

The impact of the pandemic on U.S. labor markets: A focus on workers with less than a BA

Meeting of the Group of Experts
on the Quality of Employment

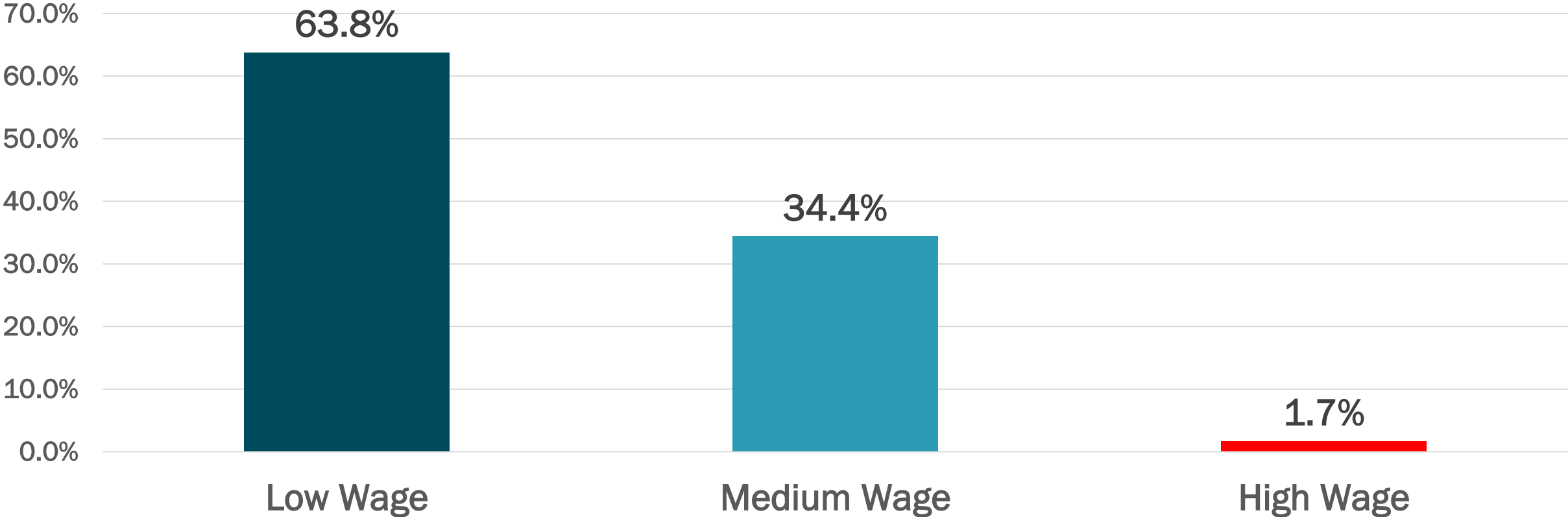
Mike Horrigan, President
November 9, 2021

Agenda

- The nature of employment losses during the recession
- Recent payroll employment trends
- Which labor market groups have suffered the most since the start of the pandemic?
- Long-term unemployment
- The near unemployed
- Labor Shortages and the Great Resignation

The nature of employment losses during the 2020 recession

64 percent of job losses from Feb – Apr 2020 were in low wage* establishments



* Derived from net employment changes among CES 4-digit NAICS industries (or higher level aggregates as relevant) from Feb – Apr 2020. Low, medium, and high wage industries are based on QCEW average weekly wages. Thresholds are based on percentages of the overall average weekly wage (Low $\leq .67$, $.67 <$ Medium ≤ 1.8 , High > 1.8)

Ten industries accounted for over half of the employment declines from Feb to Apr 2020

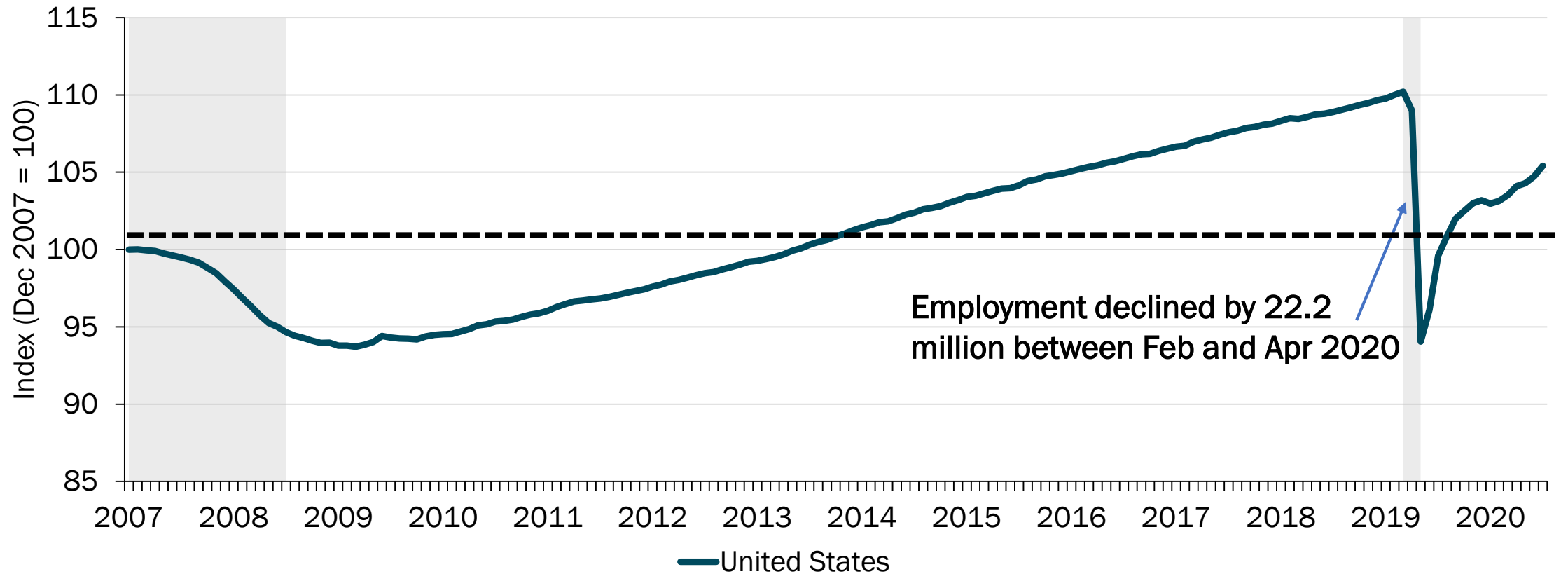
Industry	Employment change Feb-Apr 2020 (thousands)	Cumulative change as a percentage of total employment change, Feb-Apr 2020
Restaurants and Other Eating Places	(5,254)	24.7%
Employment Services	(1,122)	29.9%
Other Amusement and Recreation Industries	(898)	34.1%
Traveler Accommodation	(891)	38.3%
Clothing Stores	(634)	41.3%
Personal Care Services	(613)	44.2%
Offices of Dentists	(555)	46.8%
Special Food Services	(384)	48.6%
Child Day Care Services	(373)	50.3%
Drinking Places (Alcoholic Beverages)	(338)	51.9%

Source: Current Employment Statistics Survey, Bureau of Labor Statistics, Seasonally adjusted data

Recent payroll employment trends

With October's gain of 531,000 jobs, 81 percent of the jobs lost between Feb and Apr 2020 have been regained

Nonfarm Employment Index



Food Services and Drinking Places have to gain over 780,000 jobs to reach pre-pandemic levels

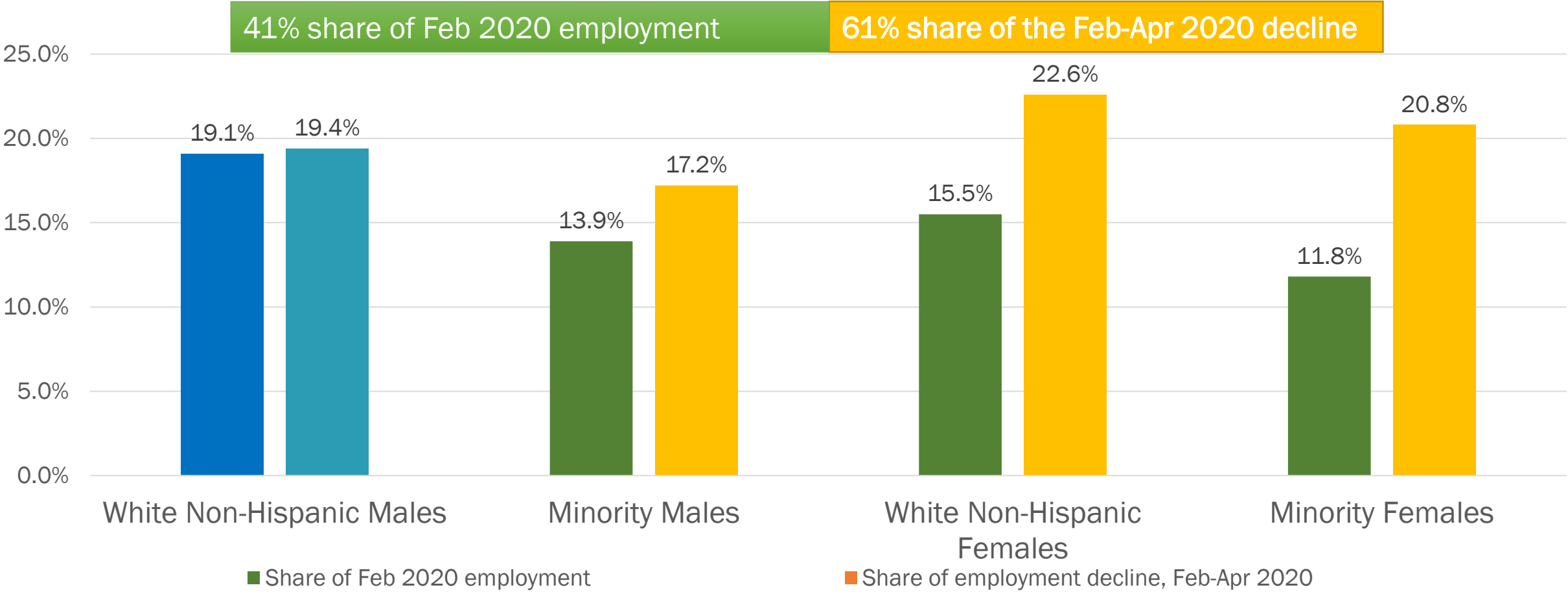
Industry	Job lost from Feb 2020 to Trough Month	Job gains from Trough month through Oct 2021	# of jobs left to reach pre- pandemic levels
Nonfarm	22,362	18,158	4,204
Food Services and Drinking Places	5,975	5,190	784
Health Care	1,617	1,157	459
Accommodation	1,015	701	314
Arts, Entertainment and Recreation	1,333	1,048	285
Professional and Business Services	2,387	2,172	215
Durable Goods Manufacturing	945	737	208
Social Assistance	701	514	188
Temporary Help Services	998	825	173
Other Services	1,410	1,241	169
Wholesale Trade	409	252	158

Construction is only 150,000 jobs shy of reaching pre-pandemic levels

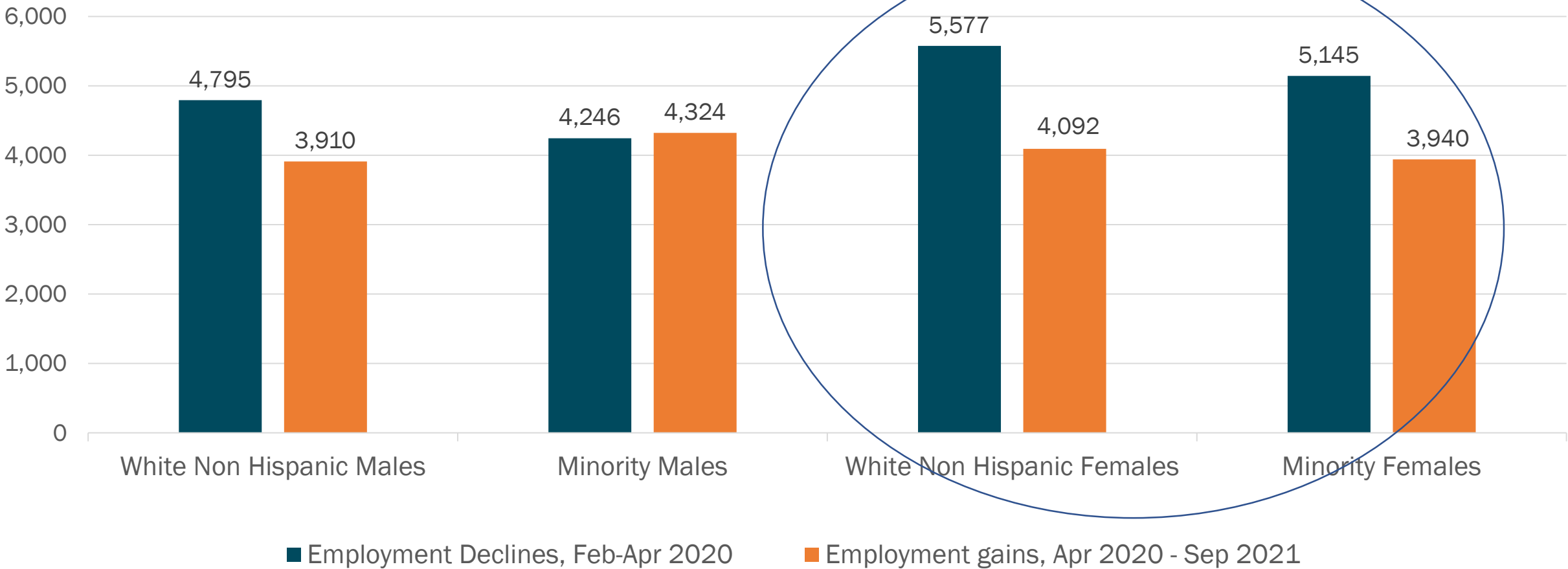
Industry	Job lost from Feb 2020 to Trough Month	Job gains from Trough month through Oct 2021	# of jobs left to reach pre-pandemic levels
Construction	1,113	963	150
Educational Services	525	377	148
Retail Trade	2,375	2,235	140
Information	322	200	122
Nondurable Goods Manufacturing	440	378	62
Real Estate, Rental and Leasing	240	207	33
Mining and Logging	97	64	32
Utilities	11	0	11
Transportation and Warehousing	584	733	-
Financial Activities	40	80	-

**Which labor market groups
have suffered the most since
the start of the pandemic?**

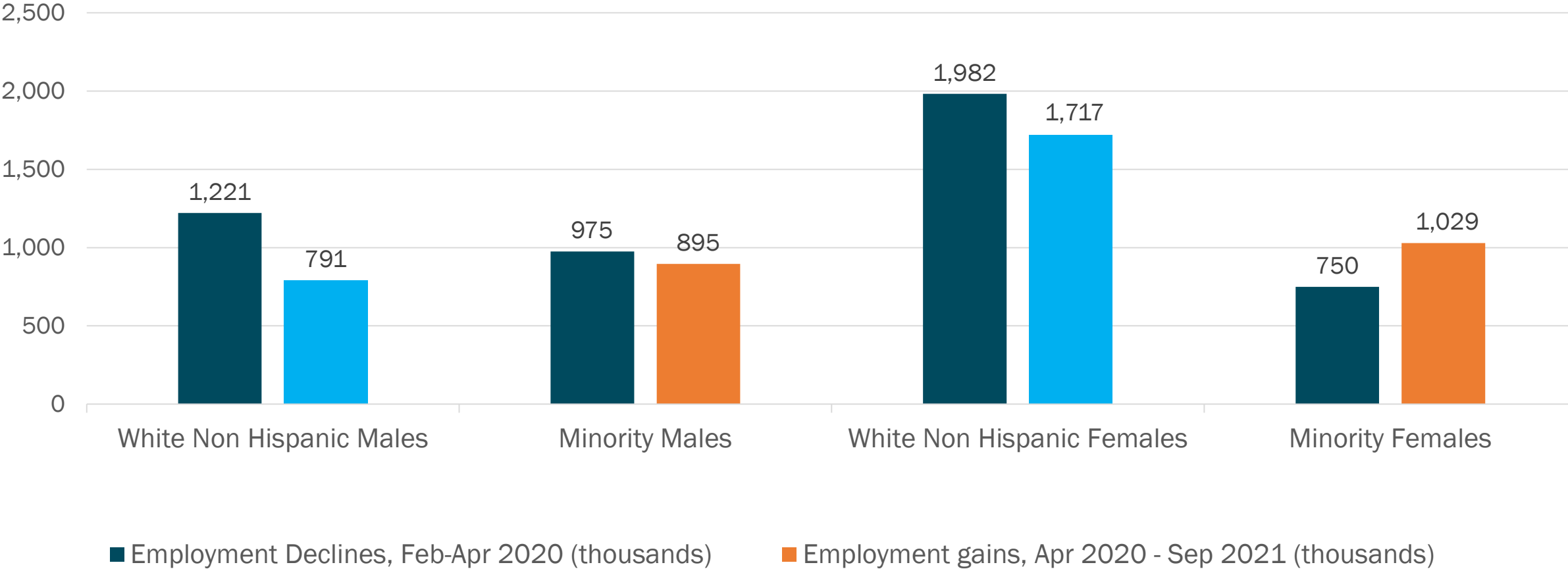
Females with less than a BA and minority males had a disproportionate share of the employment declines



Females with less than a BA have had an especially difficult time regaining employment since April 2020

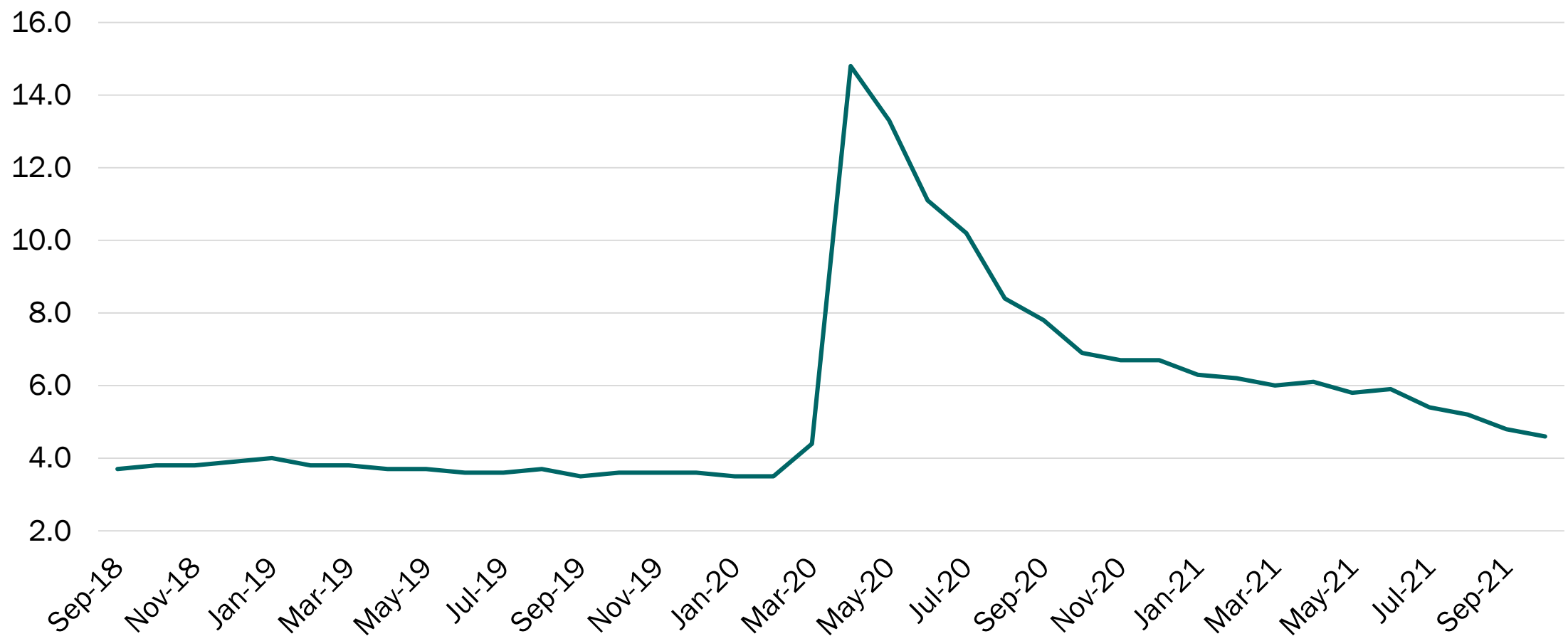


White, non-Hispanics with a BA or more have had a relatively difficult time regaining employment

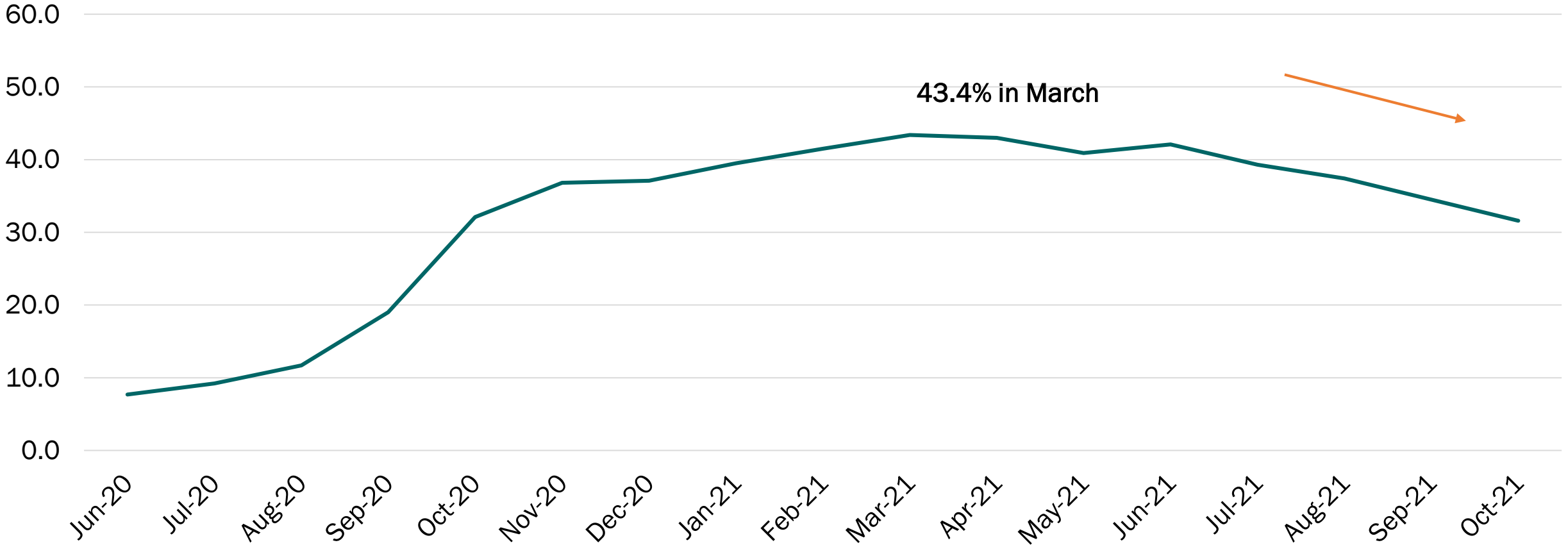


Long-term unemployment

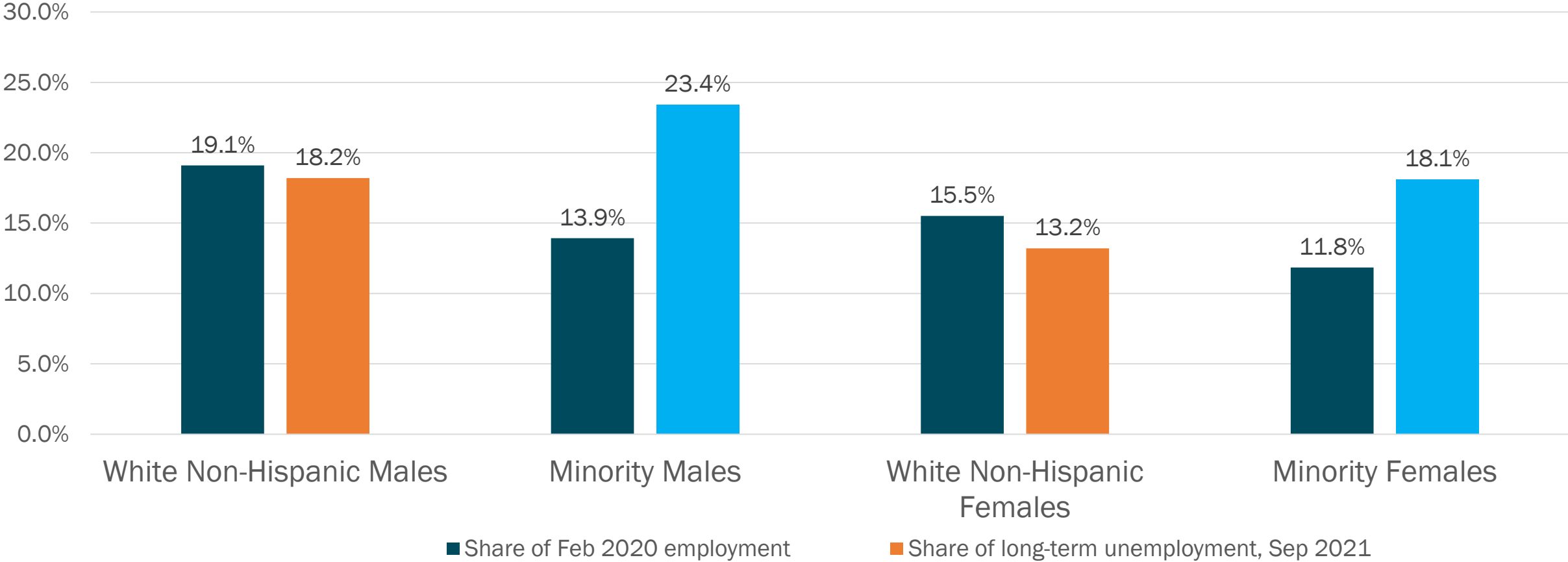
After rising to 14.8 percent in April 2020, the civilian unemployment rate fell to 5.9 percent in June 2021 and then to 4.6 percent in October 2021



By October 2021, the percentage of the unemployed who are long-term unemployed had fallen to 31.6 percent

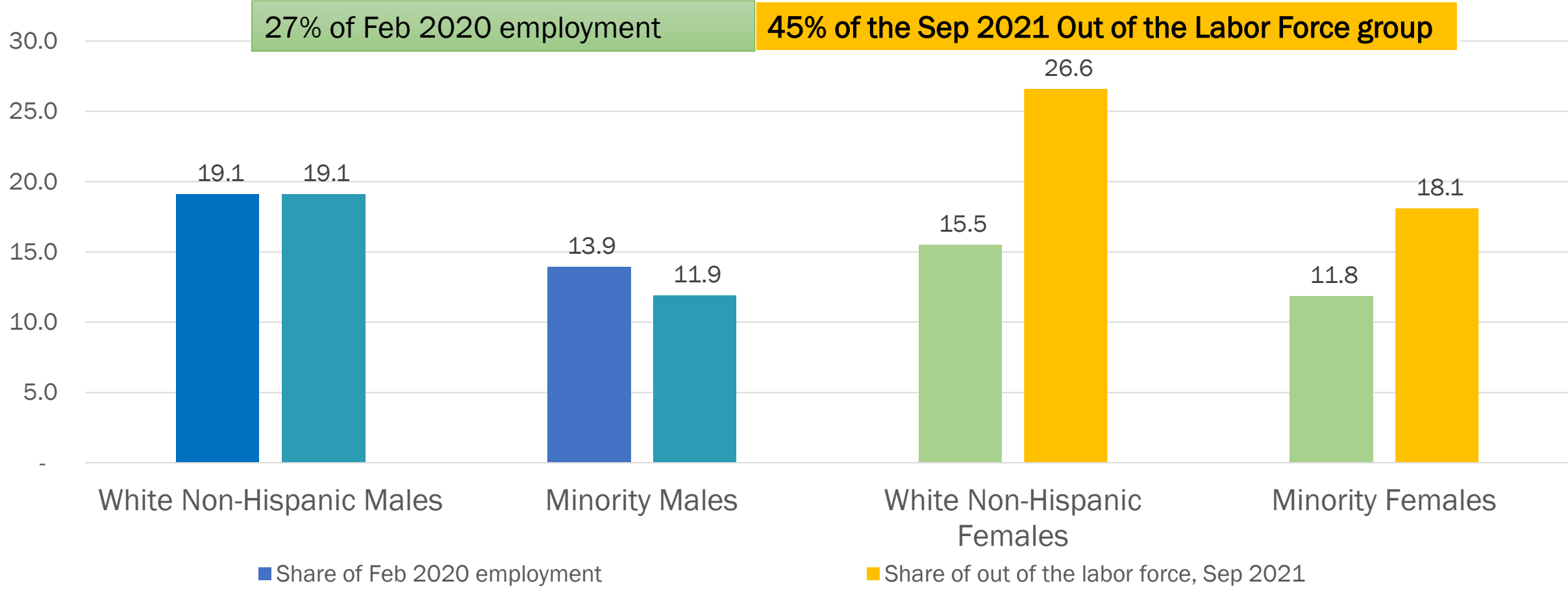


Minorities with less than a BA make up a disproportionate share of long-term unemployment

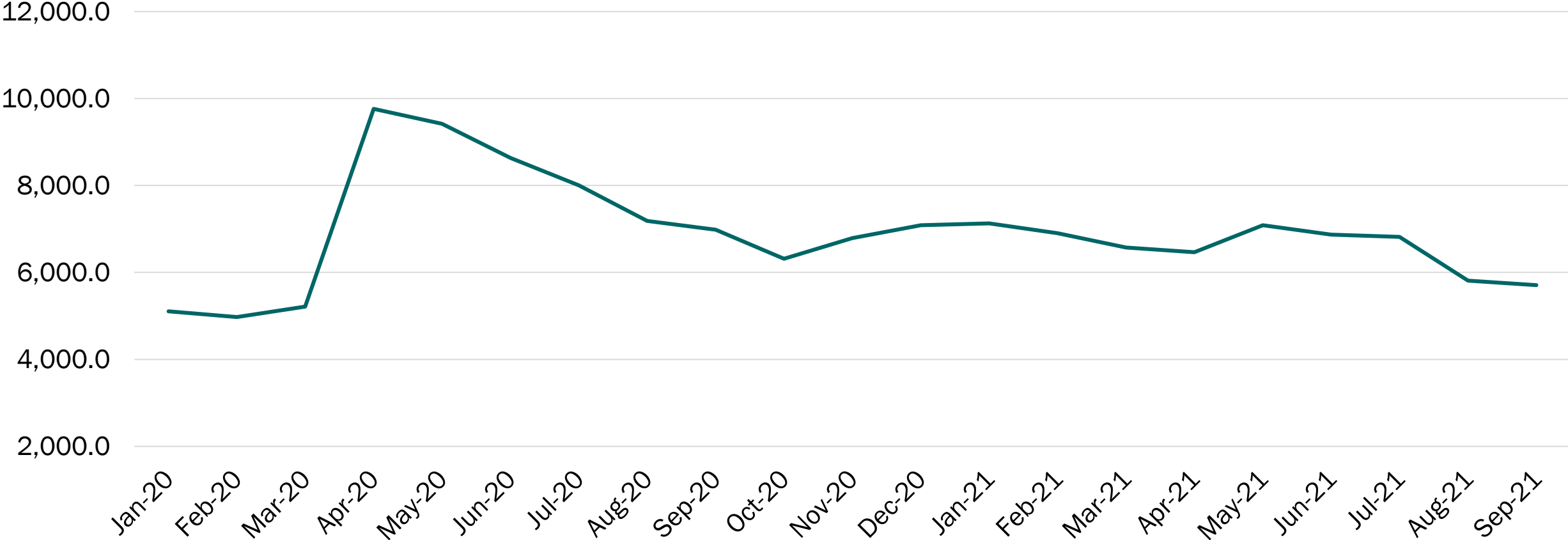


The near unemployed

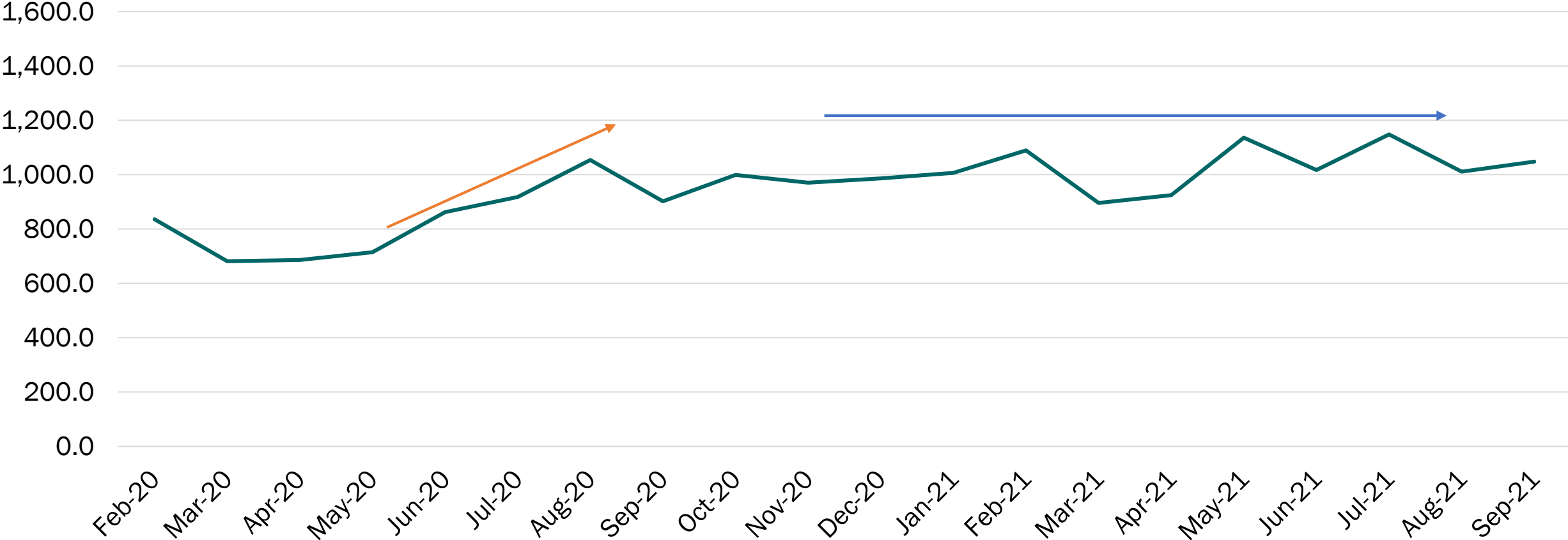
Females with less than a BA make up a disproportionate share of those who are out of the labor force



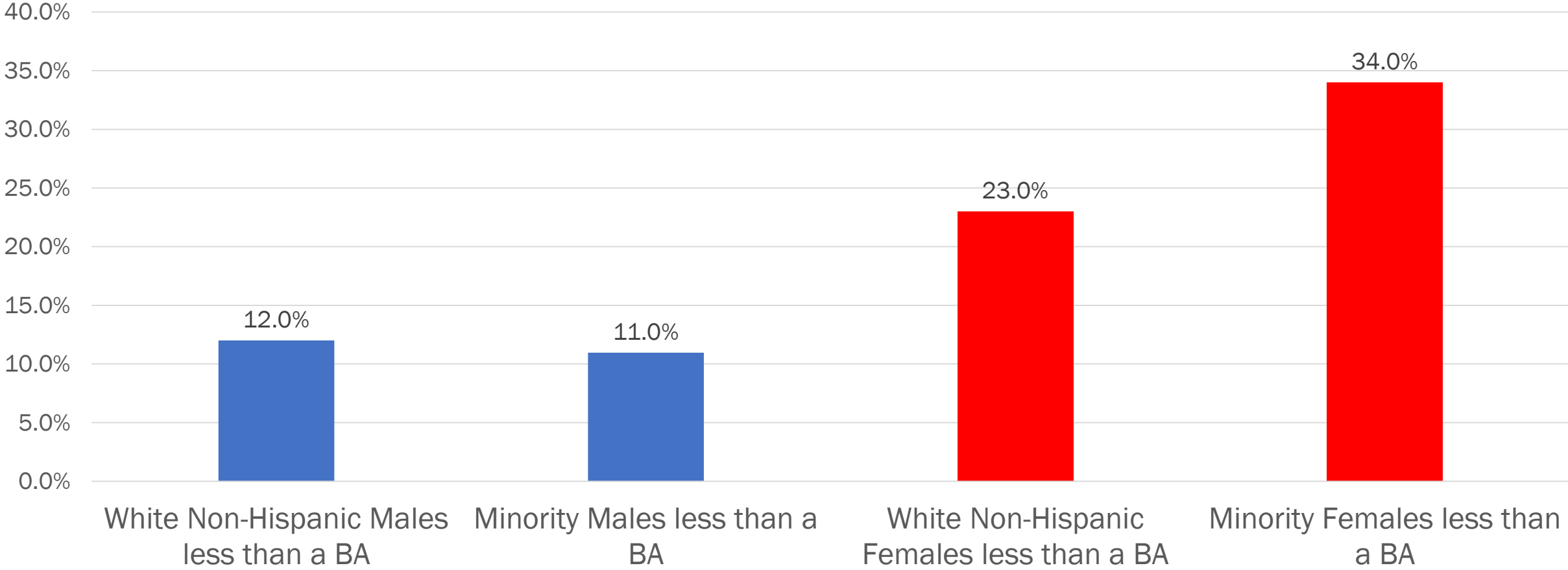
The number of individuals who are out of the labor force reported currently wanting a job now but cited a variety of barriers to looking for work fell from 7 million in May to 5.7 million in September



Number of individuals who are out of the labor force and currently want a job now but cited child-care, family responsibilities or transportation issues as barriers to looking for work

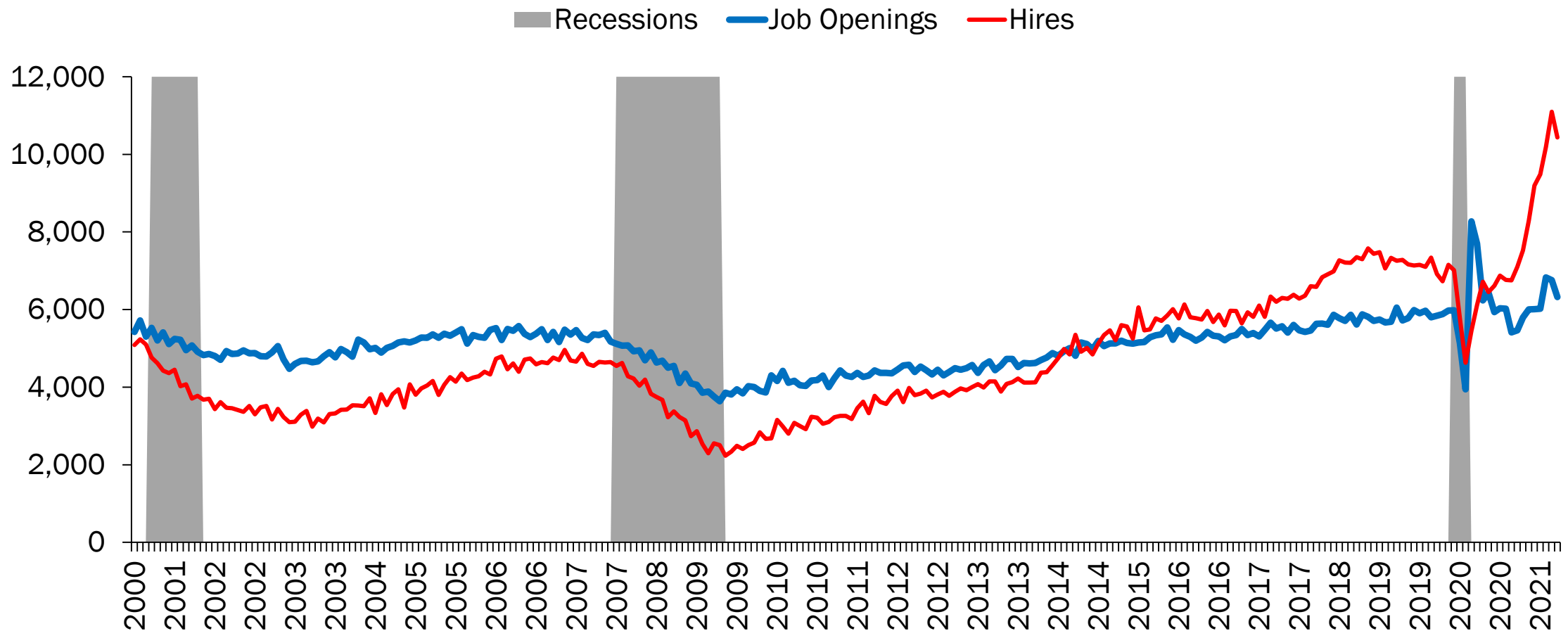


As of Sep 2021, 57 percent of that group are females with less than a BA

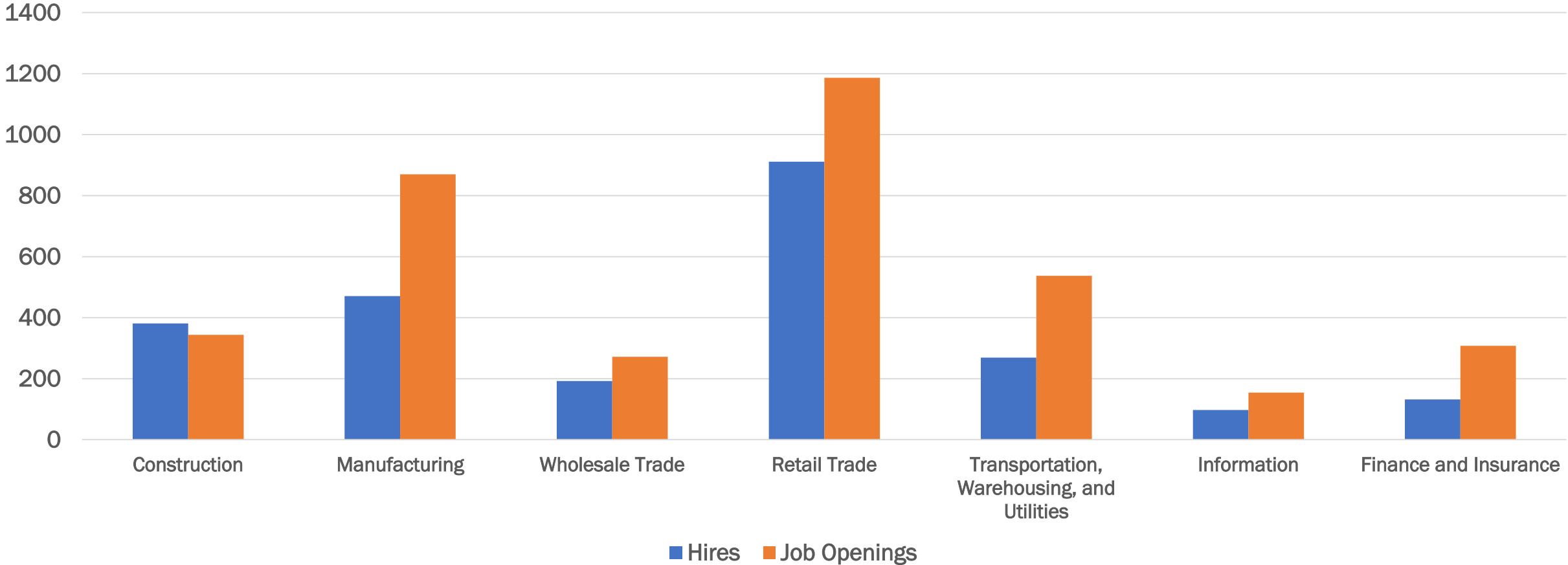


Labor Shortages and the Great Resignation

Job openings have greatly exceeded hires since late 2020



Job openings and hires by industry in August 2021



Job openings and hires by industry in August 2021

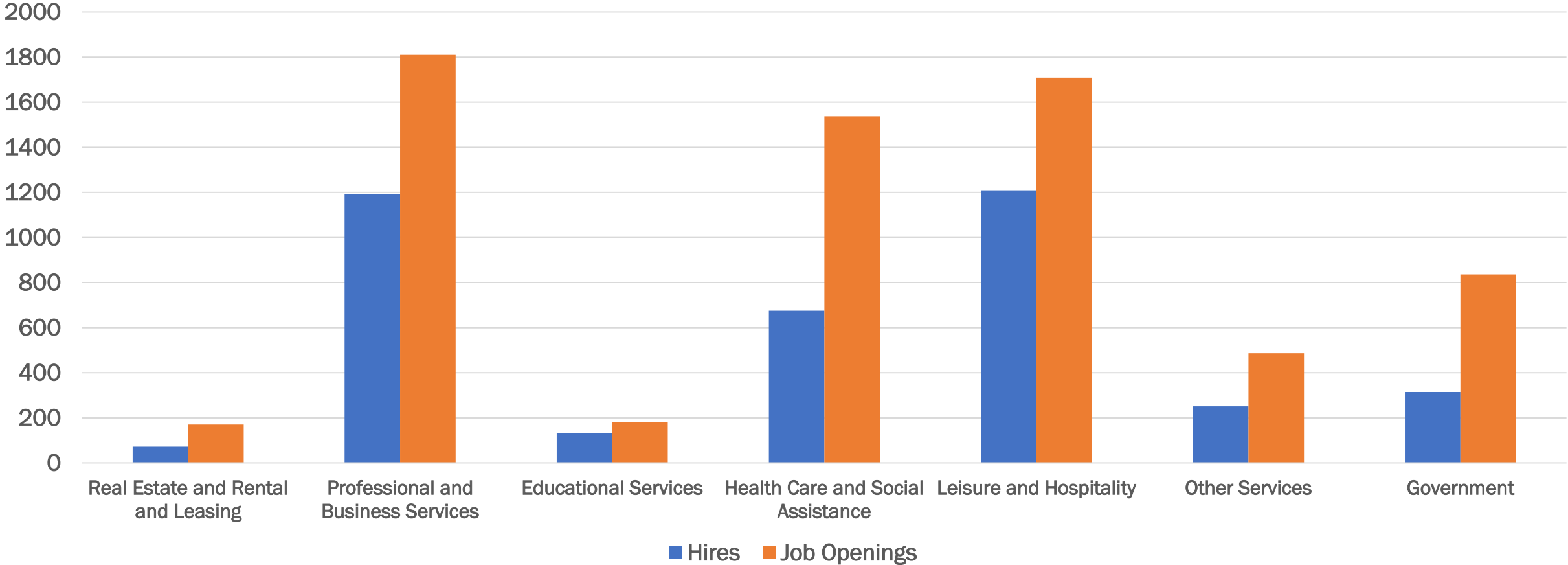
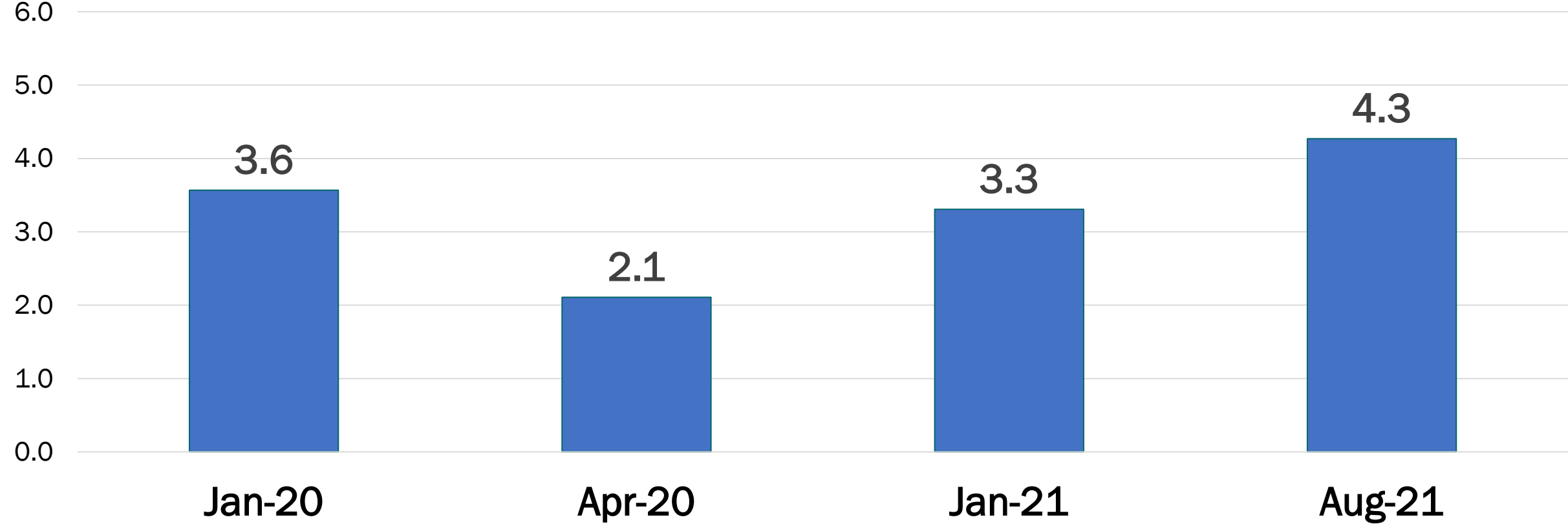


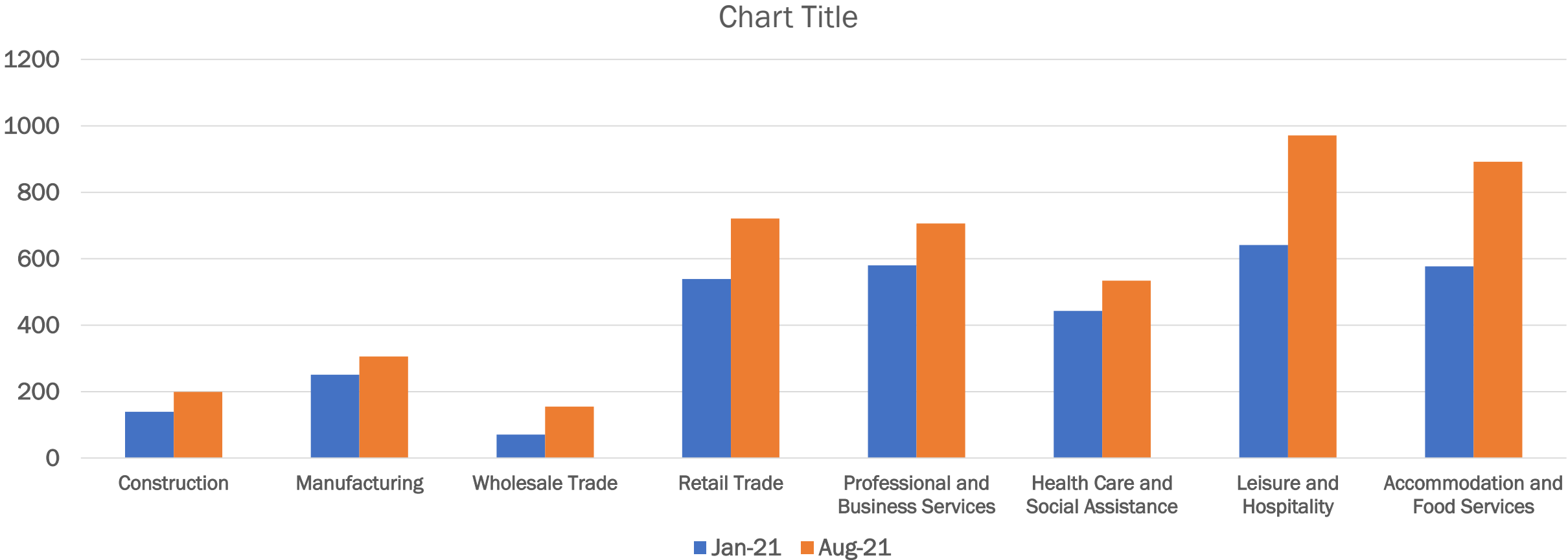
Table. Comparison of monthly changes in payroll employment and average hourly earnings by major 2 digit industry

Industry	Change from prior month	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021
All employees, private	Average hourly earnings	\$ 0.01	\$ 0.08	\$ (0.03)	\$ 0.20	\$ 0.14	\$ 0.13	\$ 0.12	\$ 0.17
All employees, private	Employment	122	622	724	226	555	808	798	243

The number of workers quitting their jobs each month rose to 4.3 million in August 2021



Industries showing rises in quit levels per month in 2021



Questions?

- Michael Horrigan
 - Email: horrigan@upjohn.org
 - Phone: 269-385-0401
 - Twitter: @MHorriganUpjohn