REPORT PURSUANT TO CGS 10-95H

CONNECTICUT DEPARTMENT OF LABOR REPORT ON ECONOMIC TRENDS

Submitted by
Commissioner Danté Bartolomeo
Connecticut Department of Labor

To the Joint Standing Committees on
Education, Higher Education and Employment Advancement, and Labor

NOVEMBER 2022

LEGISLATIVE CHARGE

CGS 10-95H REQUIRES THE LABOR COMMISSIONER TO REPORT

(A) Information identifying general economic trends in the state;

(B) occupational information regarding the public and private sectors, such as continuous data on occupational movements; and

(C) information identifying emerging regional, state and national workforce needs over the next ten years.

Long Term Projections: 2020-2030

Connecticut's employment is projected to increase by more than 201,000 jobs over the ten-year period ending in 2030. Every two years, the U.S. Bureau of Labor Statistics produces 10-year projections of the U.S. labor force and employment by industry and occupation. This process is replicated at the state level to produce a detailed overview of the expected direction of the labor market in Connecticut.

Effects of COVID-19 on the 2020-30 Projections

The COVID-19 pandemic triggered a steep and short U.S. recession from February to April 2020. The impact of this translates to lower base-year values than earlier rounds of long-term projections. This results in higher projected employment growth, particularly in the industries and occupations that had the largest COVID-19 declines. These projections assume a full-employment economy, and many industries heavily impacted by COVID-19 are projected to have higher growth than would occur if the base year was not so low due to the recession.

In addition, some industries and occupations have seen a change in long-term demand as a result of the pandemic. Industries that are expected to see long-term increased growth include computer-related occupations such as those that relate to telework computing infrastructure and IT security. On the other hand, Retail Trade is expected to experience an amplification of its long-term declines due to changes in consumer behavior that will outlast the pandemic.

U.S. Labor Force Overview

From 2020 to 2030, the BLS projects that the U.S. Labor Force will increase by 8.9 million workers (a 0.5% annualized growth rate). This projected growth is slower than growth experienced in recent years. This is partially due to the aging population and slowing population growth among demographic groups that previously drove labor force growth. As the workforce ages, labor force participation declines as people are more likely to shift to retirement and leave the labor force. From 2020 to 2030, the under 25 workforce is expected to decline by 1.5 million to 18.7 million, while the age 25-54 workforce is expected to grow by 5.7million to 108.4 million, and the over 55 workforce is expected to grow by 4.7 million to 42.6 million.

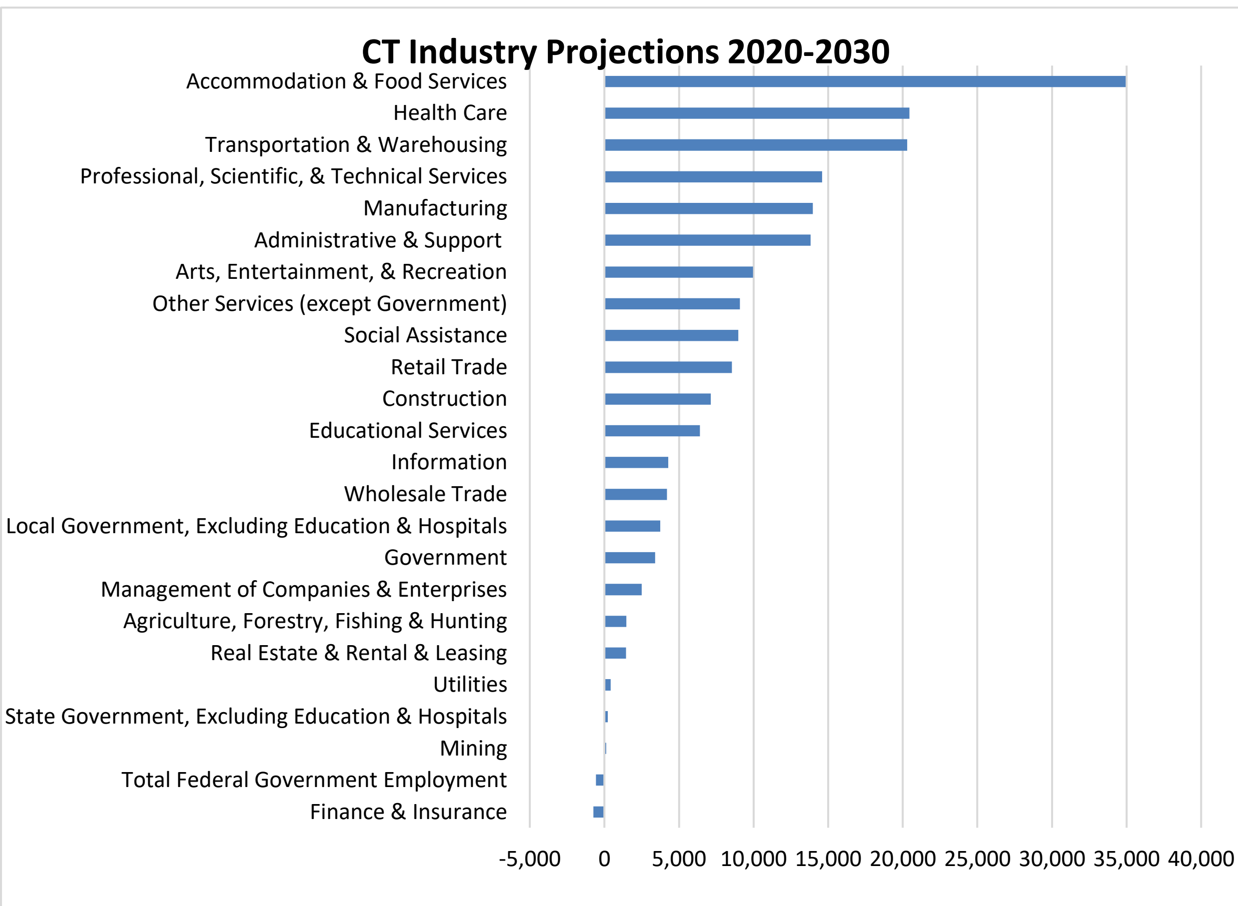
Connecticut Long Term Projections

Connecticut's total employment is projected to grow by 201,501 jobs, an increase of 12.0% from 2020 to 2030. This increase encompasses private payroll gains of 181,873 (+12.2%), slower government growth of 3,401 (+4.2%), and self-employment growth of 16,227 (15.0%).

CT Industry Projections

The year 2020 saw unprecedented short-term declines in almost every sector of the economy at the state and national level. The short-term drops during the 2020 base year in areas such as Accommodation & Food Services, Retail Trade, and Health Care contribute to the high projected growth in some of those industries through 2030.

Accommodation & Food Services is projected to have the largest ten-year increase, up almost 35,000 jobs or +33.4%. This large growth rate reflects the impact of COVID-19 on that industry during the 2020 base year, from 2019 to 2020, this industry was down 24%. This long-term projection reflects an expectation that the short-term impacts of the pandemic are not influencing 2030 employment levels.



Health Care is expected to add 20,455 jobs or +9.5% over 2020 levels. This sector has consistently added jobs over the long term, though it was not immune to the 2020 employment declines experienced by most sectors of the economy. This 2020-2030 growth of around 20,000 jobs is consistent with projections during prior rounds indicating that this current projection is in line with longer-term trends and growth expectations for this sector. Among the three major component industries of Heath Care, most of the 20,455 increase is in Ambulatory Health Care Services (NAICS 621), with an expected employment increase of 15,898 through 2030. This industry comprised 42% of base-year Health Care employment and 78% of its 10-year projected growth. The two other Health Care component industries, Hospitals (NAICS 622) and Nursing & Residential Care Facilities (NAICS 623) are both projected to have employment increases below 3,000. Slower Hospital growth reflects trends toward industry consolidation in recent years as well as technological improvements that have allowed more care to be delivered on an outpatient basis. The Residential Care growth reflects an expectation that demand for that industry will continue to decline in part due to the impact of COVID-19 and people's desire to remain in their homes as they age.

Transportation & Warehousing is projected to have the third highest employment increase through 2030. In 2010, this industry began growing in Connecticut and has seen accelerating growth in the subsequent decade. From 2019 to 2021, the industry saw annual growth of 5.7%, 6.9%, and 9.1%. Connecticut's growth has outpaced the nation during the past four years. The 2020-30 projections anticipate that Transportation & Warehousing will increase by 20,306 jobs, or a 35% increase. This growth is driven by the increasing popularity of online shopping and the growth of warehouse distribution centers in the state. Among the component industries of Transportation & Warehousing, 49% of the projected growth is in Warehousing & Storage (NAICS 493), 31% is in Air, Water, Truck, or Ground Transportation (NAICS 481-488), and 18% is in the Courier & Messenger component industry (NAICS 492). During the ten years before the projection base year, the Transportation & Warehousing sector increased by over 16,000 jobs and was up 43%.

Additional large-employing industries in the state include Educational Services, Retail Trade, and Manufacturing. These three industries are the largest employers after Health Care.

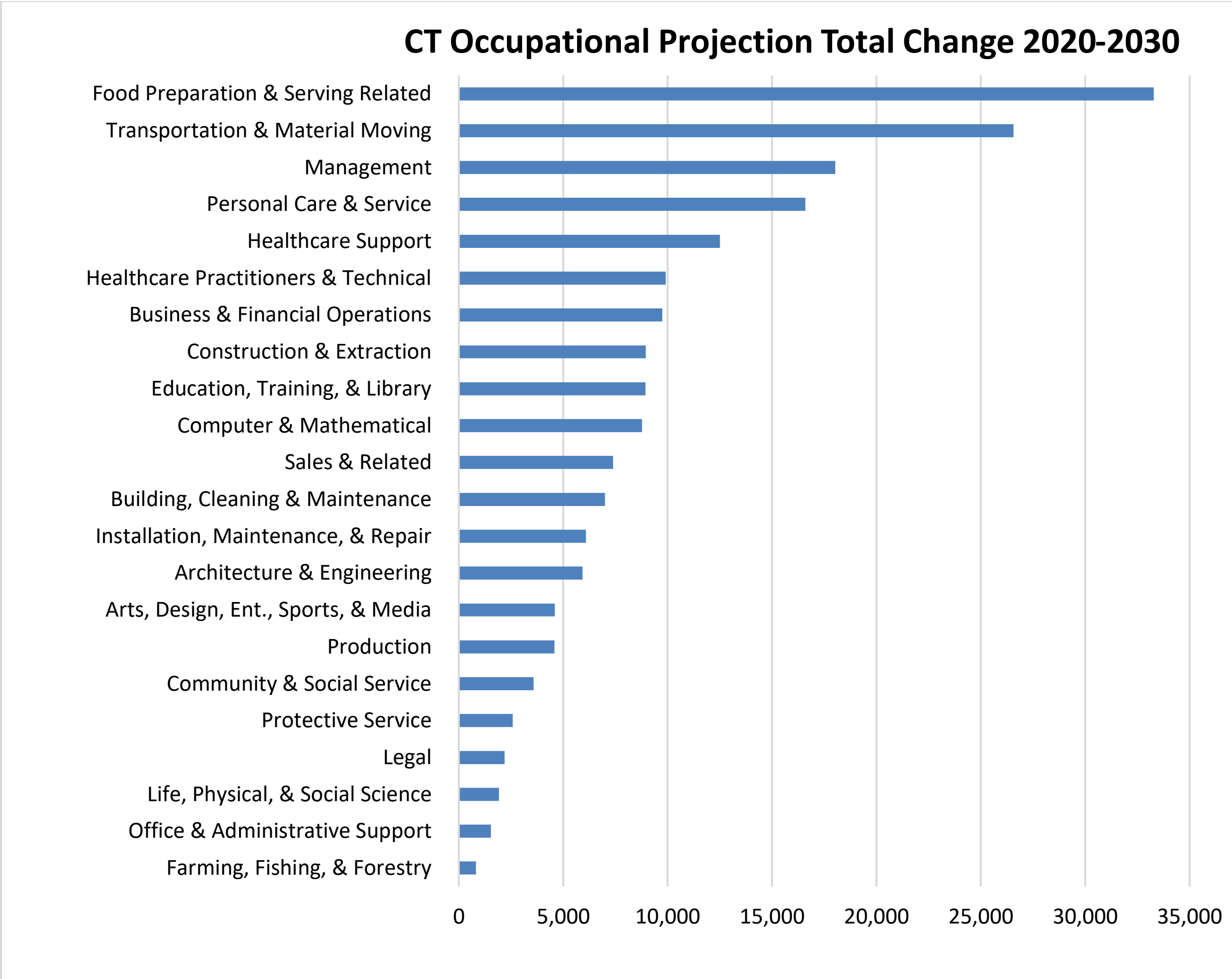
Educational Services employs over 175,000 workers in the state and is expected to grow by 3.6% through 2030. Colleges, Universities, & Professional Schools (NAICS 6113) is projected to account for 56% of overall Educational Services growth, Other Schools & Institutions (NAICS 6116) accounts for 22.8%, with the remainder of growth distributed among the other education industries such as Elementary & Secondary Schools (NAICS 6111) and Technical & Trade Schools (NAICS 6115).

Retail Trade is expected to increase by 8,542 workers or 5.3% through 2030, which contrasts to the U.S. projections of a 4.0% decline. Retail Trade had proportionally larger declines in Connecticut than in the U.S. (-8.6% vs. -5.4%) during 2020. Even after the projected growth, 2030 Retail Trade employment in the state is still below 2019 levels, which aligns with longer-term industry trends.

Manufacturing represents a larger share of the overall economy in Connecticut than adjacent states or the U.S. overall. In 2020 that industry was 9.1% of overall state employment, with 30% of that falling within Transportation Equipment Manufacturing (NAICS 336). That industry is expected to account for 7,393 or 53% of the projected total Manufacturing growth of 13,981 or 9.1% through 2030. During this period, U.S. manufacturing growth is projected to be 1.2% and Transportation Equipment Manufacturing growth is projected to be up 3.3%.

Connecticut Long Term Occupational Projections

Every occupational group is expected to add jobs through 2030. The largest occupational group increases are expected in occupations that relate to the largest projected growth industries, with the three largest being Food Preparation & Serving Related, Transportation & Material Moving, and Management Occupations. Food Prep. & Serving Related growth reflects the impact of COVID-19 on 2020 base year employment. Transportation & Material Moving growth relates to the increased popularity of online shopping which grew steadily from 2010-2020 decade and is projected to continue to grow through 2030.

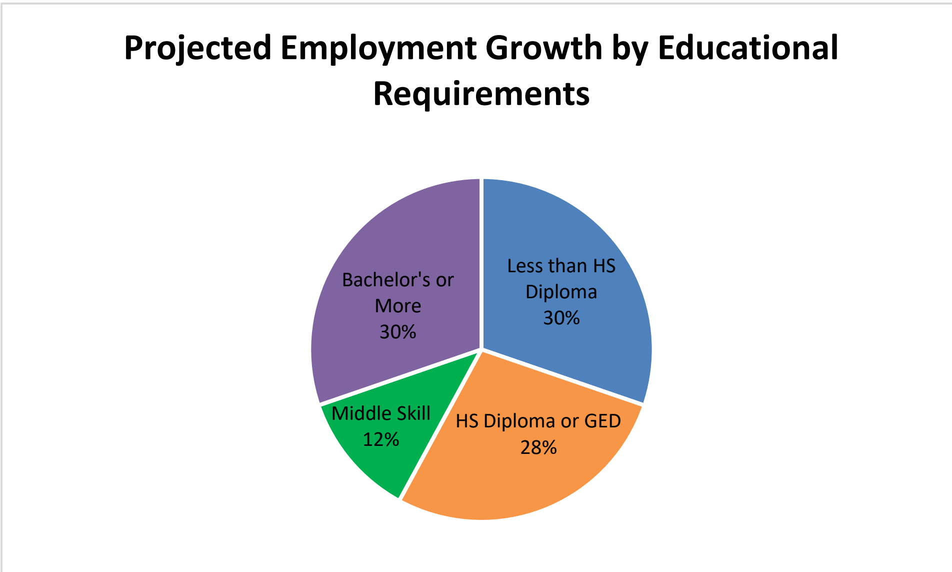


Management, the third largest-growing group relates to a wide array of specific occupations projected to add jobs across many sectors of the economy. Almost every specific management occupation on average requires a bachelor's degree or more although some jobs within those occupations may require less education. Management occupations are expected to increase by 18,034 or +14.3% through 2030. The four largest growing management occupations are General & Operation Managers (+4,300 or +14.4%), Financial Managers (+3,149 or +17.5%), Medical & Health Service Managers (+2,068 or +29.3%), and Computer & Information Systems Managers (+1,085 or +11.1%). These four occupations account for more than half the projected overall Management Occupations growth.

Education and Growth

Research by the Bureau of Labor Statistics assigns an educational category to each occupation. As the following chart shows, 30% of projected growth from 2020-30 period are in occupations that in general require less than a high school diploma. This is heavily impacted by the employment losses during the

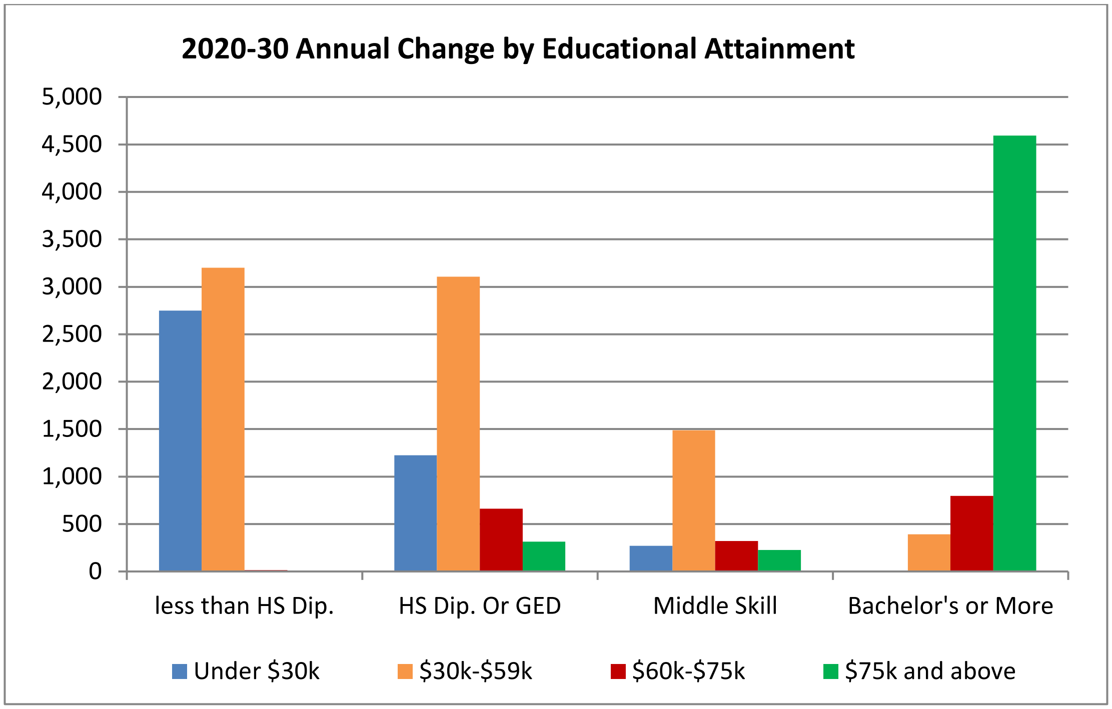
2020 base year, which disproportionately impacted industries and occupations that have lower educational attainment requirements. As a result, the projections account for a cyclical employment rebound to longer-term trends for these areas of the economy.



Among the four educational categories shown in the chart, the High School Diploma or GED, accounts for 28% of 2020-30 employment growth, but 36.3% of 2020 base-year employment. The Middle Skill category includes occupations that require more than a High School Diploma but less than a bachelor's degree. Overall employment from 2020-30 decade is projected to grow by 201,501, Bachelor's or More occupations by 60,969, Middle Skill by 23,792, High School Diploma or GED by 55,755, and Less than High School Diploma by 60,985. Note, an occupation is a broad category. Specific jobs within an occupation may require more or less education than is typical for the occupation as a whole.

Job Growth, Wages, and Education

More than 35% of the job growth is projected to be in occupations where the current median wage is $60,000 per year or more, and 78% of that growth is in occupations where the minimum education necessary to enter the occupation is a bachelor's degree or more. At the other end of the earnings spectrum, 26% of job growth will be in occupations with median earnings less than $30,000 per year with 94% of these jobs in occupations where the minimum education requirement is a High School Diploma or less.



Long Term Conclusions

The 2020-2030 projections highlight the impact of COVID-19 on the 2020 base year. Industries such as Accommodation & Food Service, Retail Trade, and Health Care had unprecedented short-term employment losses in 2020, which means many heavily impacted industries and occupations are projected to show larger growth than would otherwise have occurred if the base year did not include the steep and short recession. High growth, high pay occupational growth in areas such as Management, Healthcare Practitioners, Business, and Computer & Mathematical occupations indicate that the state is expected to both recover the jobs lost in areas of the economy heavily impacted by COVID and build upon existing areas of strength.

Accuracy of the Projections – Data Limitations

The long-term projections were carefully prepared using all available information as of June 2022. The projections are based on the assumption of a full employment economy in 2030. Given the ups and downs of the business cycle, it is possible that the economy will not be at full employment at that time. While the projections take into account as much currently available economic and labor market data as we can evaluate, there will be changes over the next ten years which no one can anticipate. Our projections are for industries and occupations that currently exist. New industries and occupations that we cannot even imagine today may well become significant by 2030.

Short-Term Projections 2021-2023

Each year, the Office of Research at the Connecticut Department of Labor produces short-term employment projections by industry and occupation. The current round spans the second quarter of 2021 to the second quarter of 2023. This base quarter coincides with the start of the spring 2021 vaccine rollout and the easing of many COVID-mitigation restrictions. Through 2023Q2, we project overall employment in Connecticut to increase by 6.9% from 1,722,162 to 1,841,001, as is shown in the table below. Note that this topline figure includes projected self-employment and unpaid family workers (UFW). The Goods Producing sector is projected to grow by 7.9% through 2023Q2, with most of that growth occurring in Manufacturing, its largest component industry. The Service Providing sector is projected to grow by 6.6% over two years. This sector represents 86.5% of industry employment in the state. This projected growth suggests that the state will continue its current trend of monthly job growth and will approach pre-pandemic levels of industry employment by mid-2023.

Industry Projections

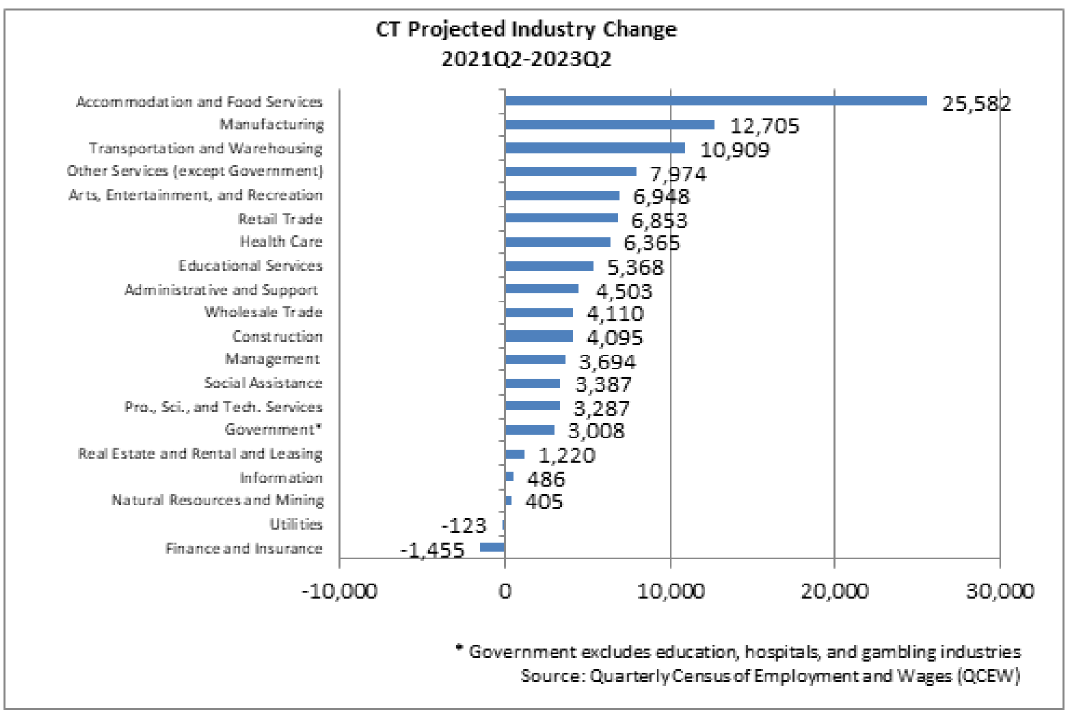
Industry	2021 Q2 Base	2023 Q2 Proj.	Emp Change	% Change
Total All Industries	1,722,162	1,841,001	118,839	6.9%
Self Employed and Unpaid Family Workers, All Jobs	110,677	120,195	9,518	8.6%
Goods Producing	218,045	235,250	17,205	7.9%
Natural Resources and Mining	5,643	6,048	405	7.2%
Construction	59,924	64,019	4,095	6.8%
Manufacturing	152,478	165,183	12,705	8.3%
Services Providing	1,393,440	1,485,556	92,116	6.6%
Wholesale Trade	56,882	60,992	4,110	7.2%
Retail Trade	166,112	172,965	6,853	4.1%
Transportation and Warehousing	59,703	70,612	10,909	18.3%
Utilities	5,005	4,882	-123	-2.5%
Information	29,583	30,069	486	1.6%
Finance and Insurance	99,567	98,112	-1,455	-1.5%
Real Estate and Rental and Leasing	18,397	19,617	1,220	6.6%
Professional, Scientific, and Technical Services	94,872	98,159	3,287	3.5%
Management of Companies and Enterprises	30,340	34,034	3,694	12.2%
Administrative and Support and Waste Management	88,402	92,905	4,503	5.1%
Educational Services	175,048	180,416	5,368	3.1%
Health Care	217,159	223,524	6,365	2.9%
Social Assistance	68,077	71,464	3,387	5.0%
Arts, Entertainment, and Recreation	23,493	30,441	6,948	29.6%
Accommodation and Food Services	118,238	143,820	25,582	21.6%
Other Services (except Government)	62,337	70,311	7,974	12.8%
Government*	80,225	83,233	3,008	3.7%

*Government excludes education, hospitals, and gambling industries

Short Term Projections by Industry

The two major sectors that show the largest projected employment percent increases are those that were heavily impacted by the COVID lockdown. Arts, Entertainment, & Recreation is projected to grow by 29.6% and Accommodation & Food Services by 21.6%. These two sectors had the largest 2020 employment decreases during the second quarter of that year and are experiencing strong rebounds that demonstrate the underlying resilience of the Connecticut economy. The third largest sector growth is expected in Transportation & Warehousing, which isn't recovering from a trough but is continuing a pre-pandemic growth trend that has accelerated as people adapted to the lockdowns and ordered more online. Transportation & Warehousing has experienced increasing annual growth from 2016 through 2020, increasing from 2% in 2016, 3% in 2017, 6% in both 2018 and 2019, and 7% in 2020.

Nearly every industry is projected to add jobs during the projections period. In addition to those mentioned above, Manufacturing is projected to grow by 8.3% (+12,705). Accommodations & Food Services, Transportation & Warehousing, and Manufacturing amounted to a combined 19% of base quarter employment and represent 41% of projected growth. This pattern is heavily influenced by the short-term impact of COVID on the economy.



The two sectors expected to lose jobs through 2023 are Utilities with a slight 2.5% decline and Finance & Insurance, projected to decrease by 1.5%. The Finance & Insurance declines represent a continuation of a longer-term trend. Its employment peaked in 2007 at 123,453 jobs and was 101,756 in 2019. It fell to just under 100,000 by mid-2020 and was 99,567 during the 2021Q2 projection base quarter.

Short Term Projections by Occupation

As noted above, overall employment including self-employed and UFW is projected to grow by 118,839 or +6.9% from 2021Q2 through 2023Q2. In addition to the industry breakdowns discussed in the previous section, projections are also produced for the 22 major occupational groups and over 700 specific occupations. Every occupational group is projected to add jobs during the 2-year projections period, with growth ranging from 3.2% for Legal Occupations to 18.0% for Food Preparation & Serving Related. The five occupational groups with the largest gains are Food Preparation & Serving Related (+21,732 or +18.0%), Transportation & Material Moving (+14,166 or +11.5%), Office & Administrative Support (+8,692 or +3.9%), Management (+8,325 or +6.6%) and Personal Care & Service (+7,817 or +13.3%). These five major occupational groups represent a combined 38% of base quarter employment and 51% of projected growth.

Occupational Projections

SOC	Occupational Group	2021 Q2 Base	2023 Q2 Proj.	Emp Change	% Change
00-0000	**Total, All Occupations**	1,722,162	1,841,001	118,839	6.9%
11-0000	Management	127,059	135,384	8,325	6.6%
13-0000	Business and Financial Operations	100,143	105,298	5,155	5.2%
15-0000	Computer and Mathematical	52,097	55,153	3,056	5.9%
17-0000	Architecture and Engineering	35,389	37,932	2,543	7.2%
19-0000	Life, Physical, and Social Science	12,632	13,392	760	6.0%
21-0000	Community and Social Service	37,804	39,452	1,648	4.4%
23-0000	Legal	16,845	17,381	536	3.2%
25-0000	Education, Training, and Library	122,907	128,084	5,177	4.2%
27-0000	Arts, Design, Entertainment, Sports, and Media	27,828	30,509	2,681	9.6%
29-0000	Healthcare Practitioners and Technical	107,417	111,845	4,428	4.1%
31-0000	Healthcare Support	87,940	92,036	4,096	4.7%
33-0000	Protective Service	32,458	34,075	1,617	5.0%
35-0000	Food Preparation and Serving Related	120,836	142,568	21,732	18.0%
37-0000	Building and Grounds Cleaning and Maintenance	70,447	75,149	4,702	6.7%
39-0000	Personal Care and Service	58,854	66,671	7,817	13.3%
41-0000	Sales and Related	156,032	163,034	7,002	4.5%
43-0000	Office and Administrative Support	225,428	234,120	8,692	3.9%
45-0000	Farming, Fishing, and Forestry	4,296	4,524	228	5.3%
47-0000	Construction and Extraction	61,889	66,635	4,746	7.7%
49-0000	Installation, Maintenance, and Repair	53,105	56,584	3,479	6.6%
51-0000	Production	87,424	93,677	6,253	7.2%
53-0000	Transportation and Material Moving	123,332	137,498	14,166	11.5%

Other large occupational groups, all with base employment of 100,000 or more have projected growth of 7,002 or less and by 5.2% or less. Sales and Related is expected to add 7,002, an increase of 4.5%. Education, Training & Library Occupations has projected gains of 5,177 or +4.2%, Business & Financial Operations is expected to increase by 5,155 or +5.2%, and Healthcare Practitioners & Technical is expected to increase by 4,428 or +4.1%.

Occupational Projections by Educational Attainment

Level of Educational Attainment	2021Q2	2023Q2	Emp. Change	% Change
Total All Occupations	**1,722,162**	**1,841,001**	**118,839**	**6.9%**
No formal educational credential	356,606	396,664	40,058	11.2%
High school diploma or equivalent	625,167	663,669	38,502	6.2%
Postsecondary non-degree award	113,111	119,687	6,576	5.8%
Some college, no degree	61,027	64,569	3,542	5.8%
Associate's degree	35,725	37,486	1,761	4.9%
Bachelor's degree	439,020	463,315	24,295	5.5%
Master's degree	35,563	37,383	1,820	5.1%
Doctoral or professional degree	55,943	58,228	2,285	4.1%

Each occupation is assigned an education value based on the minimum education necessary to enter an occupation. Over the two years, 34% of projected job growth will be in occupations that require a credential or degree beyond high school.

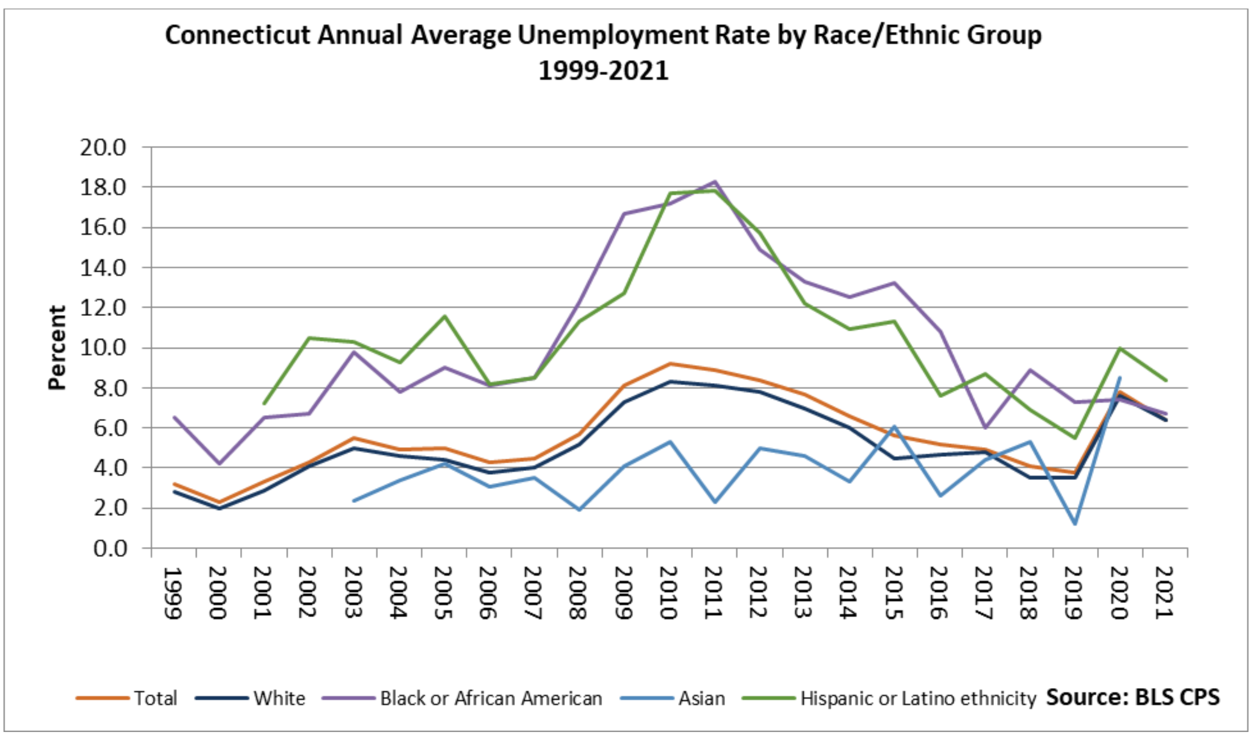
Connecticut's short-term projections show that the state is expected to continue the strong employment growth that has occurred in the past year as it recovers from the sharp and short pandemic-induced recession of 2020. From 2020-2021, employment grew by 2.7% and the annual unemployment rate fell from 7.8% to 6.3%.[1]

[1] Joo, Jungmin Charles. Connecticut's Economy Rebounds in 2021. Connecticut Economic Digest. March 2022.

Unemployment Rate

The past two years have had some of the largest unemployment rate swings on record. In the beginning of 2020, the rate was at a 50-year low. As the lockdowns commenced in March 2020, U.S. and state unemployment rates shifted from 4.4% (U.S.) and 3.8% (CT) to respective peaks of 14.7% for the U.S. in April 2020 and 11.4% in May 2020 for Connecticut. These were the highest respective unemployment rates on record. In the months since those peaks, the U.S. and Connecticut have had sharp declines, with the U.S. down to 3.5% as of September 2022 with Connecticut's unemployment rate at currently 4.0%.

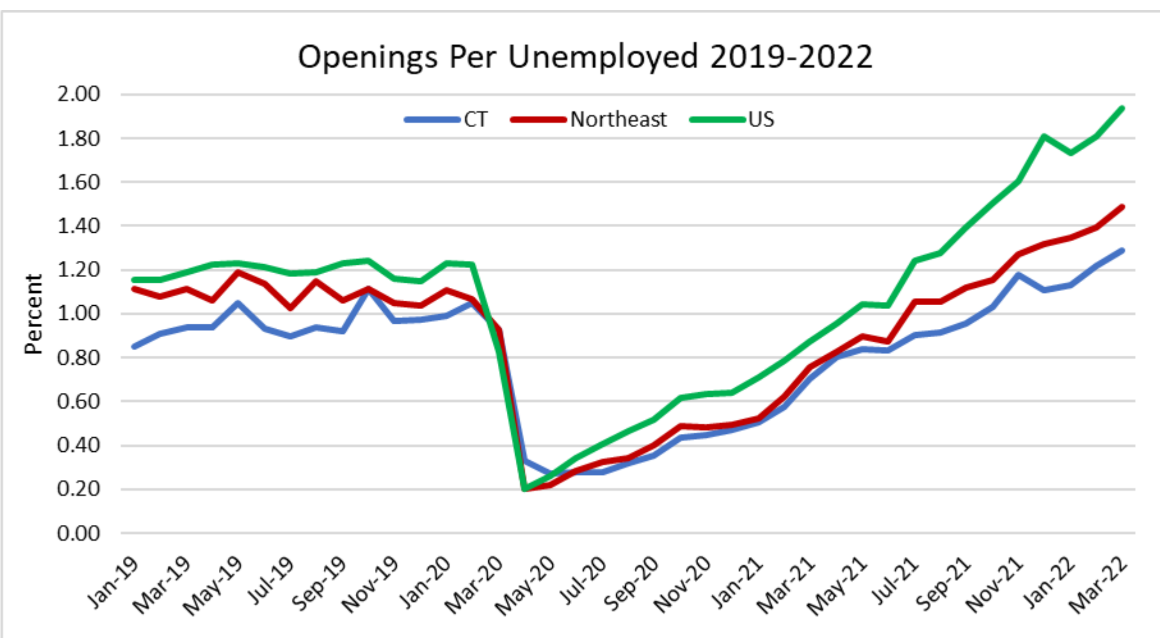
The following graph shows annual average unemployment rates by race/ethnic group in Connecticut. In 2021, all demographic groups with available data had unemployment rate decreases. Prior to this, every group saw 2019-20 unemployment rate increases, the largest increase occurred for the Hispanic group, up 4.5 percentage points and the smallest increase occurred within the African American group, which increased from 7.3 to 7.4 percent. In 2021, every group with available data saw unemployment rates decline. Note that unemployment rates for the Asian and Hispanic or Latino Ethnicity demographic groups aren't available for every year in the series.



Job Openings Amid a Tight Labor Market

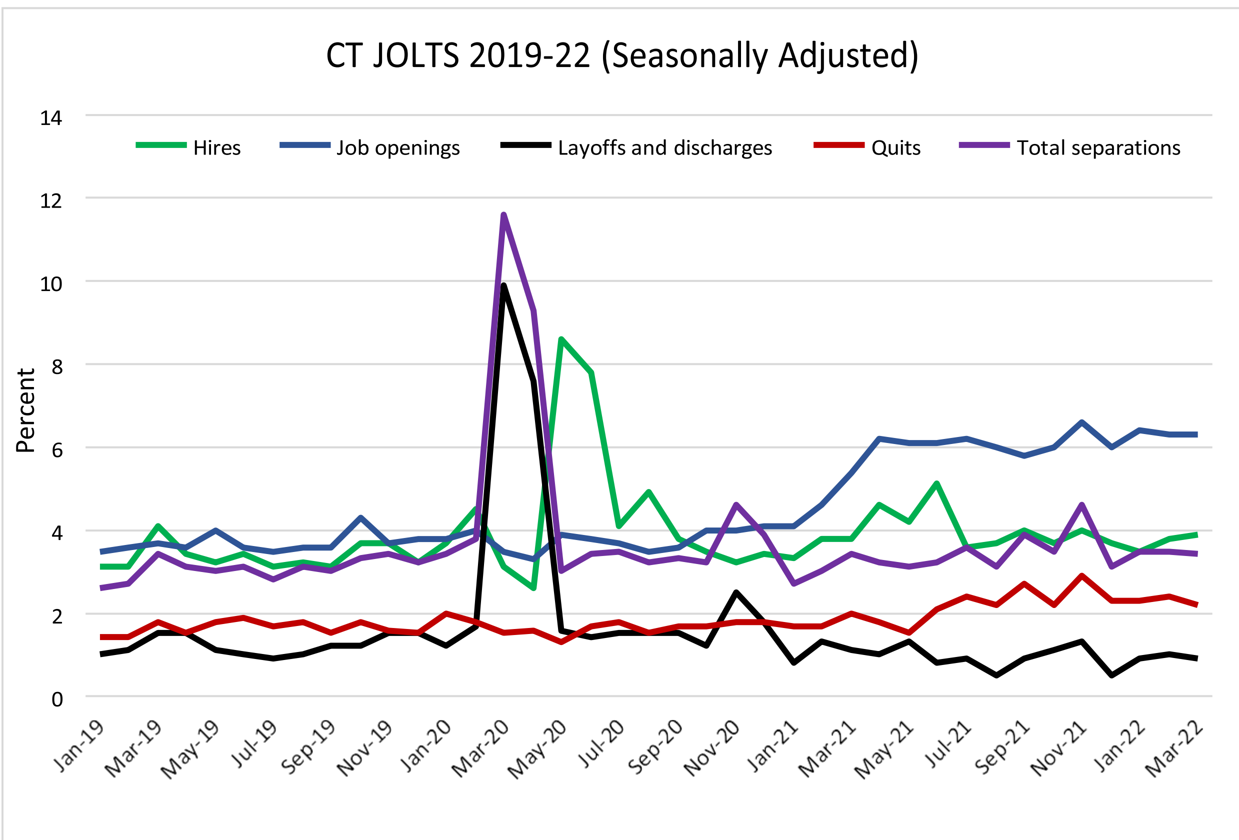
The continued effect of the pandemic and its impact on labor markets is illustrated by a look at the BLS Job Openings and Labor Turnover Survey (JOLTS). JOLTS provides information on labor demand and turnover at the U.S., regional, and state levels. This information includes estimates of job openings, new hires, layoffs, quits, and other labor market movements. The BLS began to publish official state-level monthly JOLTS data during October 2021.

In the year before the early 2020 COVID-recession, the economy had a very tight labor market. The unemployment rate was below 4% and the U.S. and Northeast both had more openings than unemployed workers throughout the year. The graph below shows the number of job openings per unemployed worker from early 2019 through March 2022. This ratio experienced an unprecedented decline during early 2020. In February 2020, Connecticut had 1.05 job openings per unemployed worker, a level in line with the Northeast (1.07). The U.S. rate was higher. Two months later, as COVID-related unemployment spiked, there were only 0.33 openings per unemployed worker in Connecticut and 0.20 in both the Northeast and U.S. Put another way, in April 2020, there were three unemployed workers per opening in the state, and five unemployed workers per opening in the Northeast and U.S.



The graph also illustrates how the three areas have recovered in the subsequent two years. As the economy improved, unemployment fell, and businesses looked to expand. The U.S. has experienced an unprecedented spike in job openings per unemployed. As of March 2022, there were nearly two openings for every unemployed person in the country. In the Northeast, there were 1.47 openings per unemployed worker and Connecticut had 1.28 openings per unemployed worker. This represents a significant "seller's market" for labor as employers scramble to fill job openings from expansion and from vacancies as existing workers retire or find employment elsewhere.

In addition to Openings, the JOLTS data show Hires and Separations. Separations are both voluntary (Quits) and involuntary (Layoffs and Discharges). Openings and Quits reinforce each other. With Openings high, workers are more willing to quit their jobs to seek other opportunities knowing that the odds of finding another job are higher. At the same time, each quit is a potential opening that will need to be refilled.



The above graph shows the rate of Hires, Separations, and Openings in Connecticut. The BLS calculates the job openings rate by dividing the number of openings by the sum of employment and openings. The hires, quits, layoffs & discharges, and total separations rates are computed by dividing the number of workers who, respectively, were hired, quit their jobs, were laid off or discharged, and were otherwise separated, by the number of people employed. In February 2020, the hires and job openings rates were 4.5 and 4.0, respectively. These levels were among the highest on record at that time. The Separations measures (Layoffs and Quits) were each below two percent, lower than most months of the preceding ten years. Layoffs spiked during the next two months and Hires jumped after the two-month shutdown and have generally remained above their pre-COVID level since. By late 2021, the job opening rate surpassed six percent. The gap between Quits and Layoffs was much wider in early 2022 than before the pandemic. As of March 2022, most separations in Connecticut were voluntary.

The labor markets in both the state and U.S. are in one of the tightest periods in decades with more total job openings than unemployed workers for the better part of the past year. Unemployment rates have fallen below 5 percent and job openings have been at or near all-time highs during the first quarter of 2022. The number of people collecting unemployment benefits in Connecticut has fallen to the lowest level since 1988. In addition to openings, the JOLTS data series illustrate the movements within the labor market. The increased pace of quits means that hiring must also accelerate just to maintain the same level of employment with growth requiring even more hiring. One of the unexpected consequences of the COVID pandemic is that the dynamism of the labor market has increased both nationally and in Connecticut in contrast to previous recessions which saw years-long decreases in the rates of Hiring, Quits, and Openings.

Help Wanted Online

A consequence of the current increase in job vacancies has been an increase in the number of job postings captured within the Help Wanted Online (HWOL) data series. It is important to make the distinction that HWOL job postings don't necessarily equate to a job opening, as employers could post ads for a variety of reasons other than filling a hire. The following graph illustrates the increase in job ads that has occurred in the past two years at both the U.S. and state levels. As of May 2022, U.S. and Connecticut total job ads are respectively 2.4 and 3.3 times larger than corresponding May 2020 levels.

Comparing the skills found in postings before and after the pandemic-recession of early 2020 can help illustrate what skills are most-commonly looked for by employers in the state.

In May 2022, across all job postings, the most cited skills include broadly applicable skills such as Customer Service, Scheduling, Sales, Budgeting, Project Management, Customer Contact, Retail Industry Knowledge, Patient Care, Teaching, and Repair. This top 10 skill list looks very similar to the top 10 for May 2019. When comparing the two years all but one of the May 2022 skills were also in the top 10 three years ago. This suggests that employers are broadly seeking an array of employee skills that were similar to the pre-recession period. During the month of May in 2020 and 2021, top skills that relate to COVID-mitigation included use of personal protective equipment, cleaning, and vaccination.

Beyond shifts in specific skills found in job ads, comparing the minimum-advertised educational requirements across years helps give an indicator of what employers are looking for during the current period of record job openings. Among job postings that have educational requirements, in May 2019, 52% required a bachelor's degree, 33% required a high school diploma, and 6% required a masters. By May 2022, bachelor’s was 43%, high school diploma was 44%, and masters was 5%. At present, the industries with the most ads are Health Care & Social Assistance, Finance & Insurance, and Retail Trade.

Conclusion

The past three years have been a period of unprecedented economic change during which the labor markets adapted to COVID mitigation. In early 2020, the U.S. economy and Connecticut experienced a two-month recession. The recovery has been (surprisingly to some) characterized by a labor shortage where demand for workers at nearly all skill levels has exceeded the number of available workers. While there is concern that there may be a recession on the short-term horizon, in the long run the demand for workers at a variety of skill levels will remain strong.