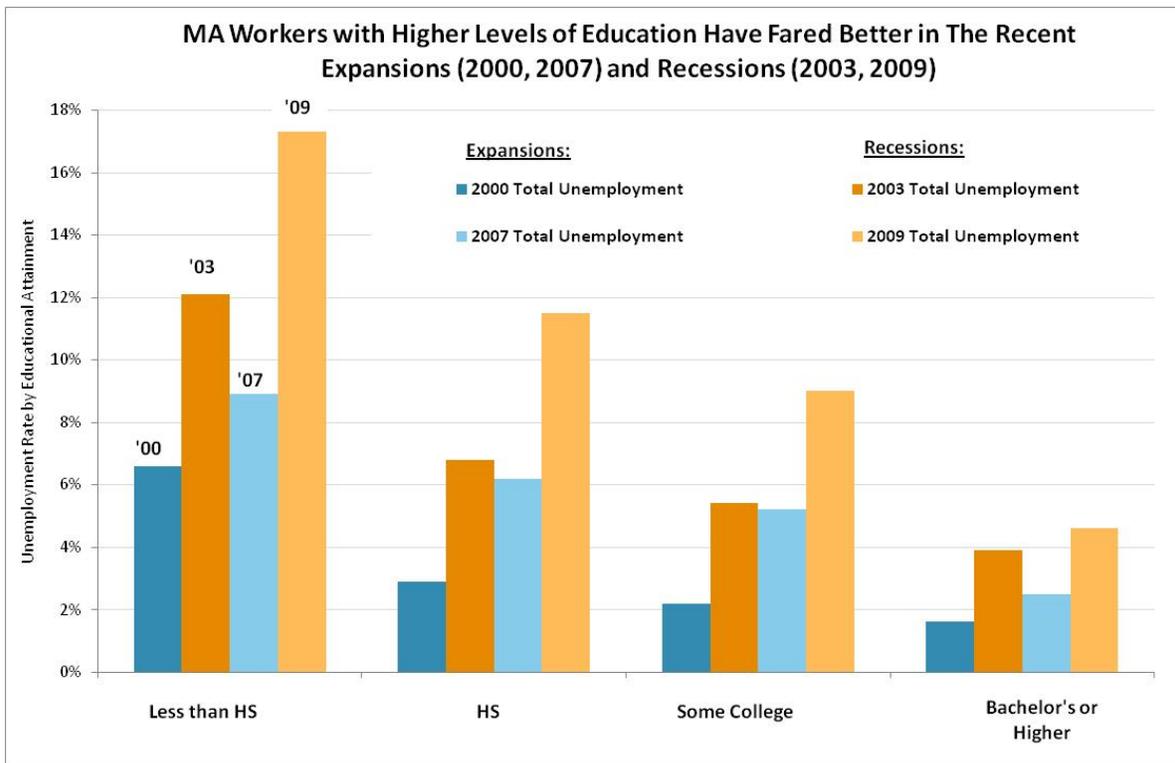
The result of this growth is that the median weekly wage for a full-time worker in Massachusetts is now among the highest in the country. It is important to note, however, that wage growth at the national level has slowed markedly during the current downturn.⁹ If, as many expect, unemployment remains elevated over the coming years, it is unlikely that downward pressure on wage growth will ease anytime soon.¹⁰

⁹ Economic Policy Institute, Briefing Paper #277, *Recession Hits Workers' Paychecks*, August 31, 2010, available at <http://www.epi.org/publications/entry/bp277/>

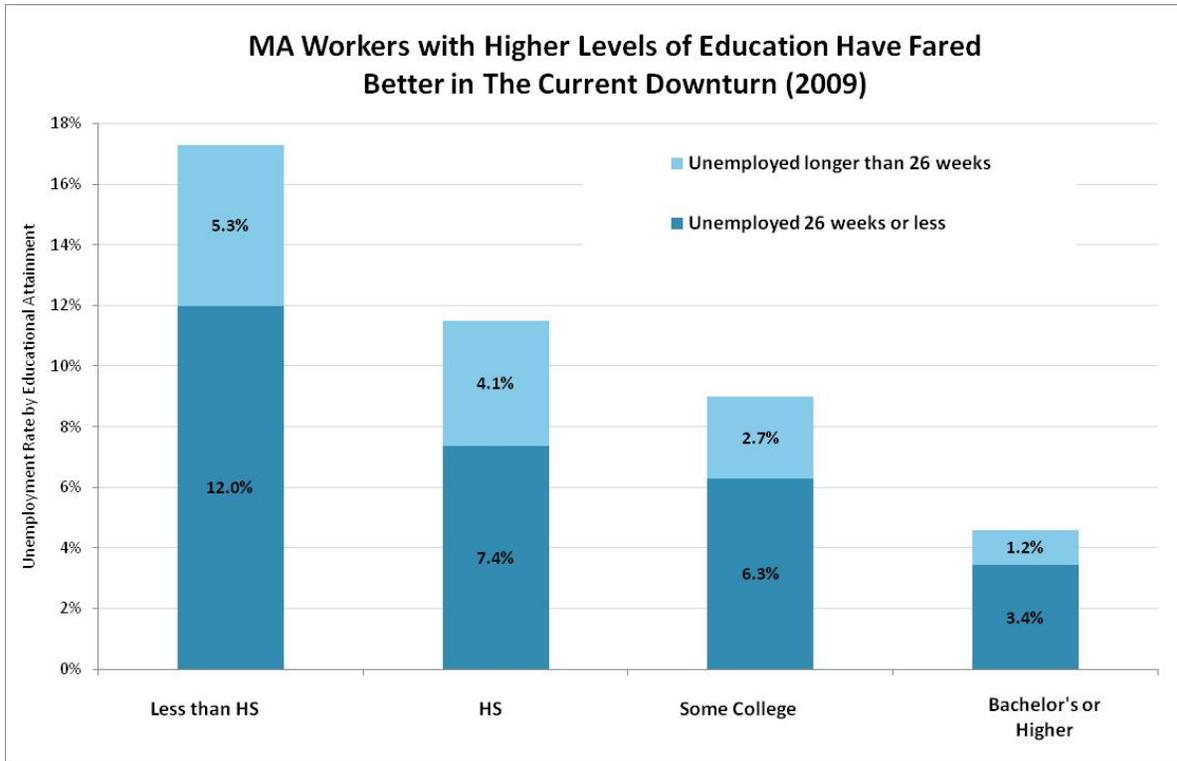
¹⁰ Ibid.



As has been the case in good times and bad, economic conditions are most difficult for those with the least education.



In Massachusetts, for those with *less than* a high school degree, the unemployment rate now stands at 17.3 percent. It stands at 11.5 percent for those with only a high school degree. By contrast, for those with at least a bachelor’s degree, the unemployment rate is now at 4.6 percent.



Fortunately, a larger share of the labor force has a bachelor’s degree in Massachusetts than in any other state. Our state’s strength in producing and attracting well educated workers may help to explain our above average job and wage performance during these difficult economic times.

A Higher Percentage of The Massachusetts Labor Force Has A Bachelor's Degree (or Higher) Than in Any Other State

