

The Labor Market Recession in Massachusetts and the U.S.:
Implications for the Design of Energy Efficiency / Home Weatherization Projects

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The current labor market recession in our state and the nation has adversely affected many groups of workers and their families. No group has emerged unscathed by the layoffs, downsizings, hours and wage reductions. But the economic burdens have not been shared equally across different groups of workers. Job losses have been disproportionately borne by male, blue collar workers, and males. In the U.S., blue collar workers accounted for two-thirds of all net job losses in the country from the 4th quarter of 2007 to the 4th quarter of 2009. Yet, they only accounted for 22% of all workers before the recession got underway.

- Unemployment rates rose steeply among most blue collar workers, especially production workers in manufacturing and construction workers whose unemployment rates in 2009 IV rose to nearly 15% and 21%, respectively. When we add in underemployment problems to the unemployed, we end up with 19-20% of transportation and production workers, 33% of construction crafts

Very similar labor market developments have taken place in Massachusetts since March 2008, the beginning of the downturn here in our state.

- Since March 2008, the state has lost 166,000 payroll jobs or 5% of all wage and salary jobs.
- Our major blue collar employed industries (construction / manufacturing / transportation / utilities) accounted for $\frac{1}{2}$ of all jobs lost; blue collar workers in these industries and all other industries accounted for nearly 60% of our job losses.
- Unemployment and underemployment problems among blue collar workers rose very sharply. By the 2009III – IV quarters, we had combined unemployment and underemployment rates of 17% in transportation / material moving
23% in production occupations
33% in the construction occupations
- Large labor surpluses existed in most blue collar occupations in mid-2009 II, we had
 - 24 unemployed production workers for every job vacancy in such occupations
 - 107 unemployed construction workers
- Lengthening durations of unemployed spells (30 weeks +)
- A majority (70%) permanently displaced

A myriad and coordinated set of public and private programs in home weatherization, other energy conservation, alternative energy, and green technology can help address the employment needs of the state's blue collar workers and contribute to future job growth and economic development across the state.

There are, however, multiple paths that can be taken to create jobs and the characteristics of those jobs.

- What types of jobs to create?
- What types of training should we provide?
- Who should get access to them?
- How well compensated should they be? How stable?

There are multiple strategies that our state can adopt to answer these above questions with different associated benefits and costs. The National and Massachusetts Apollo Alliance report [An Industry at the Crossroads: Energy Efficiency Employment in Massachusetts](#) is devoted to this set of issues. As a backdrop to their report, I am reminded of the poem of the great New England laureate poet Robert Frost. In [The Road Not Taken](#), Frost writes "Two roads diverged in a wood and I took the one less travelled by and that has made all the difference".