

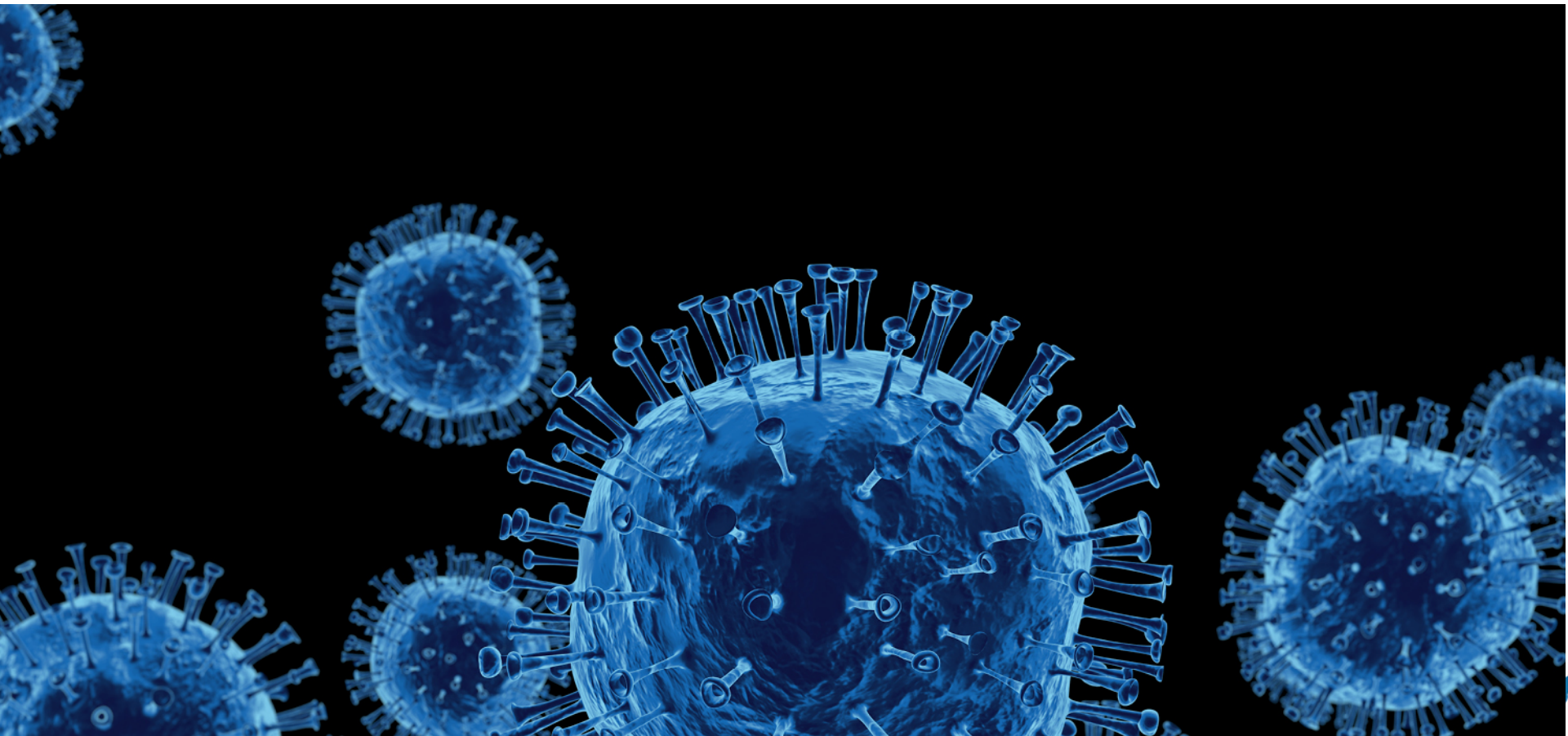
Labor Market Demand – Discussion Questions

1. What are you seeing in your regional or state labor market information? Do you have access to the data you need to craft workforce development policies?
2. What labor market data or information do you wish you had at your fingertips for the upcoming session?
3. What innovative policies or programs can you share from your state for post-COVID workforce development?
4. What non-COVID issues are you working through?



Assessing the COVID-19 Labor Market

Elizabeth Crofoot, Senior Economist
September 25, 2020



Today's Presenter



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The Conference Board

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Guiding questions for using labor market data in decision making

- Who are the groups of people who are being **left behind**?
 - ✓ By demographic, occupation, state/region
- What are the state's **economic development** goals?
 - ✓ How can degree programs help to feed economic development in the region?
- What are the **skills** that are needed by workers and employers?
 - ✓ Industry- vs Individual-level skill gaps
 - ✓ Enabling individuals to transfer existing skills from one industry to another
- What is the **timing** of the response?
 - ✓ Short-term training or certification programs VS
 - ✓ Building long-term resiliency via degree programs



Due to COVID, unemployment rates are giving a clouded view of the labor market making alternative metrics critical

- Temporary versus permanent layoffs
- Labor force participation rates
- Job openings
- Voluntary quits rate
- Other business surveys

And...

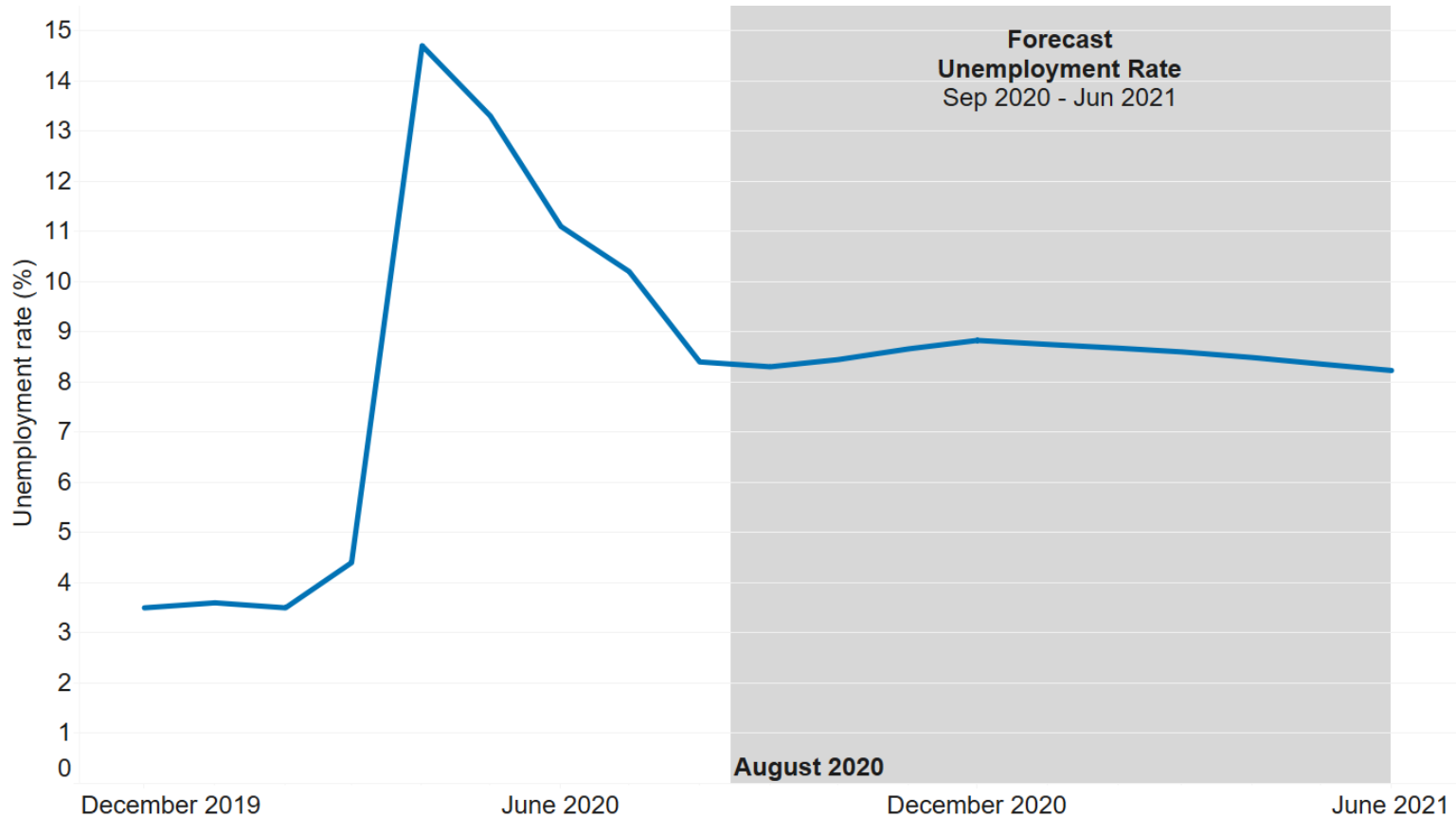
- Aggregate statistics mask disparate labor market outcomes across demographics, occupations, and regions



The State of the US Labor Market

Unemployment rate dropped below 10 percent in August, but the outlook remains uncertain

US unemployment rate forecast in baseline scenario

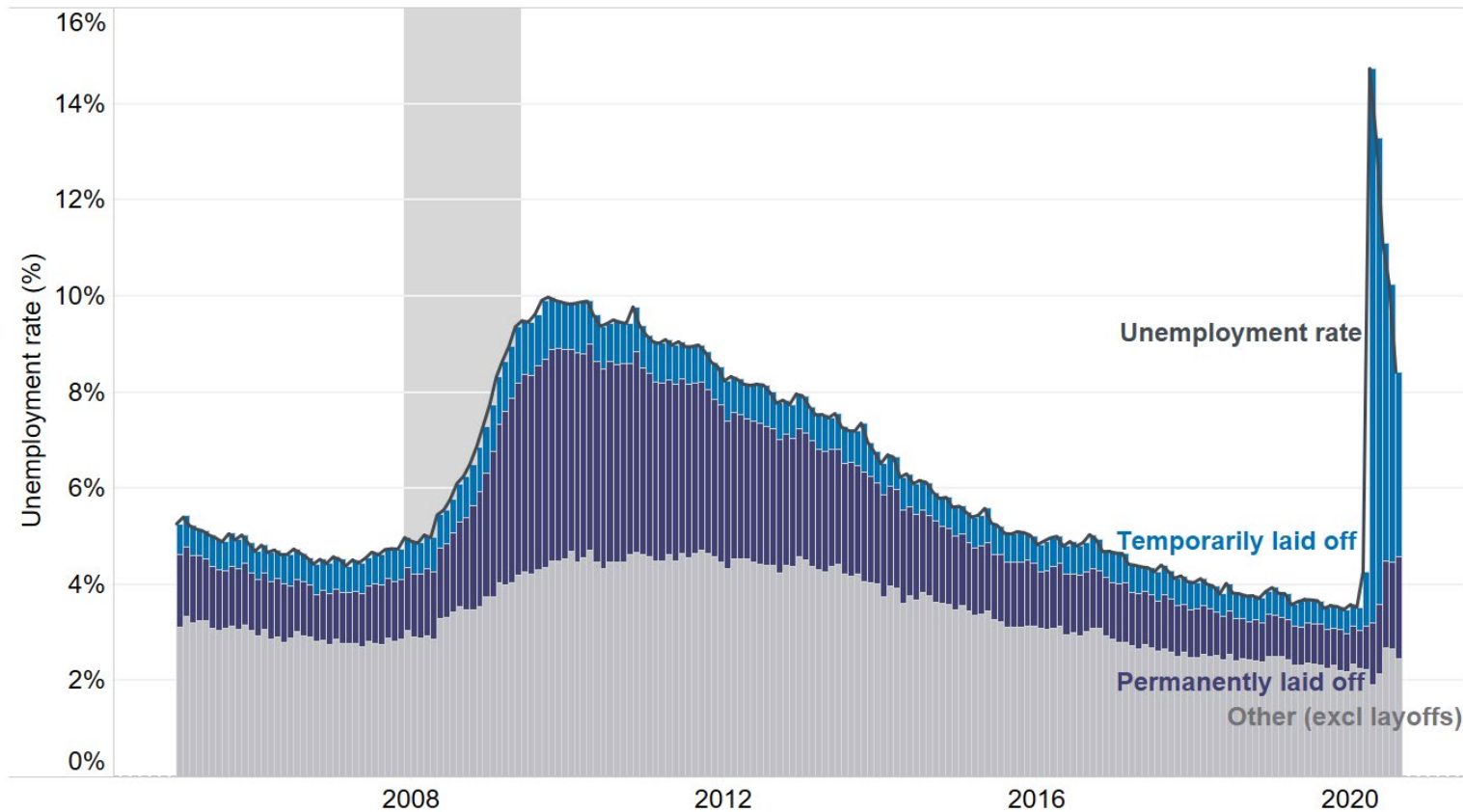


Source: The Conference Board; US Bureau of Labor Statistics



The movement in the unemployment rate is almost entirely driven by temporary layoffs, different from other recessions

US unemployment rate decomposition by type of unemployment

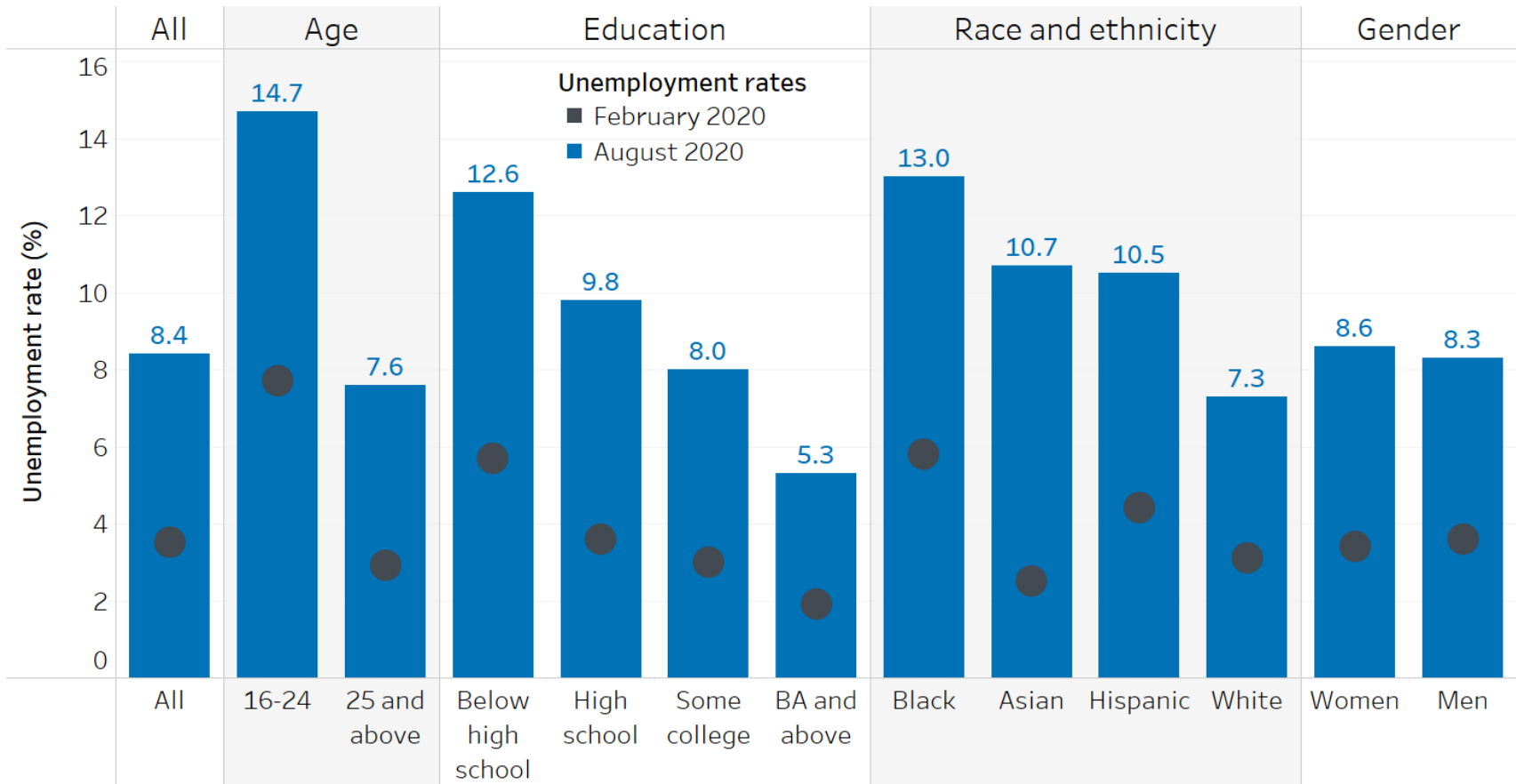


Source: The Conference Board; US Bureau of Labor Statistics



Young people, minorities, less educated and women are harder hit by layoffs

Unemployment rates by demographic group

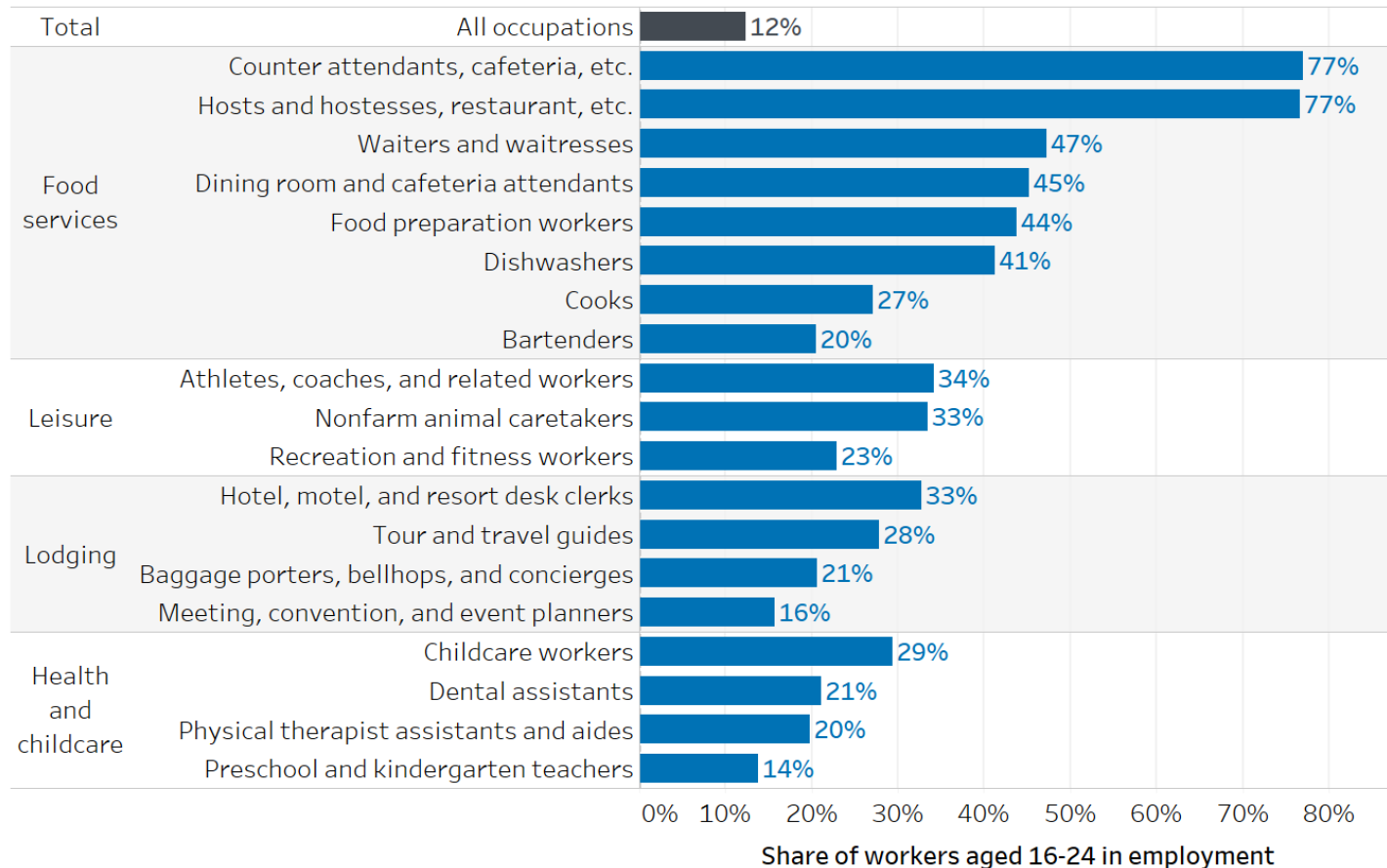


Source: US Bureau of Labor Statistics



Young people are concentrated in jobs most impacted by social distancing

Share of workers aged 16-24 in employment for selected occupations, 2019

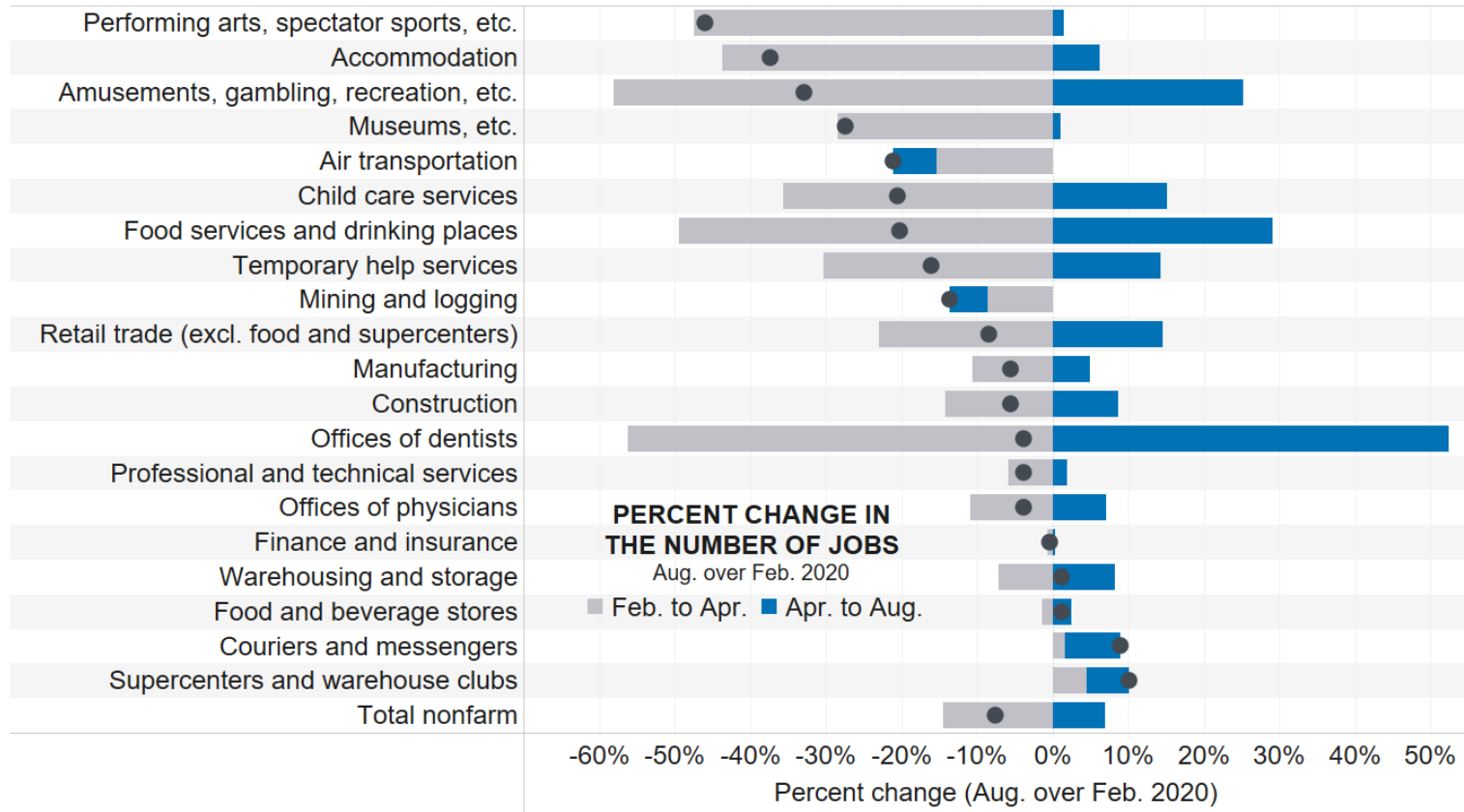


Source: US Bureau of Labor Statistics



Massive job losses in the US extend across industries with some industries now having started to recover

Percent change in the number of jobs, by industry



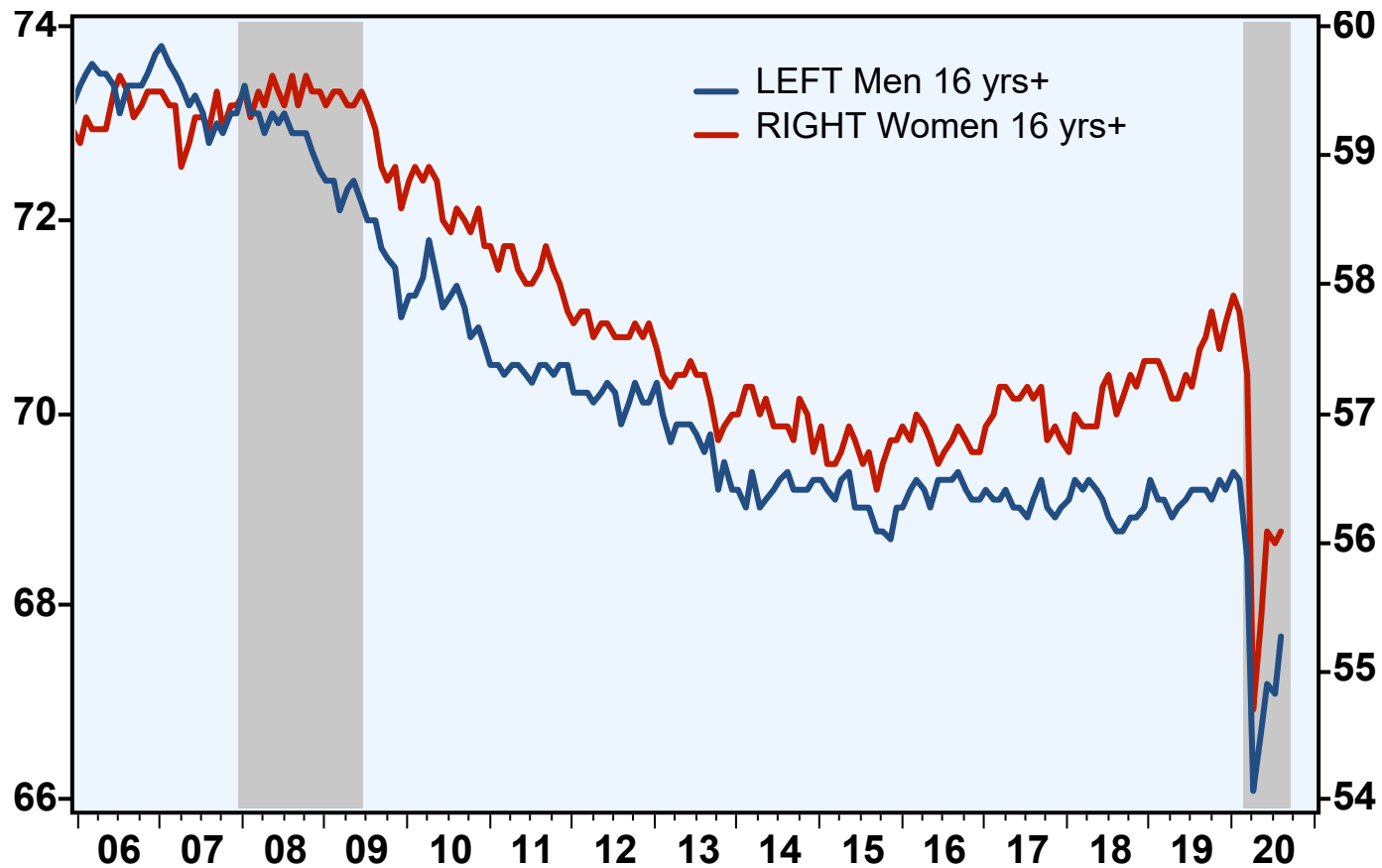
Source: The Conference Board using data from the US Bureau of Labor Statistics



Other Labor Market Metrics

Sharp decline in labor force participation indicates that many who lost their jobs left the workforce entirely, understating unemployment

Labor force participation rates by sex, seasonally adjusted

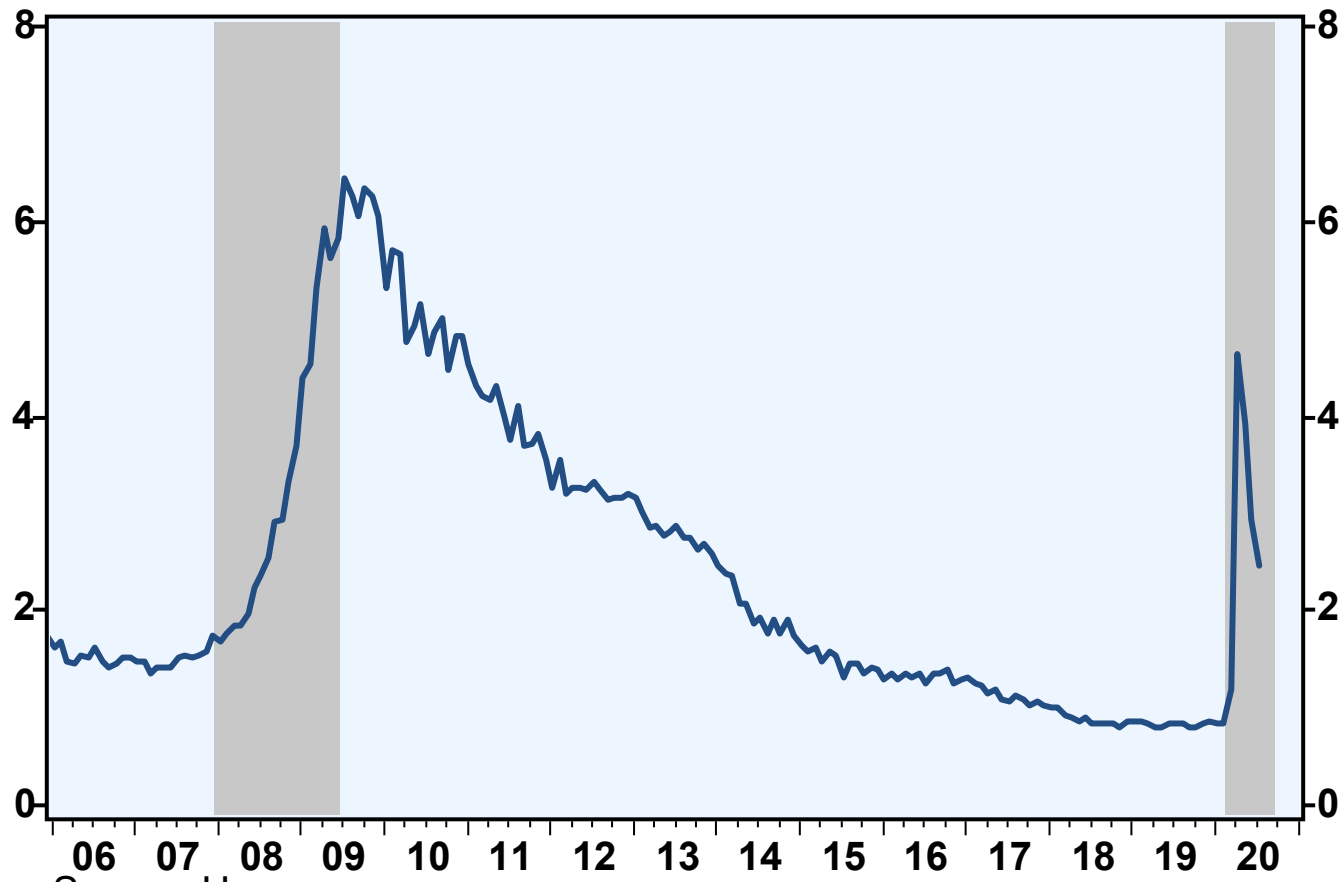


Source: US Bureau of Labor Statistics, Current Population Survey (CPS), via Haver



Unemployment is high, but there is less competition per job opening than in past recessions

Number of unemployed persons per job opening, seasonally adjusted

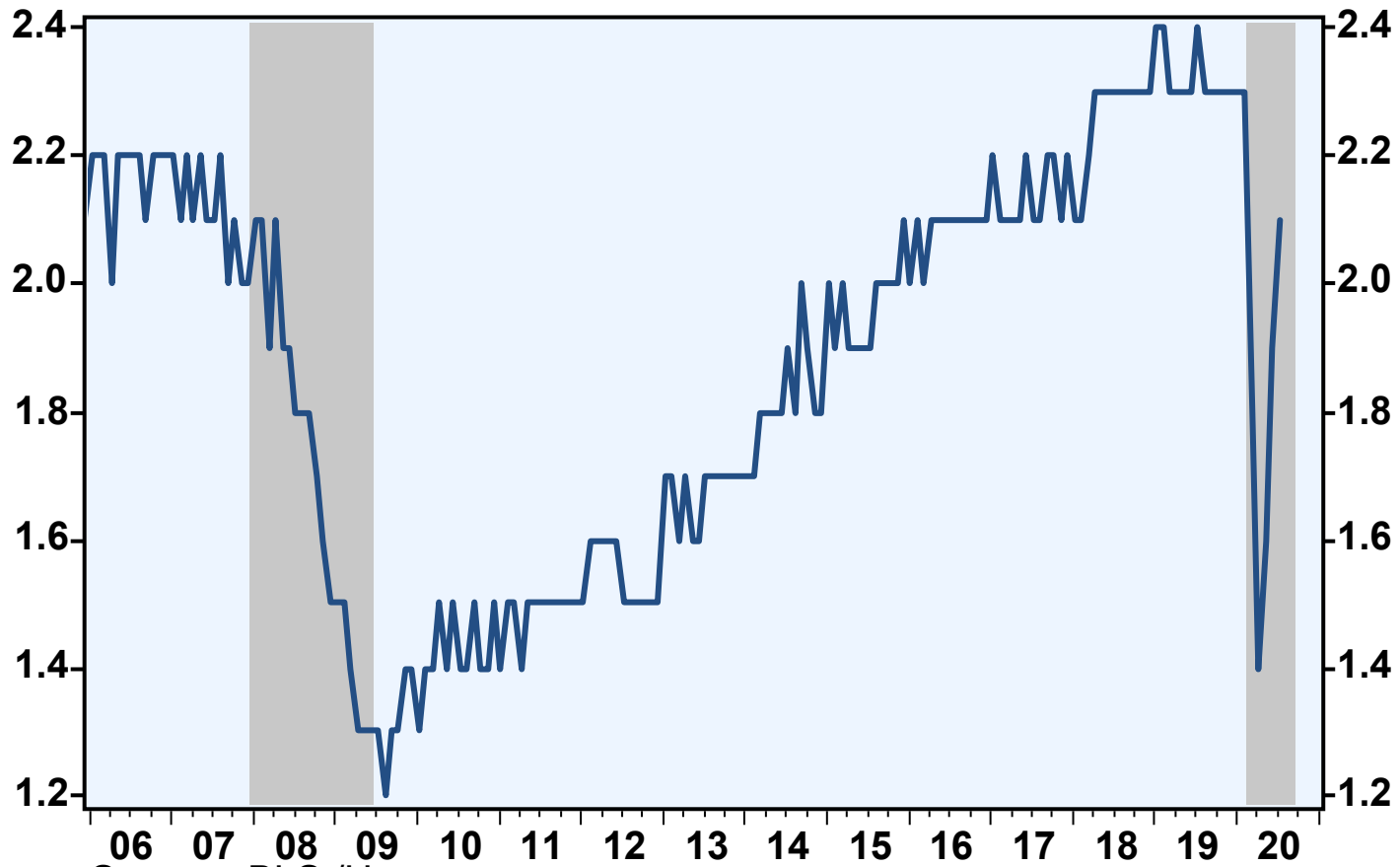


Source: US Bureau of Labor Statistics, Current Population Survey (CPS) and Job Openings and Labor Turnover Survey (JOLTS), via Haver



And workers are relatively comfortable quitting their jobs compared to past recessions

Voluntary quits rate, seasonally adjusted

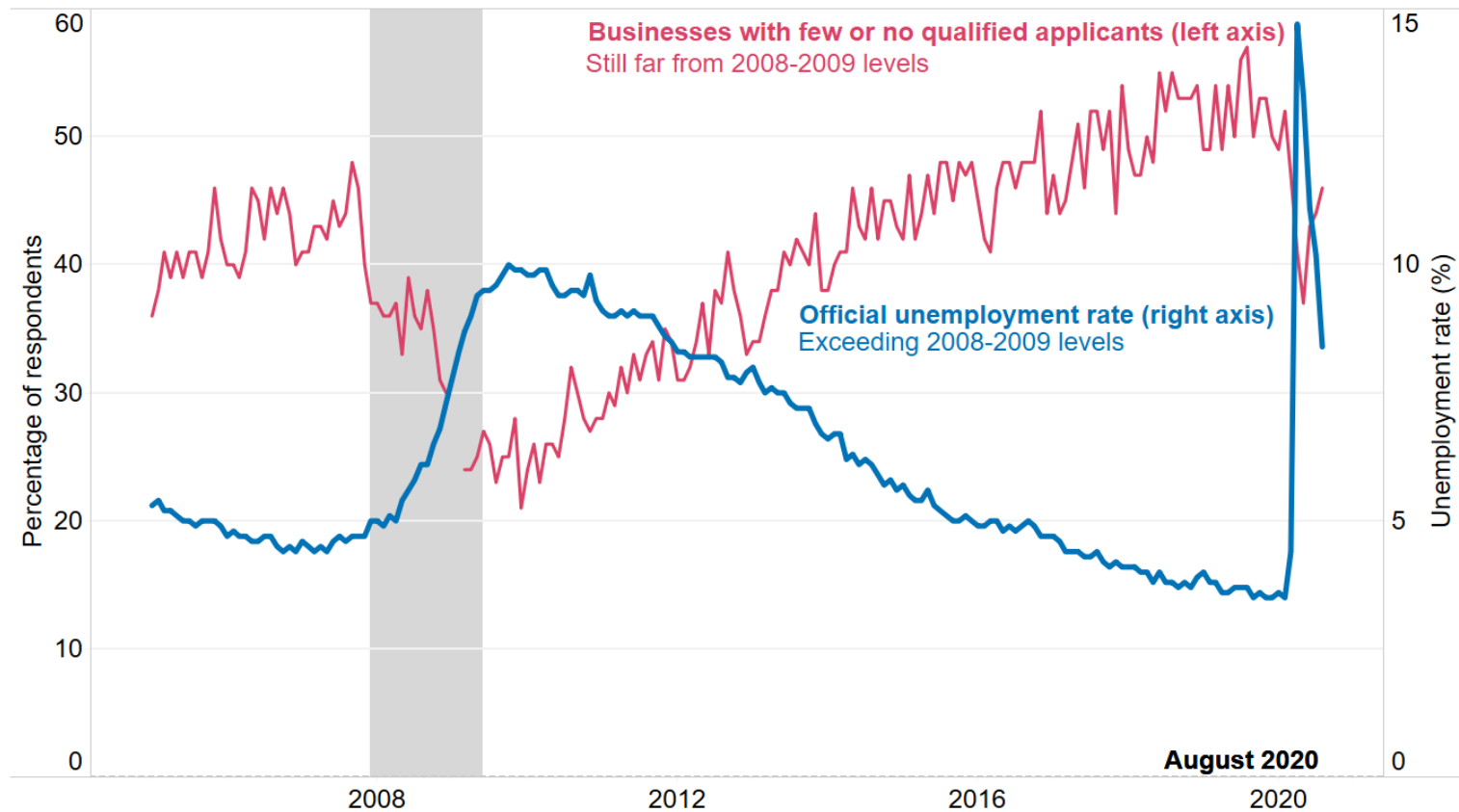


Source: US Bureau of Labor Statistics, Job Openings and Labor Turnover Survey (JOLTS), via Haver



Still a tight labor market: Largest disconnect ever between the unemployment rate and the difficulty to find a job

The unemployment rate and the percent of businesses with few or no qualified applicants for job openings.



Source: The Conference Board; US Bureau of Labor Statistics; National Federation of Independent Business



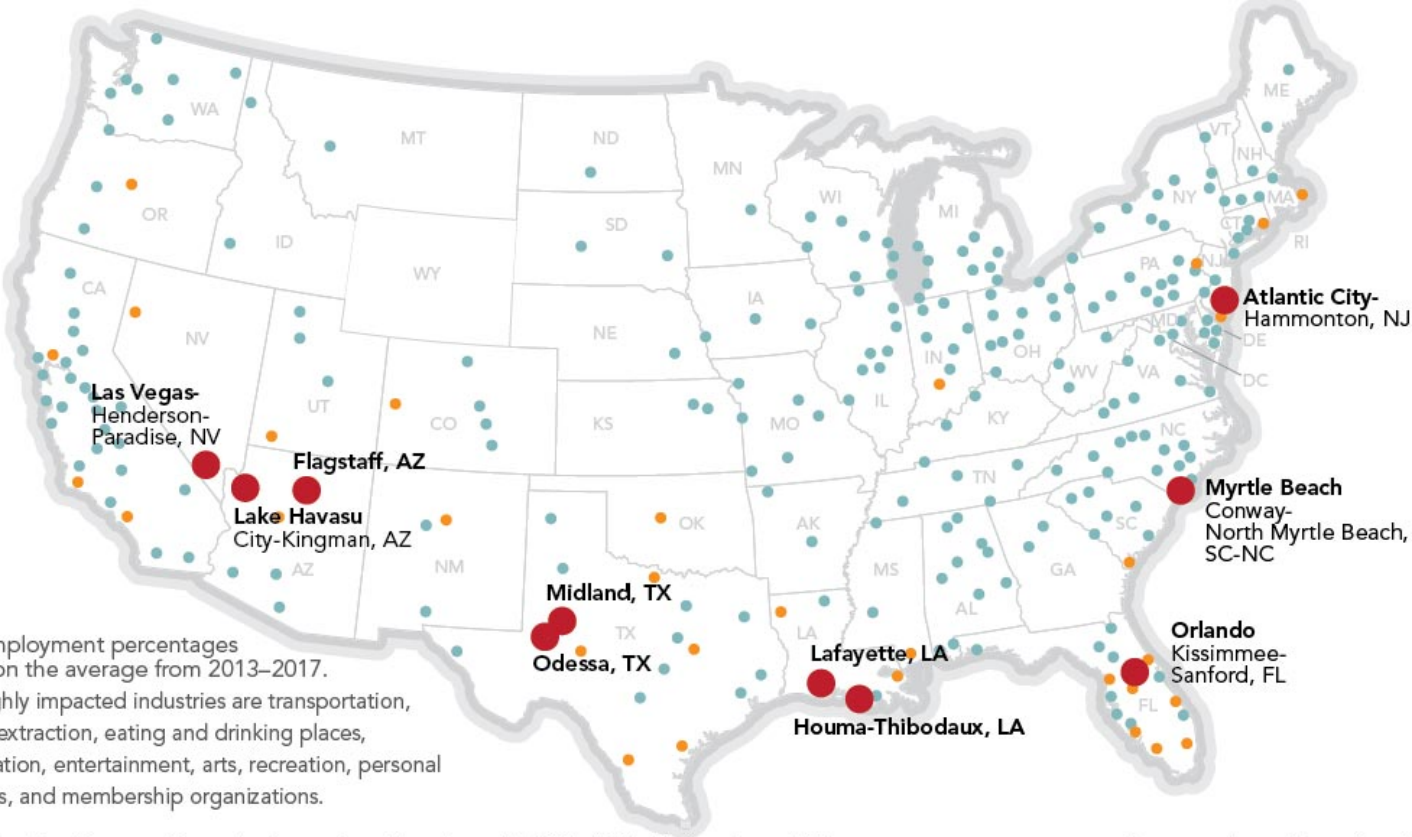


Regional Labor Markets

Metro areas at high risk of losing jobs

Metro areas by percent of jobs in highly impacted industries

- Most impacted metro areas** ● 22–34% of total employment is in highly impacted industries
- Very impacted metro areas** ● 16–22% of total employment is in highly impacted industries
- Impacted metro areas** ● 9–16% of total employment is in highly impacted industries



Note 1: Employment percentages are based on the average from 2013–2017.

Note 2: Highly impacted industries are transportation, oil and gas extraction, eating and drinking places, accommodation, entertainment, arts, recreation, personal care services, and membership organizations.

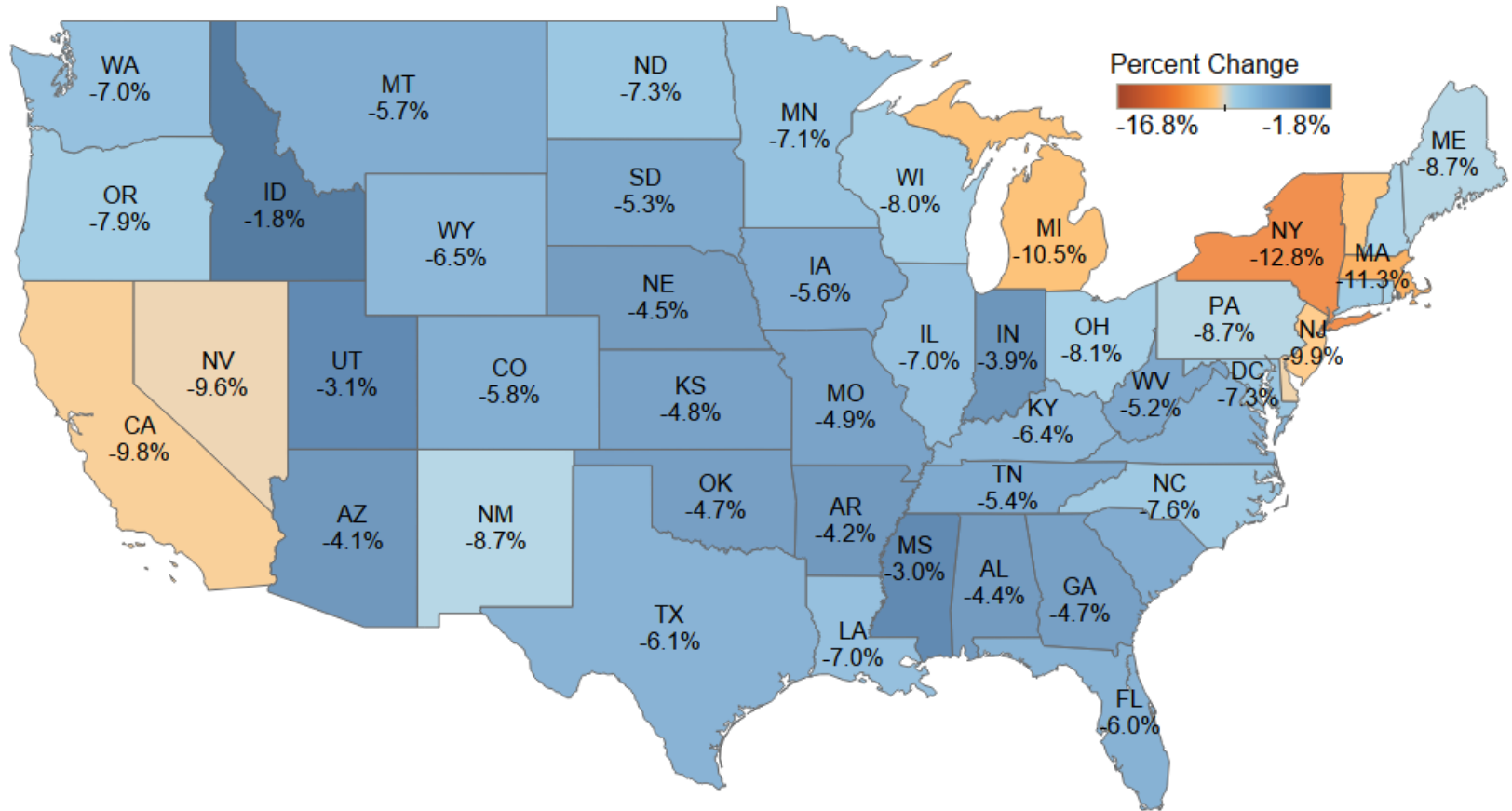
Source: The Conference Board using microdata from IPUMS-ACS, University of Minnesota

[conference-board.org/covid-19](https://www.conference-board.org/covid-19)



Job losses were largest in the North East and Pacific regions

Percent change in employment by state from February to August 2020

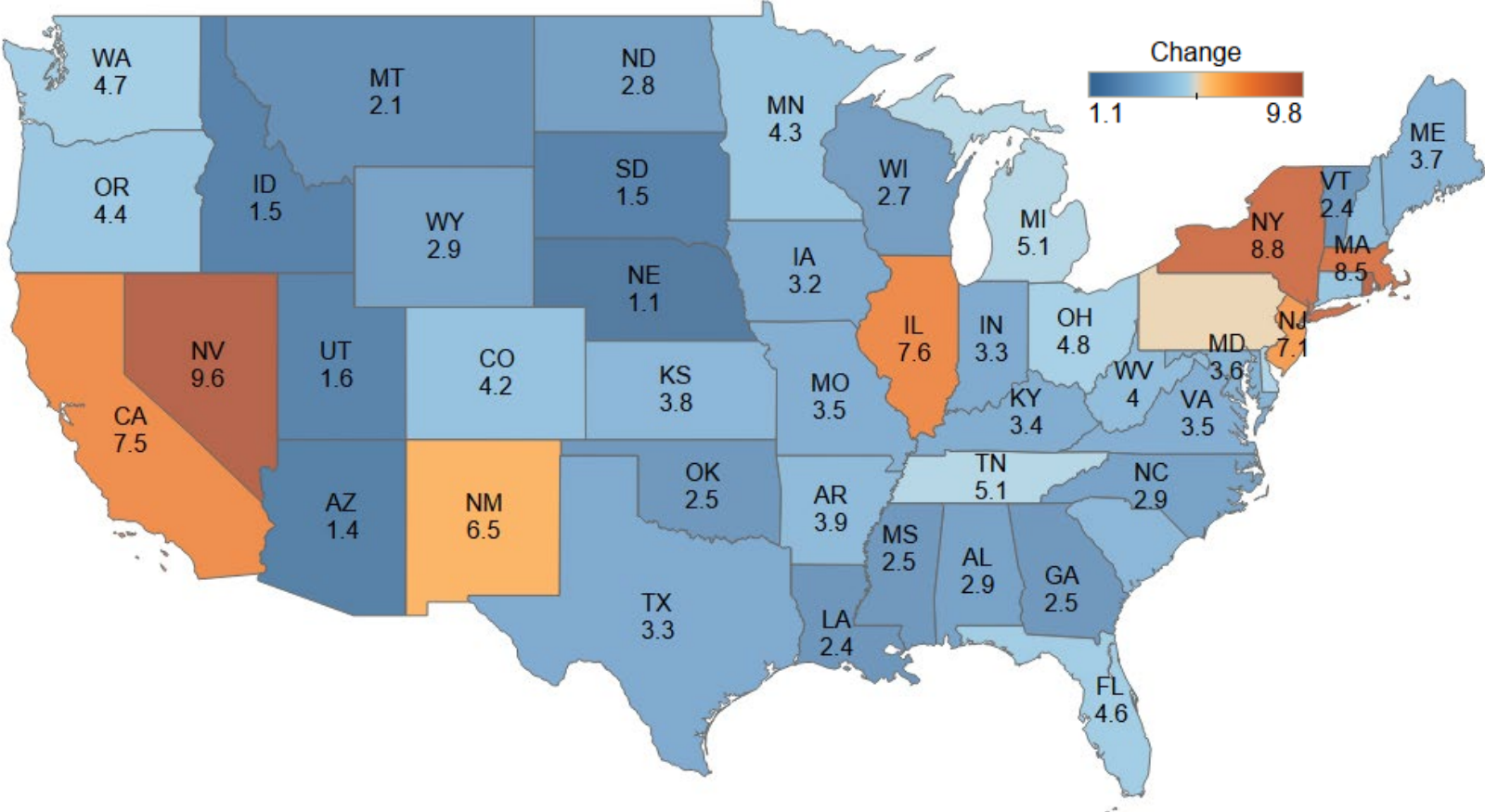


Source: Bureau of Labor Statistics, calculations by the Conference Board



Hard hit COVID states experienced large increases in the unemployment rate

Change in unemployment rate by state from February to August 2020

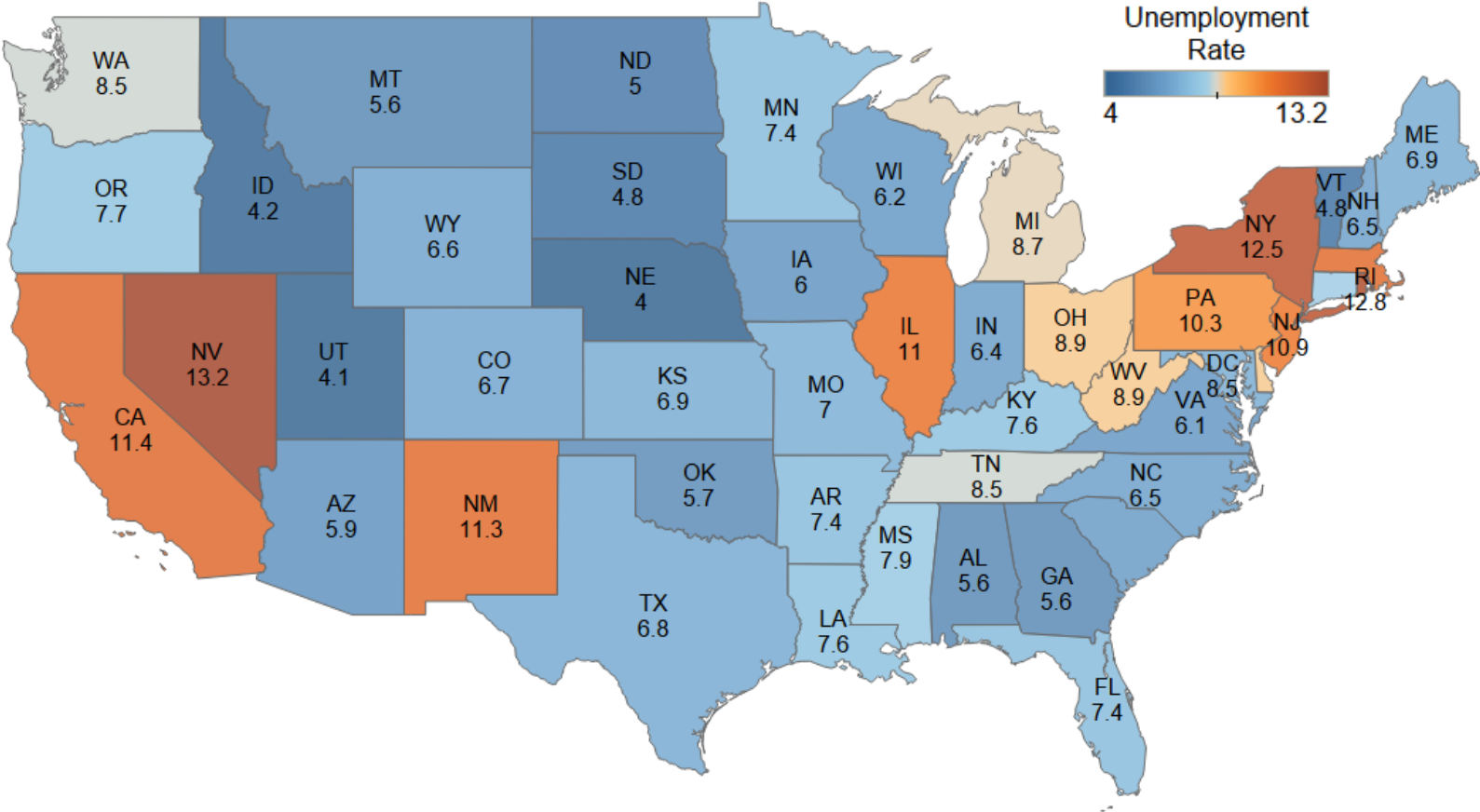


Source: Bureau of Labor Statistics, calculations by the Conference Board



Some states still experiencing double-digit unemployment rate

Unemployment rate by state, August 2020

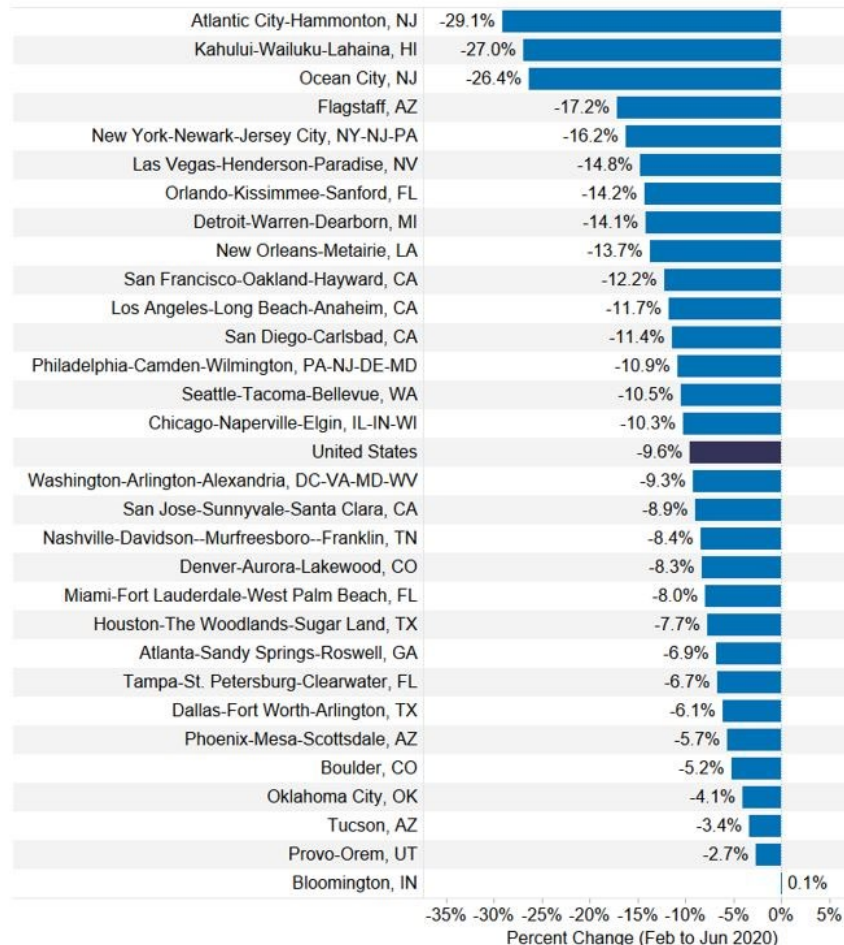


Source: Bureau of Labor Statistics, calculations by the Conference Board



Many large metro areas experienced greater job losses than the national average

Percent change in employment by metro areas from February to June 2020



Source: Bureau of Labor Statistics, calculations by the Conference Board

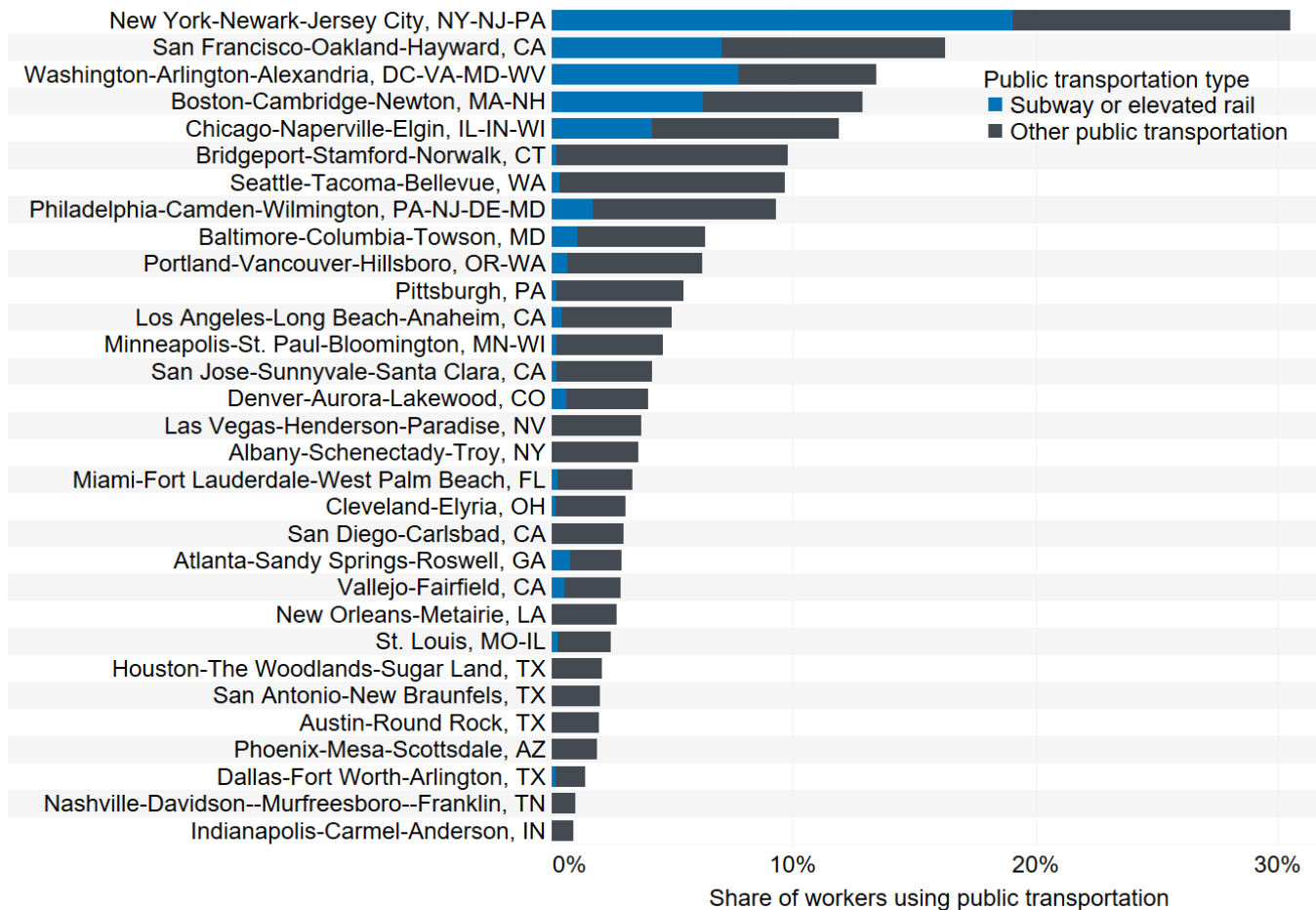




Remote Work

It might take longer to return to work in metro areas with high shares of workers using public transportation

The share of workers commuting to work using public transportation, 2018

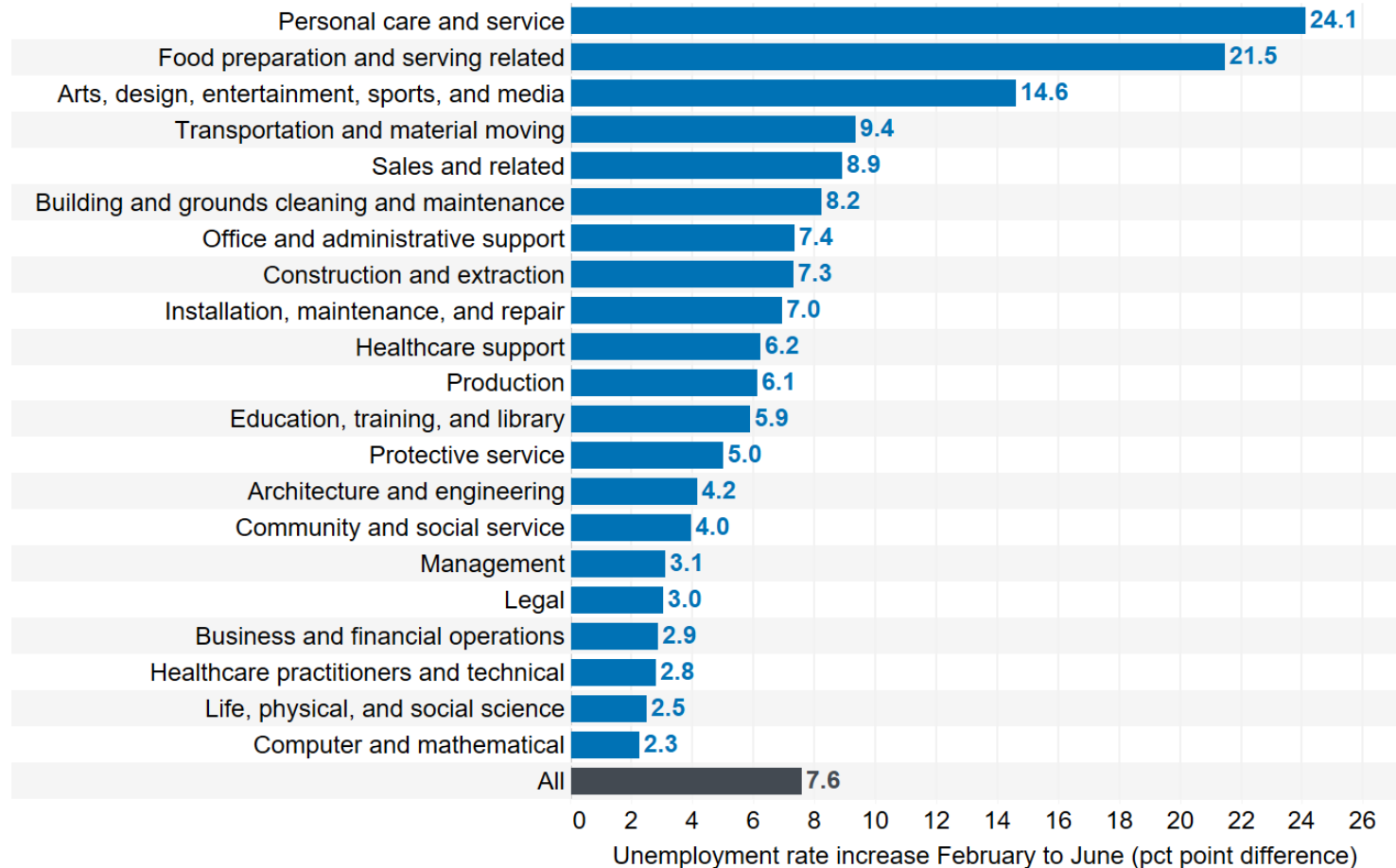


Source: The Conference Board using microdata from IPUMS-ACS, University of Minnesota



The ability to work from home saved many white-collar jobs

Unemployment rate increase from February to June 2020, by occupation

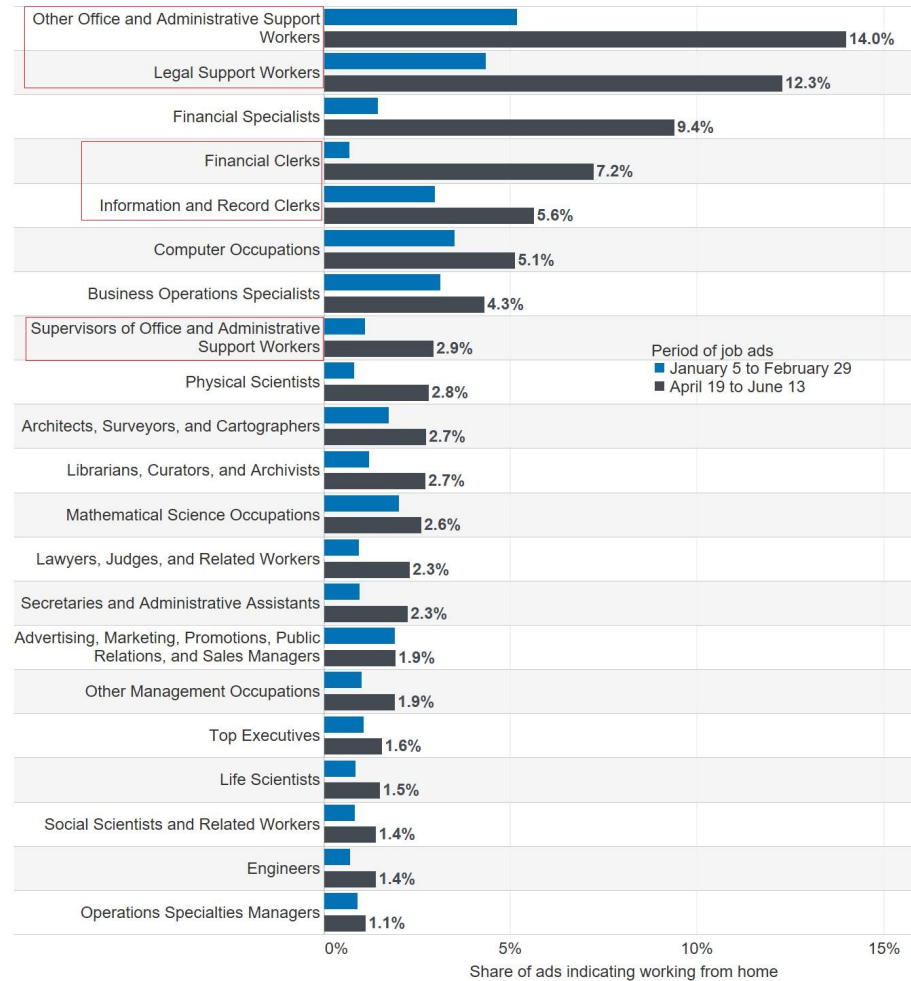


Source: US Bureau of Labor Statistics



The recent surge in teleworking is very noticeable in office and administrative support occupations

Share of job ads indicating work from home



Source: The Conference Board®-Burning Glass® Help Wanted OnLine™ (HWOL) data series

Read our blog: [What types of jobs will experience a large permanent increase in remote working?](#)

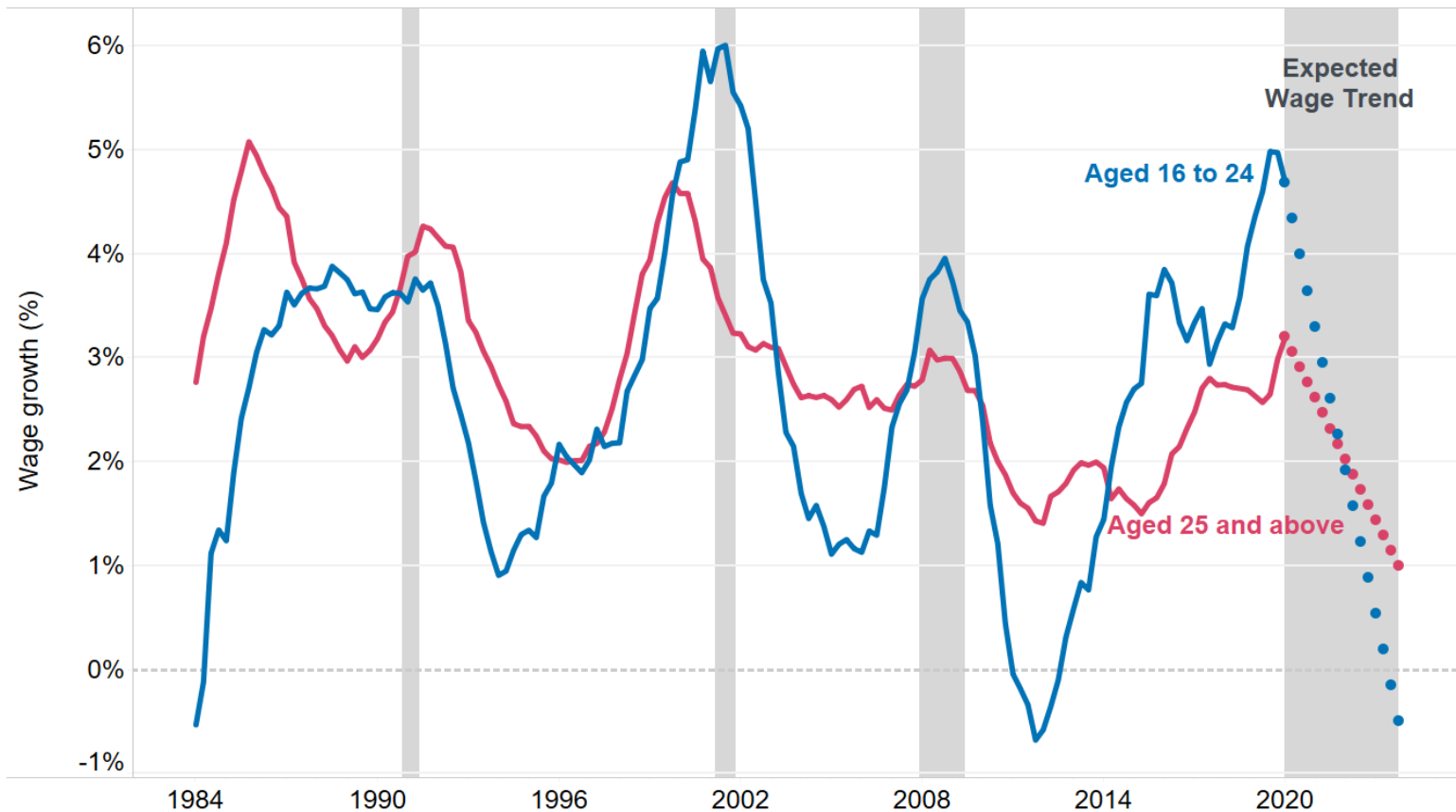




Compensation trends

The wage adjustment for new labor market entrants is likely to be large

Wage for workers aged 16-24 and 25 and above, last 8 quarters versus the 8 preceding quarters, annualized percentage change

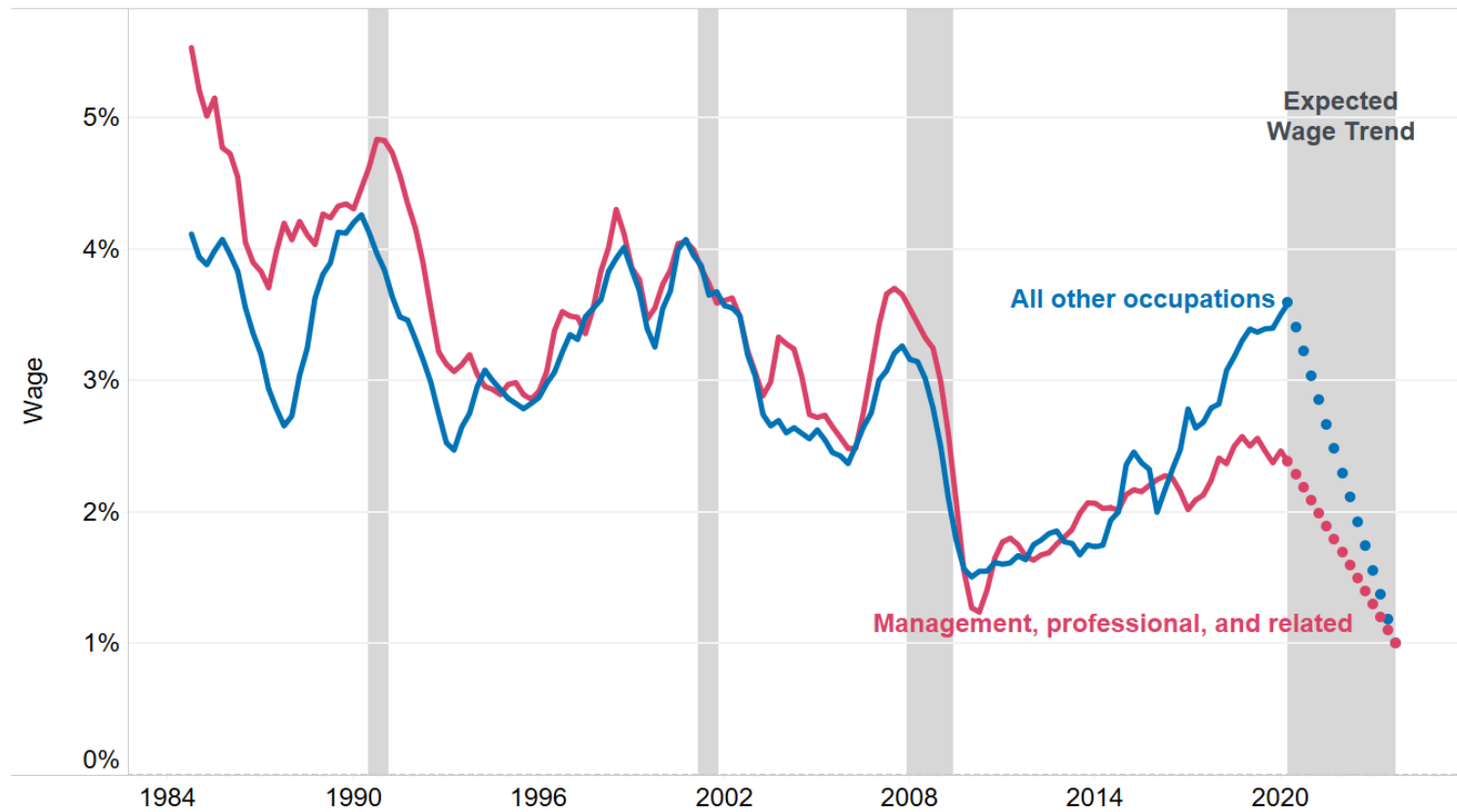


Source: US Bureau of Labor Statistics



Before COVID, blue-collar wages were growing faster than white-collar wages, now wage growth will ease

Employment Cost Index (salaries and wages), percentage change of the last 4 quarters over the preceding 4 quarters, by large occupation group

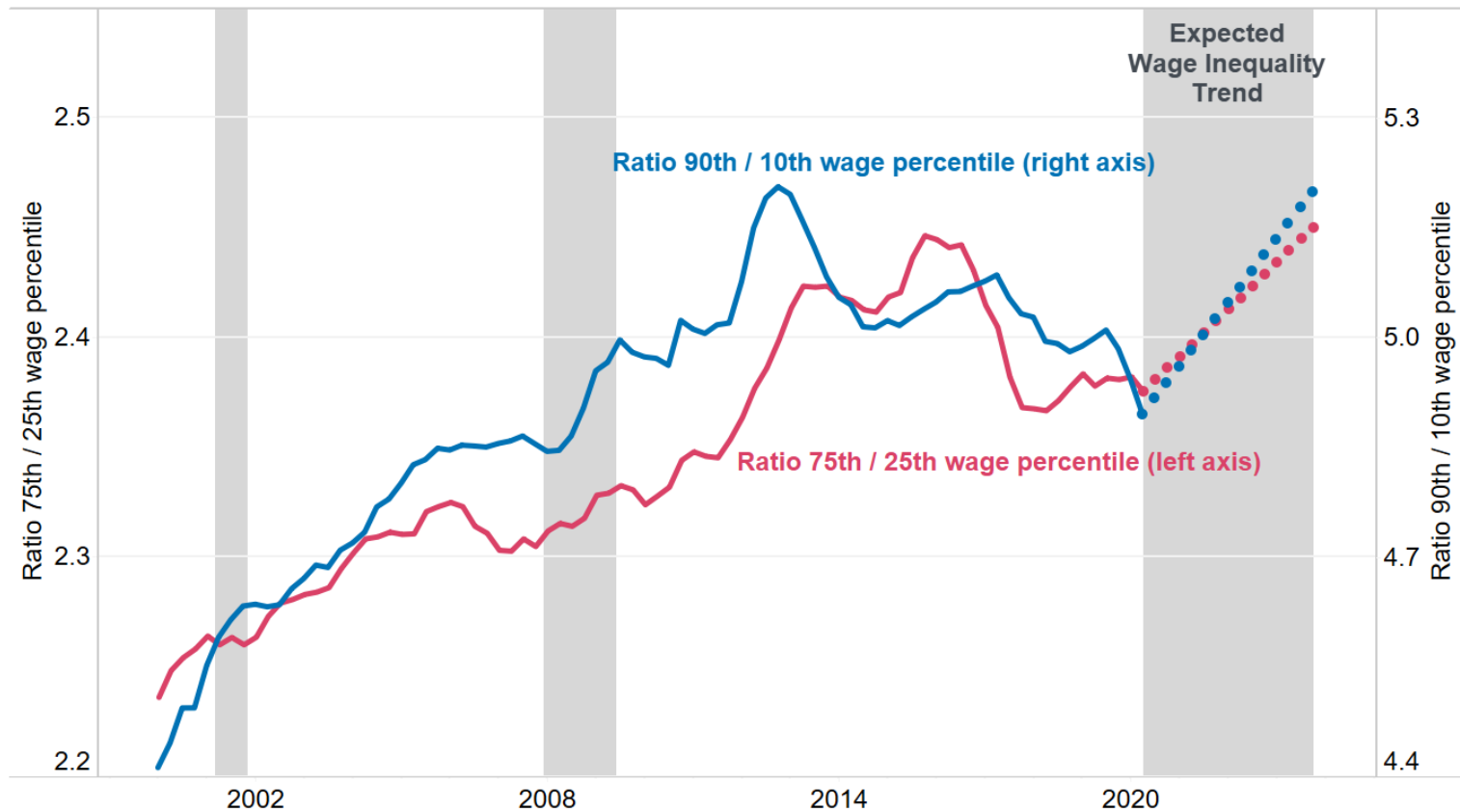


Source: US Bureau of Labor Statistics; The Conference Board



Disproportionate COVID impacts on low wage workers will reverse recent reductions in wage inequality

Ratio of the 10th by 90th and 25th by 75th percentile in the average hourly earnings wage distribution



Source: US Bureau of Labor Statistics



The Conference Board Resources



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See a complete program listing at
[conference-board.org/webcasts](https://www.conference-board.org/webcasts).

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- [Preparing for the Post-Pandemic Labor Market](#)
- [Is Staying Home Here to Stay? The Rise of Telework after COVID-19](#)
- [Help Wanted? How Real-time, Online Job Data Reveals the Impact of COVID-19 on Labor Markets](#)





Indications

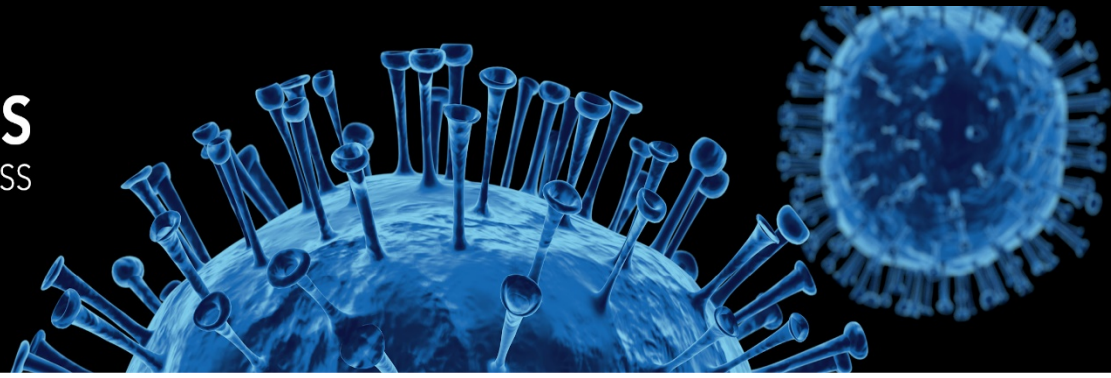
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COVID-19
CORONAVIRUS
IMPLICATIONS FOR BUSINESS



Want to hear more about this topic and how the spread of COVID-19 will impact business and the global economy?

The Conference Board has gathered insights and learnings from our thought leaders and member network which we hope will be helpful as you formulate, implement and manage your own crisis response.

Explore all of these resources on our website at <https://www.conference-board.org/COVID-19>.



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