

Workforce Alliance Data Quarterly

Regional Economic Update

January 2012



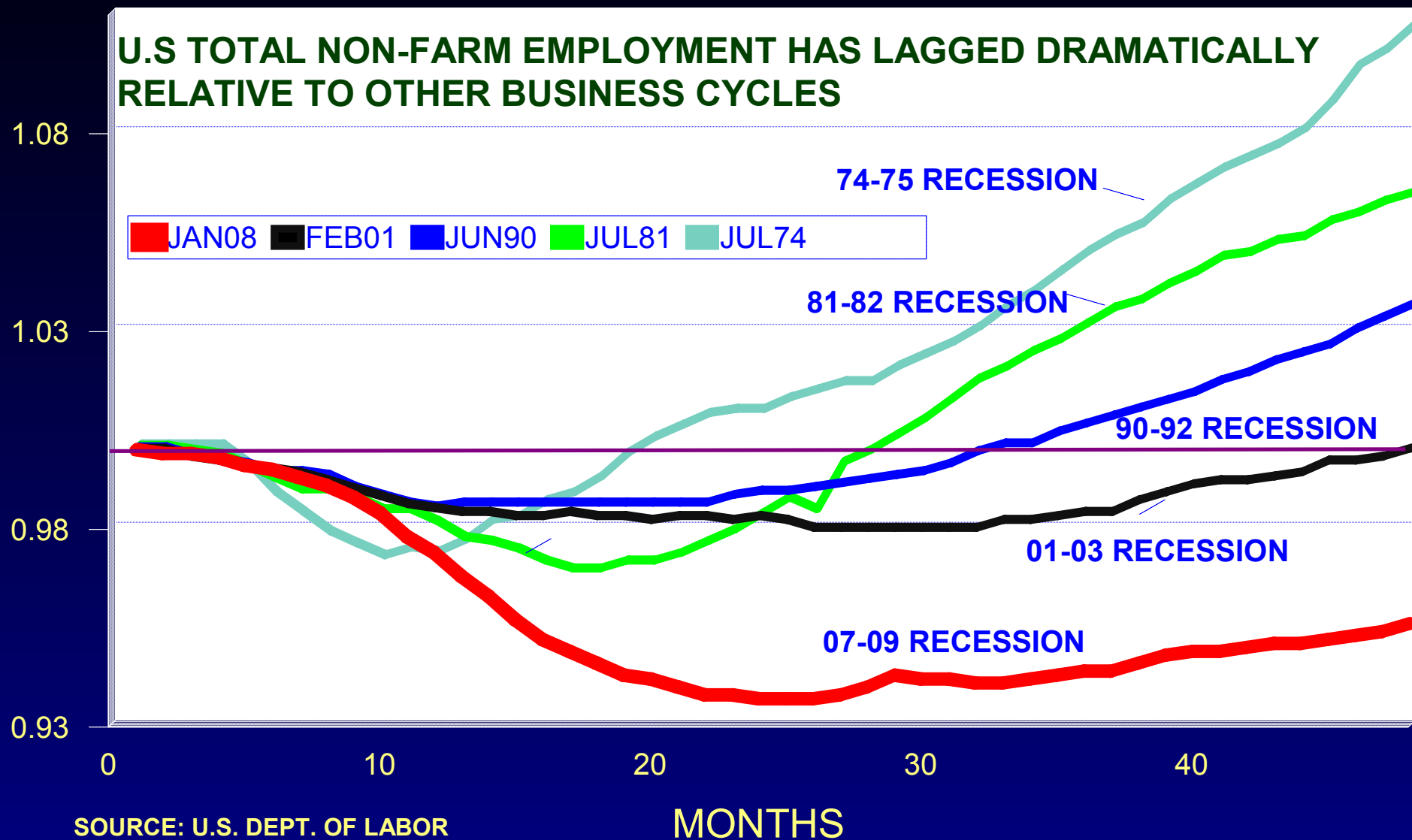
*Research by
Don Klepper-Smith
DataCore Partners, LLC*

**Workforce
Alliance**

JOB DETERIORATION IN LAST FIVE U.S. RECESSIONS AFTER 48 MONTHS

1.000 REPRESENTS EMPLOYMENT PEAK

U.S. TOTAL NON-FARM EMPLOYMENT HAS LAGGED DRAMATICALLY RELATIVE TO OTHER BUSINESS CYCLES



APPLICATION OF THE NATIONAL “EFFECTIVE UNEMPLOYMENT” CALCULATION TO THE SOUTH CENTRAL WORKFORCE INVESTMENT AREA (WIA)

- **DATA AT THE NATIONAL LEVEL SHOWS THAT FOR EVERY WORKER WHO IS “OFFICIALLY UNEMPLOYED”, THERE ARE ANOTHER .84 WORKERS WHO ARE NOT FULLY ACCOUNTED IN THE OFFICIAL UNEMPLOYMENT RATE CALCULATION.**
- **THESE ARE WORKERS WHO ARE MARGINALLY ATTACHE TO THE WORKFORCE, DISCOURAGED WORKERS WHO HAVE GIVEN UP LOOKING FOR WORK, AND THOSE WHO HAVE BEEN FORCED INTO PART-TIME WORK FROM A FULL-TIME POSITION FOR ECONOMIC REASONS. TECHNICALLY, THESE WORKERS ARE NOT PART OF THE LABOR FORCE.**
- **THIS SO CALLED "EFFECTIVE UNEMPLOYMENT RATE" CALCULATION ACCOUNTS FOR THESE THREE GROUPS WHO ARE NOT COUNTED IN THE OFFICIAL UNEMPLOYMENT RATE.**

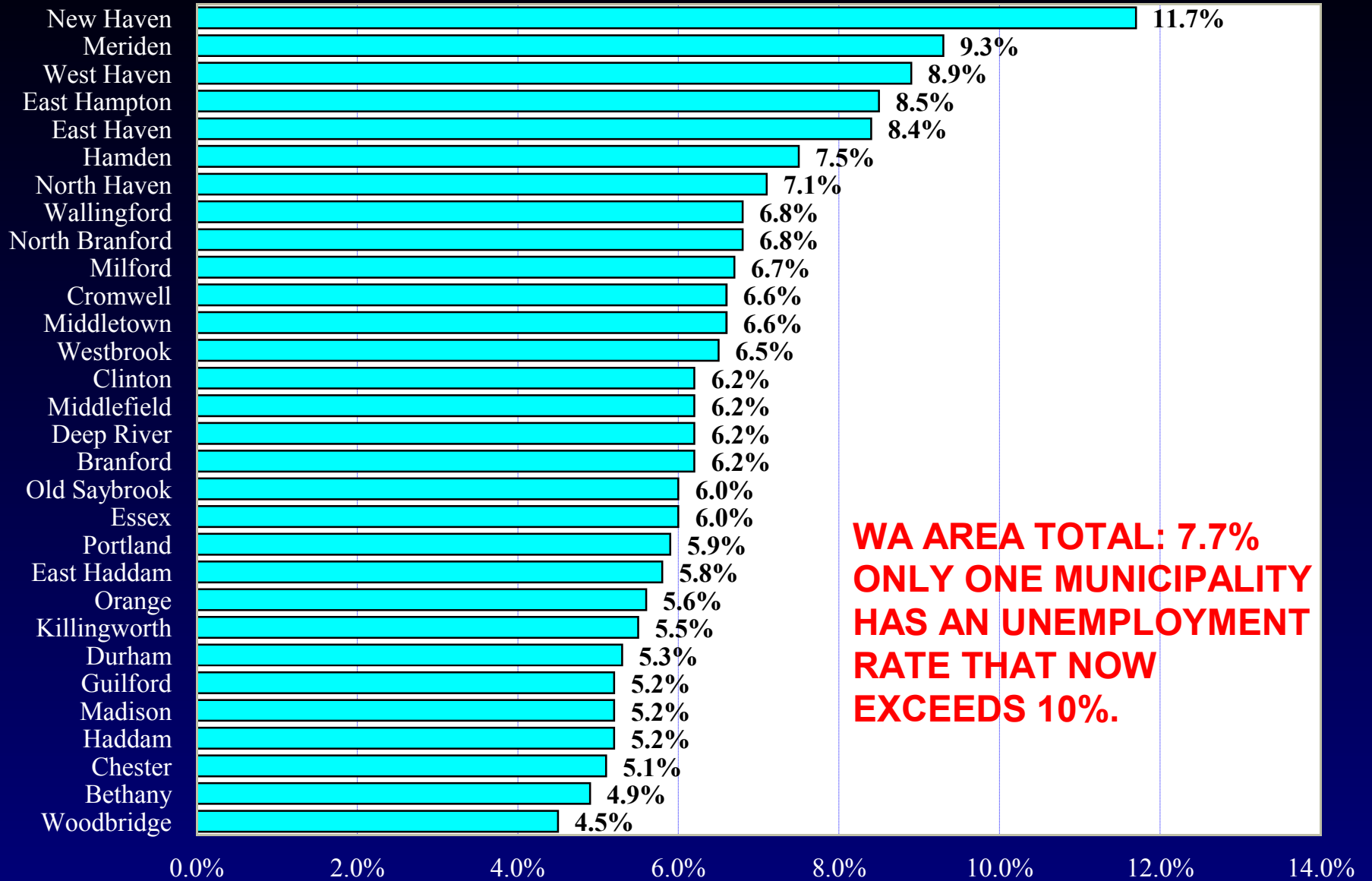
APPLICATION OF THE NATIONAL “EFFECTIVE UNEMPLOYMENT” CALCULATION TO THE SOUTH CENTRAL WORKFORCE INVESTMENT AREA (WIA)

- IN NOVEMBER 2011, THE SOUTH CENTRAL WORKFORCE INVESTMENT AREA HAD AN OFFICIAL UNEMPLOYMENT RATE OF **7.9%** - A TOTAL OF 31,742 UNEMPLOYED WORKERS OUT OF A LABOR FORCE OF 399,307.
- USING THE NATIONAL RATIO OF **.84**, WE CAN CALCULATE A HYPOTHETICAL “EFFECTIVE UNEMPLOYMENT RATE” FOR THE SOUTH CENTRAL AREA.
- THE DATA SHOWS THERE ARE CONCEIVABLY ANOTHER 26,500 WORKERS IN THE IN THE SOUTH CENTRAL AREA WHO ARE DISCOURAGED, MARGINALLY ATTACHED, OR WHO HAVE BEEN FORCED INTO PART-TIME WORK FROM FULL-TIME FOR ECONOMIC REASONS.
- THEREFORE, THE HYPOTHETICAL “EFFECTIVE UNEMPLOYMENT RATE” FOR THE SOUTH CENTRAL AREA IS NOW **14.4%**

THE HYPOTHETICAL “EFFECTIVE UNEMPLOYMENT” CALCULATION WITHIN THE SOUTH CENTRAL WORKFORCE INVESTMENT AREA (WIA)

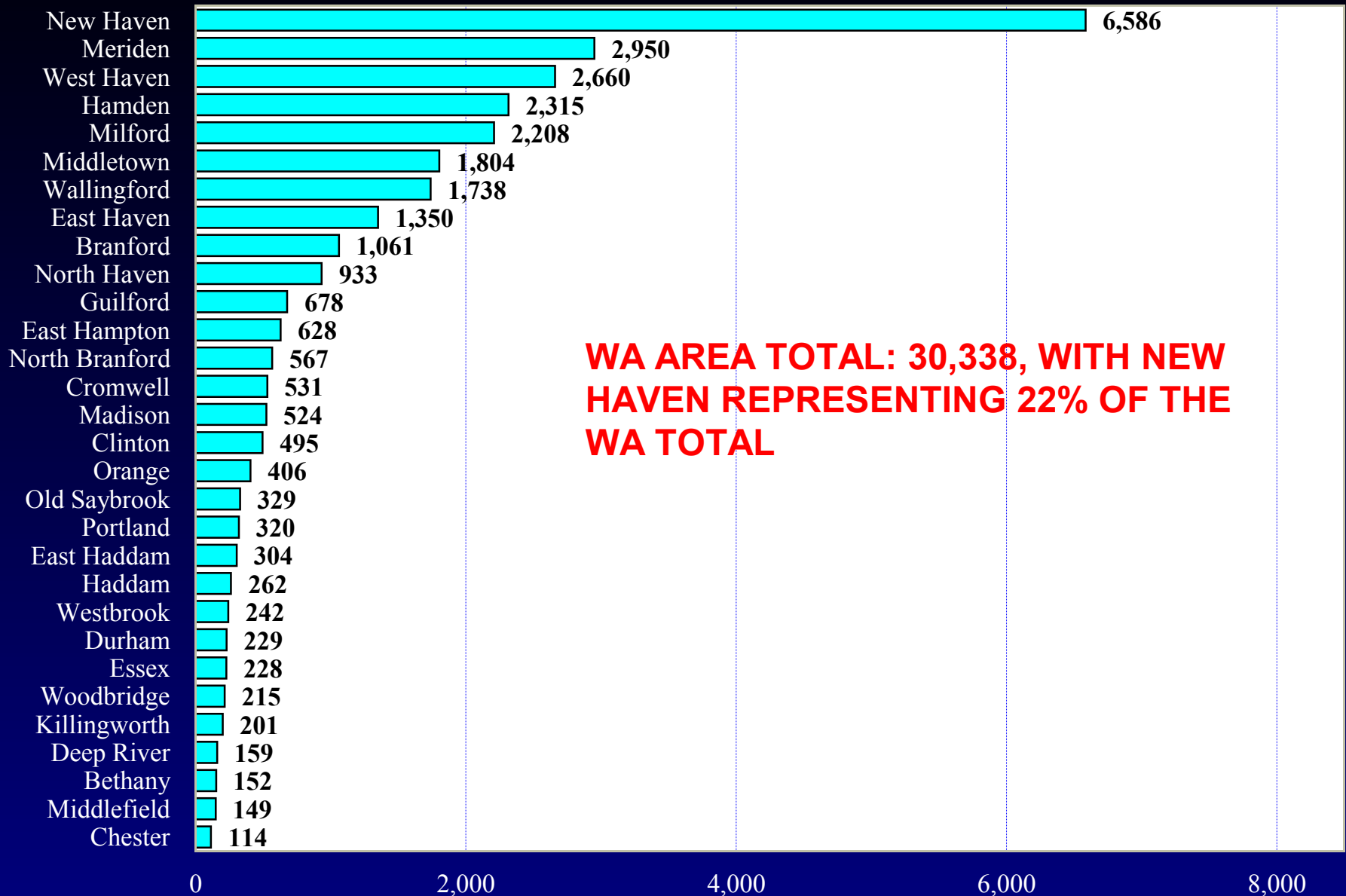
- OFFICIAL NUMBER OF UNEMPLOYED WORKERS: 31,742
- OTHERS MARGINALLY ATTACHED, DISCOURAGED,
OR FORCED INTO PART-TIME WHO WANT FULL-TIME: 26,500
- ***TOTAL EFFECTIVE NUMBER OF UNEMPLOYED WORKERS
WITHIN THE SOUTH CENTRAL WIA USING THE
GOVERNMENT'S U-6 METRICS*** 58,000

SOUTH CENTRAL WIA OFFICIAL UNEMPLOYMENT % RANKED ORDERED BY MUNICIPALITY, DEC 2011



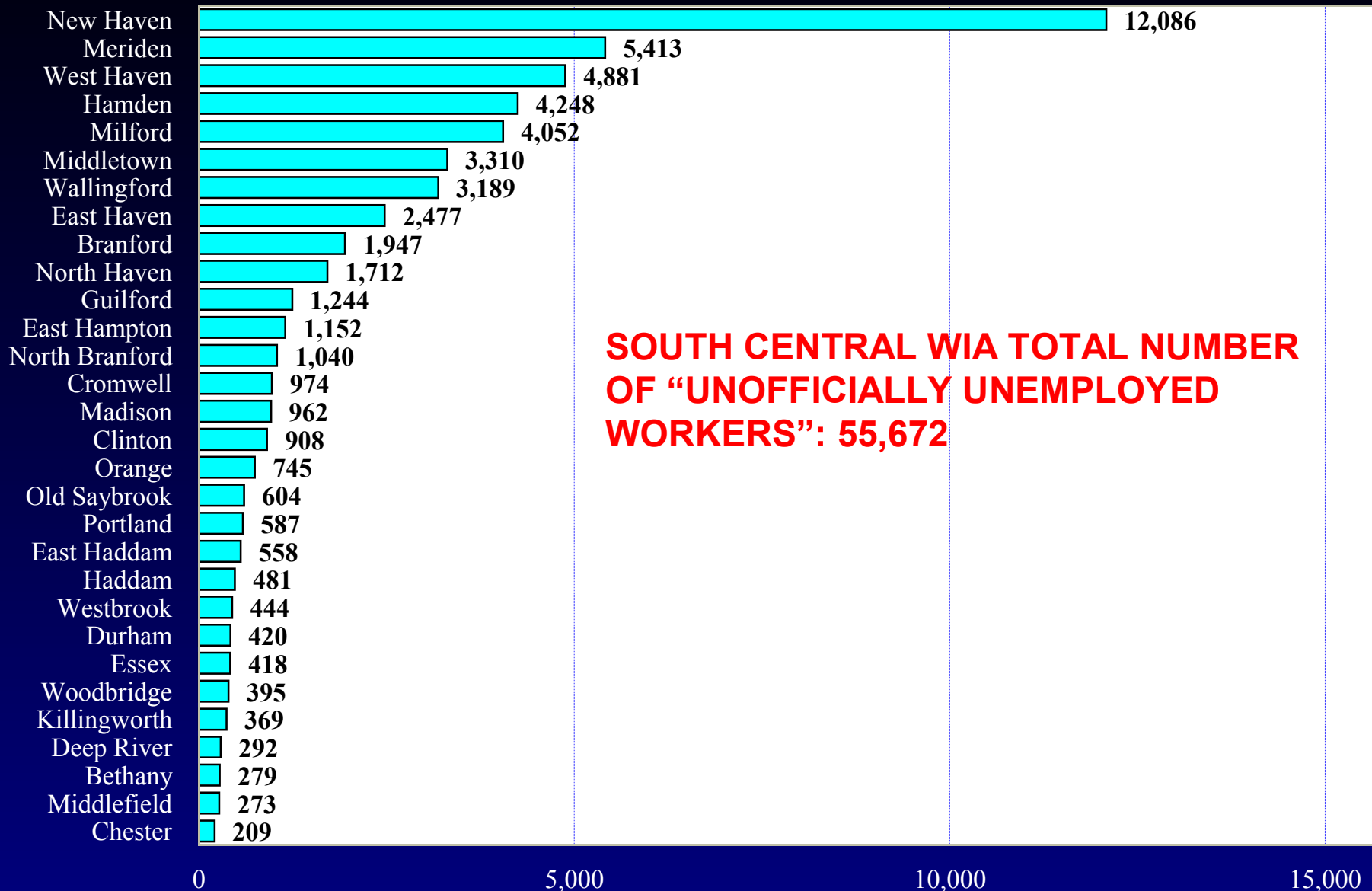
Sources: CT LABOR DEPT

OF UNEMPLOYED WORKERS SOUTH CENTRAL WIA - DEC 2011



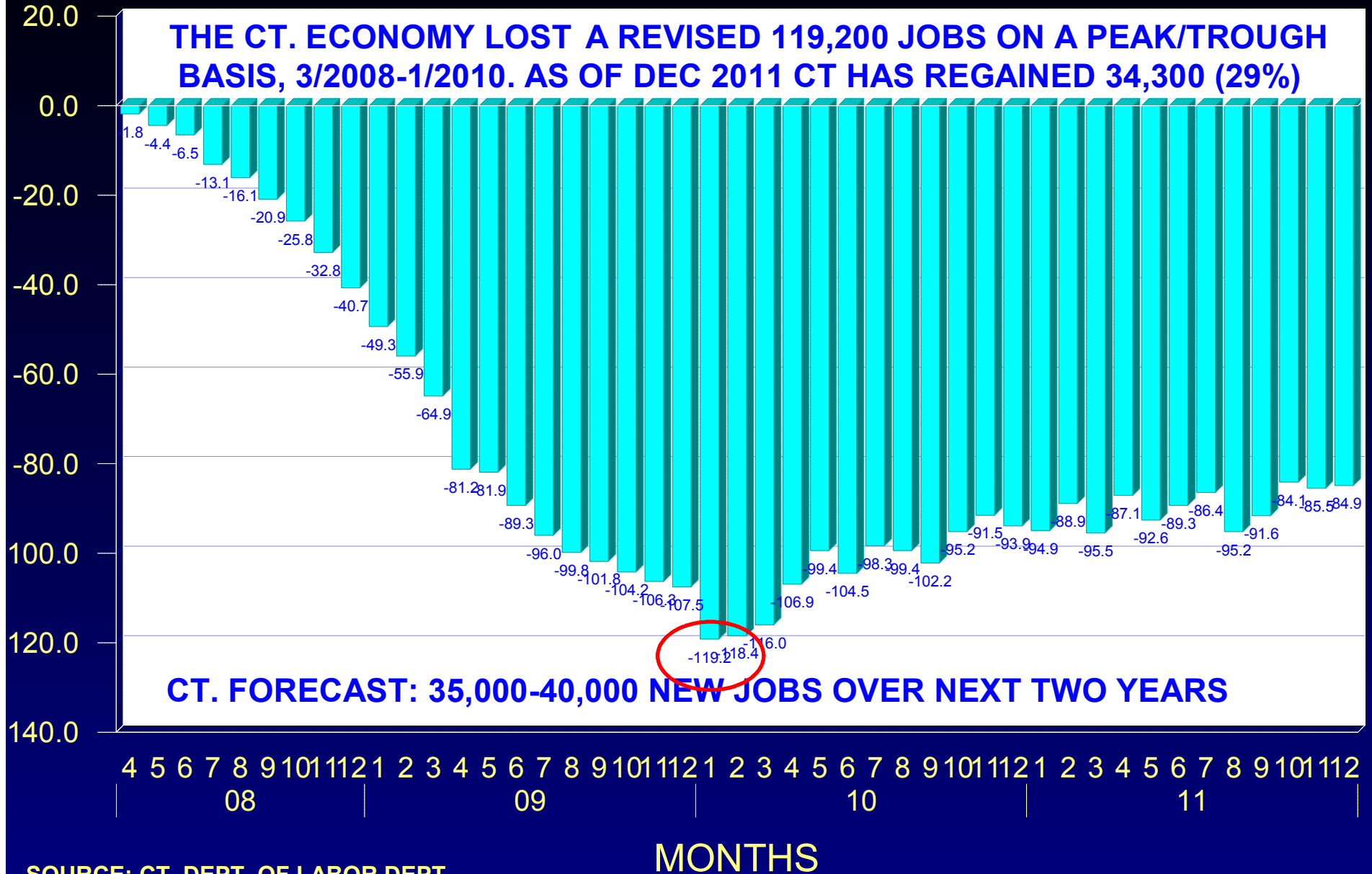
Sources: CT LABOR DEPT, NSA DATA

OF "UNOFFICIALLY" UNEMPLOYED WORKERS SOUTH CENTRAL WIA - DEC 2011

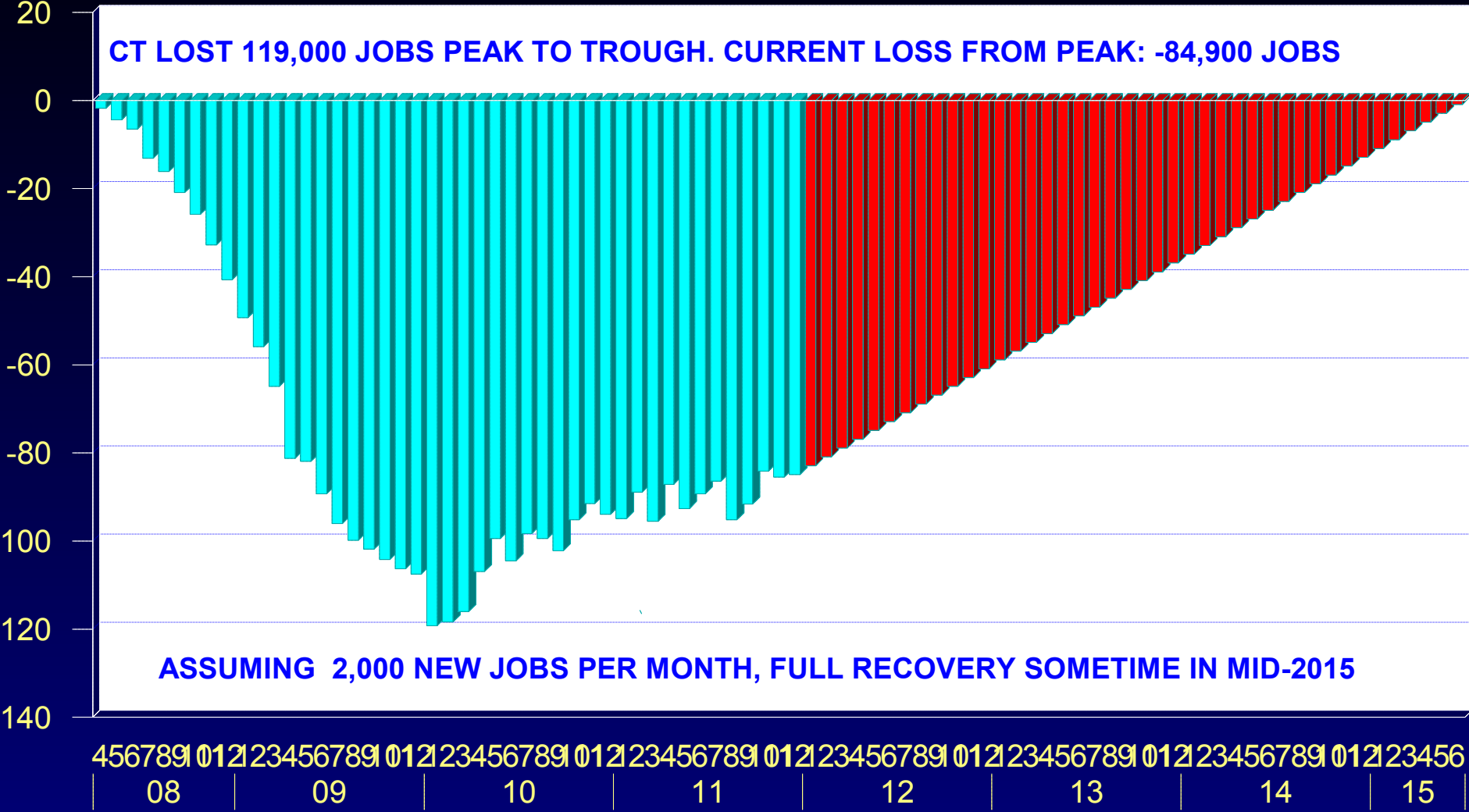


Sources: DATACORE PARTNERS LLC, USES DATACORE CALCULATIONS ON U.S. U-6 RATIOS

CUMULATIVE CT. JOB LOSSES FROM March 2008 PEAK LEVELS TO PRESENT (000)



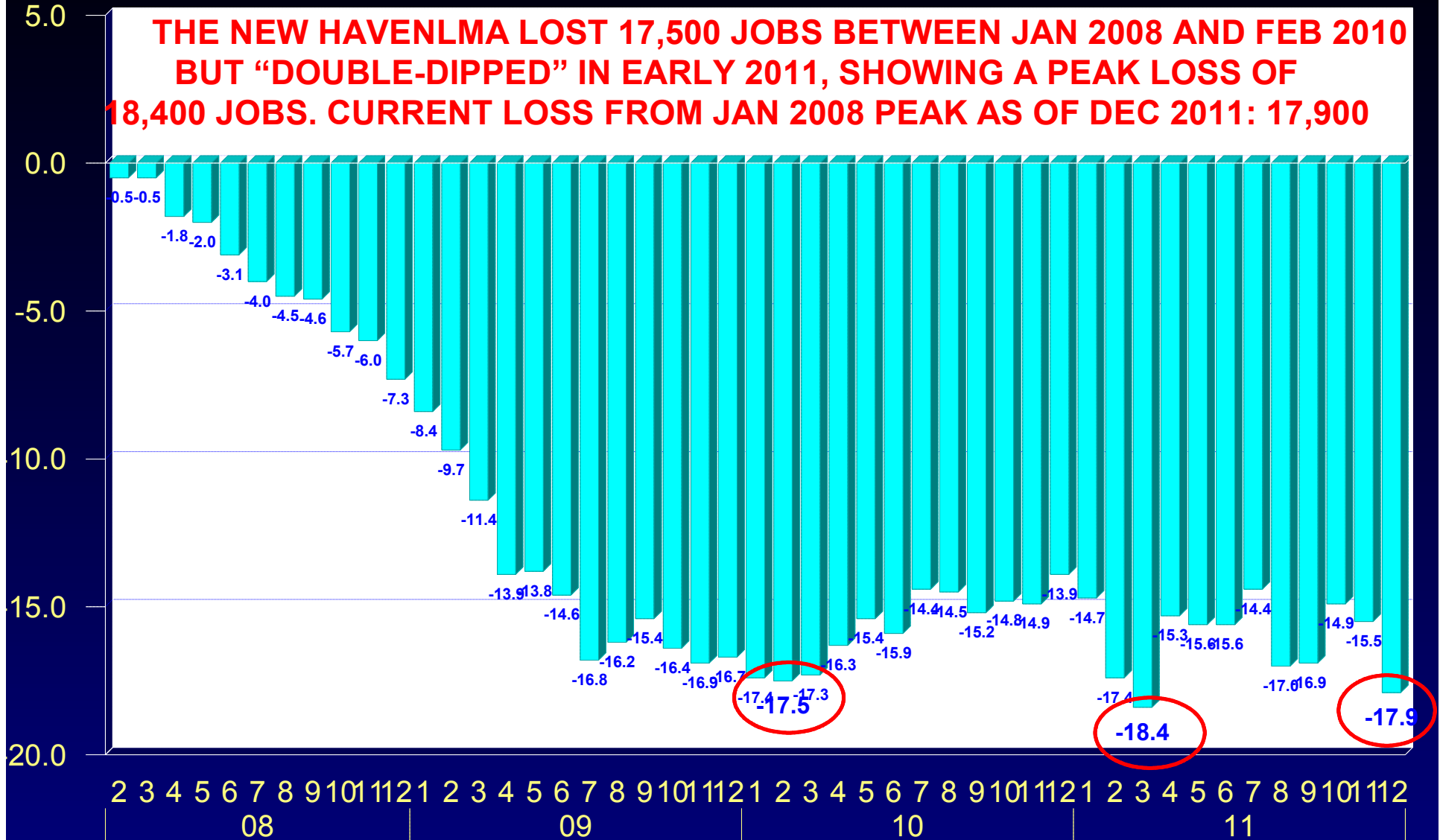
“CT. JOB RECOVERY”: FULL EMPLOYMENT RECOVERY IN CT. OCCURS IN MID-2015 ASSUMING 2,000 NEW JOBS EACH MONTH



MONTHS

SOURCE: DATACORE PARTNERS LL, CT. DEPT. OF LABOR DEPT.

CUMULATIVE NEW HAVEN LMA JOB LOSSES FROM Jan 2008 PEAK LEVELS TO PRESENT (000)



SOURCE: CT. DEPT. OF LABOR DEPT.

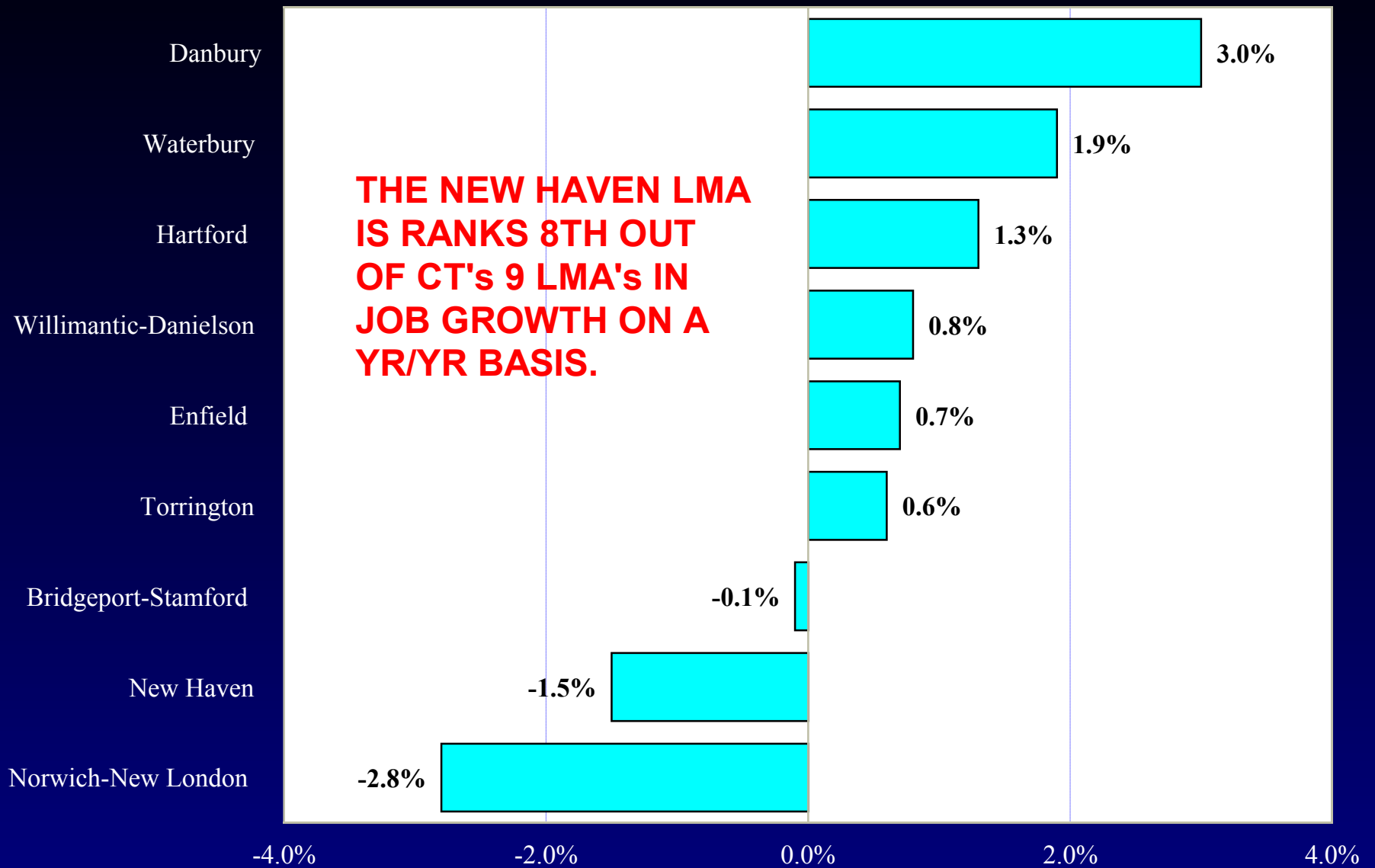
MONTHS

JOB EROSION VS. JOB RECOVERY: U.S. VS. CONNECTICUT (DEC 2011)

	<u>US</u>	<u>CT</u>	<u>NH LMA</u>
JOB PEAK (000)	137,996	1,712.7	280.3
JOB TROUGH (000)	129,246	1,593.5	261.9
ABSOLUTE LOSS (000)	8,750	119.2	18.4
% LOSS: EROSION RATE	<u>6.3%</u>	<u>7.0%</u>	<u>6.6%</u>
CURRENT JOBS (000)	131,900	1,627.8	262.4
JOB GAIN FROM LOW (000)	2,654	34.3	0.5
% GAIN: RECOVERY RATE *	<u>30.3%</u>	<u>28.8%</u>	<u>2.7%</u>

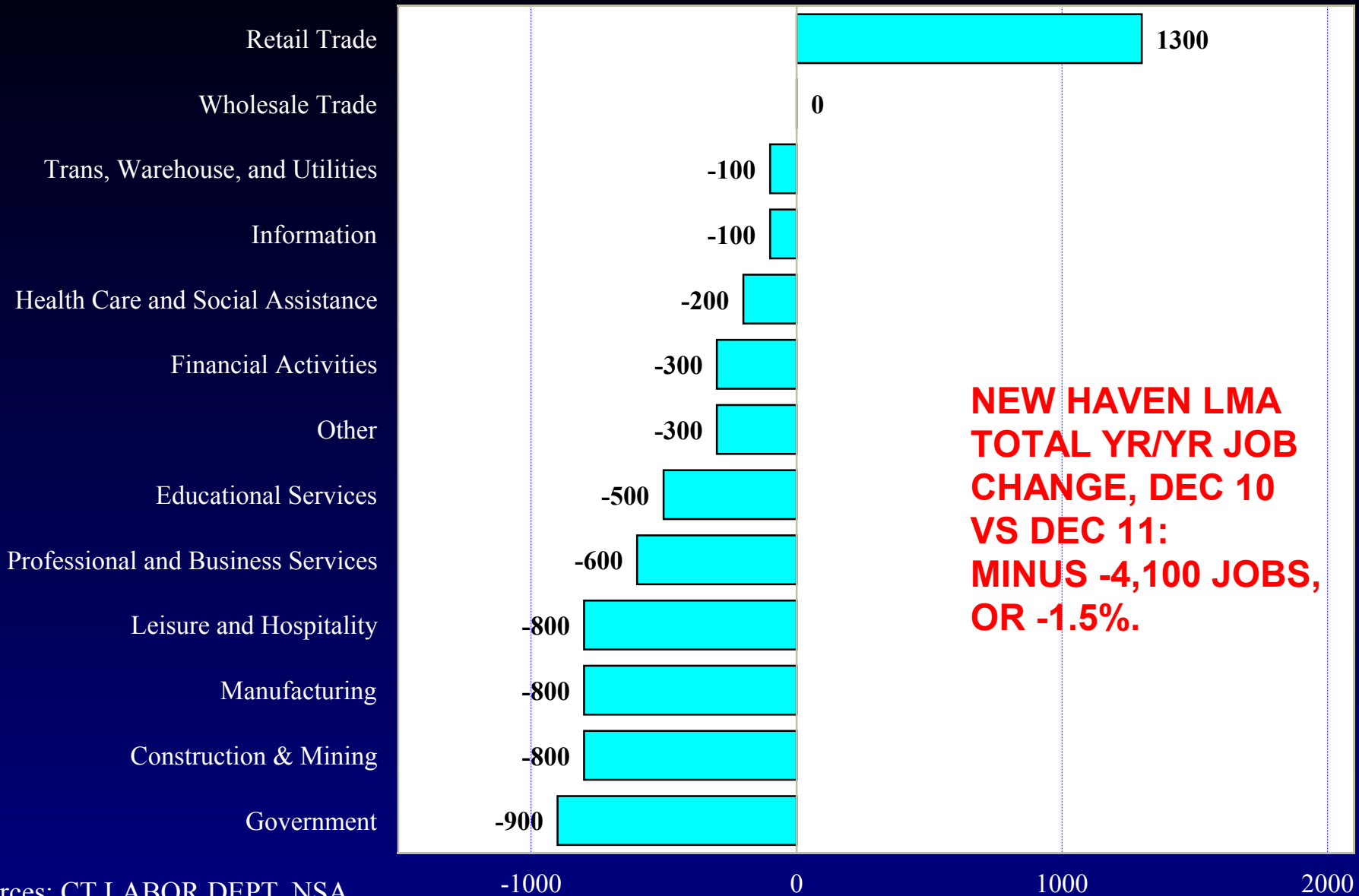
SOURCE: BLS, DATACORE PARTNERS LLC,

CT LABOR MARKET AREA JOB PERFORMANCE RANK ORDERED JOB CHANGE - DEC 10 to DEC 11



Sources: CT LABOR DEPT

NEW HAVEN LABOR MARKET AREA RANK ORDERED JOB CHANGE, DEC 10- DEC 11, NSA



Sources: CT LABOR DEPT, NSA

LABOR MARKET SUMMARY STATISTICS SOUTH CENTRAL WIA VS. CT AND U.S.

	<u>JAN 08</u>	<u>JAN 09</u>	<u>FEB 11</u>	<u>DEC 11</u>
WA AREA-LABOR FORCE	391,663	396,395	398,348	395,039
WA AREA- # EMPLOYED	370,898	366,147	360,002	364,701
WA AREA-# UNEMPLOYED	20,765	30,248	38,346	30,338
NOTE: COMPARING DIFFERENT MONTHS WITH ACCURACY REQUIRES SEASONALLY ADJUSTED DATA, WHICH IS NOT AVAILABLE.				
WA AREA- UNEMPLOYMENT %	5.3%	7.6%	9.6%	7.7%
CT- UNEMPLOYMENT %	5.4%	7.3%	9.6%	7.6%
U.S.-UNEMPLOYMENT %	5.4%	7.6%	9.5%	8.3%

SOURCE: DATACORE PARTNERS LLC, BLS
NOTE: NON-SEASONALLY ADJUSTED DATA (NSA)