

The Pandemic Recession & The Labor Market

(This one is different.)

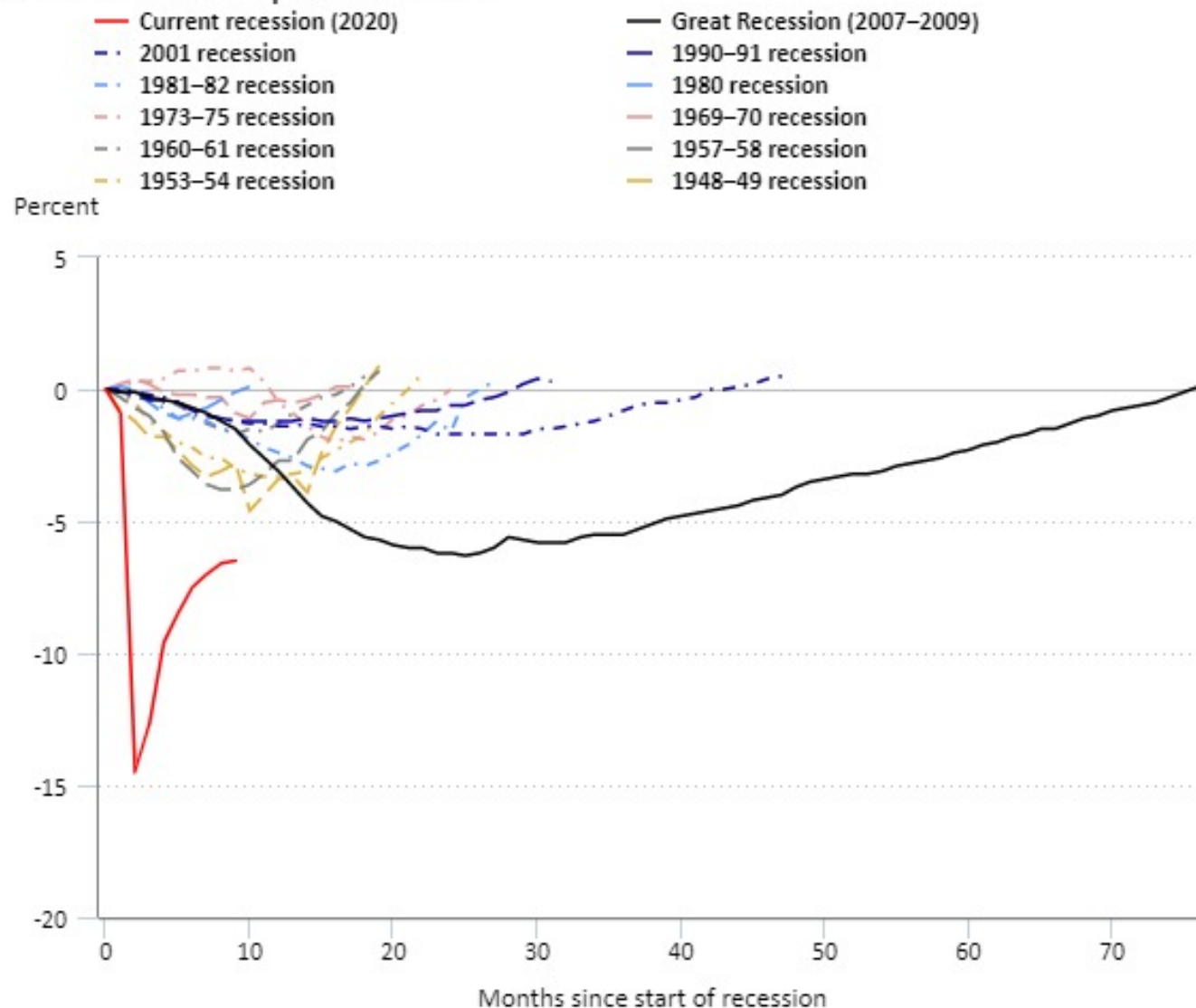
*For Conversation with
AAUW-Huntsville, AL*

Diane Lim – February 2, 2021

Twitter: [@economistmom](https://twitter.com/economistmom)

[EconomistMom.com blog](https://economistmom.com/blog)

Figure 1. Cumulative percentage change in CES employment in post-World War II recessions and subsequent recoveries

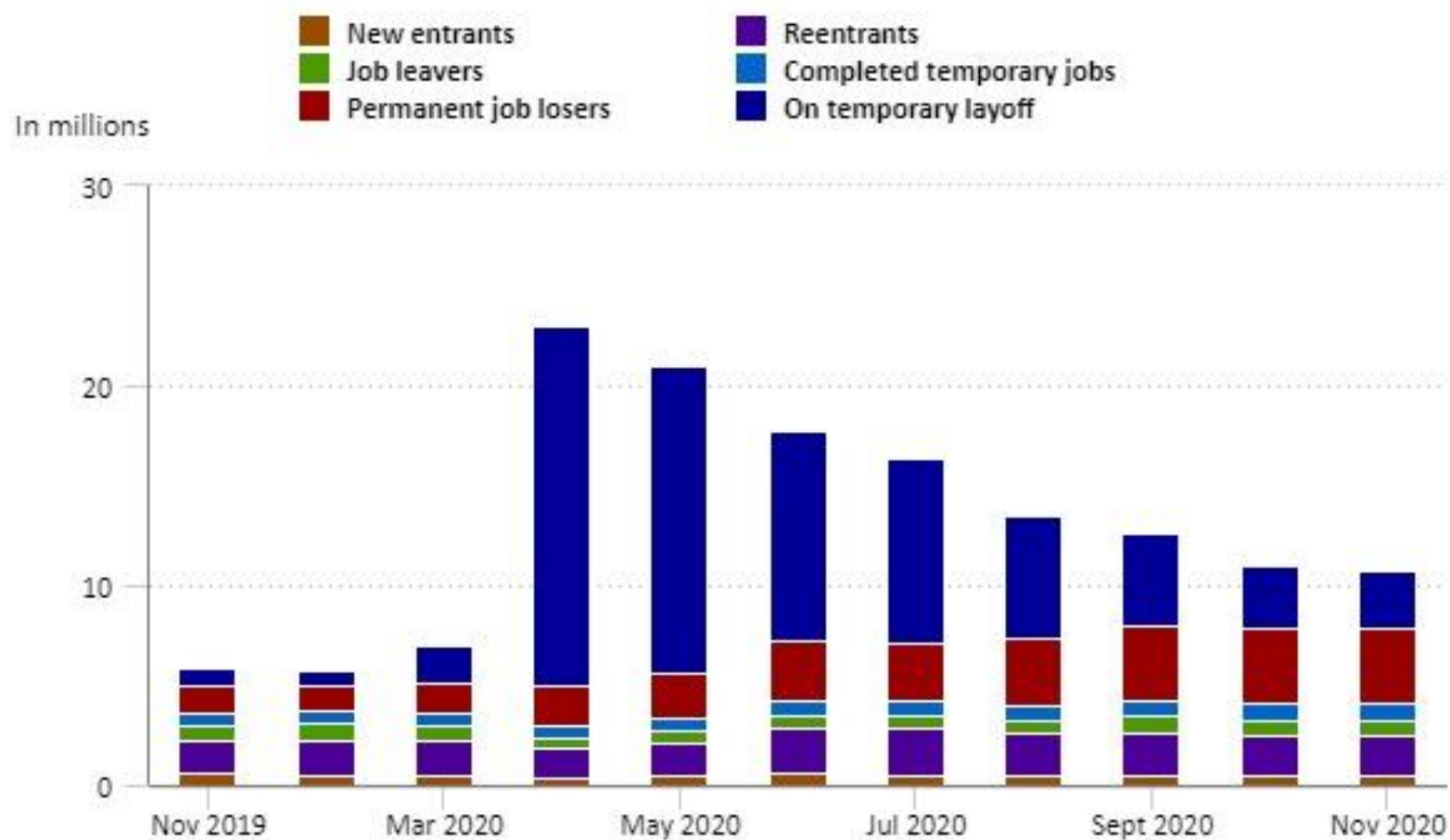


Click legend items to change data display. Hover over chart to view data.
Source: U.S. Bureau of Labor Statistics.

From Handwerker et al.,
“Employment recovery in the wake
of the COVID-19 pandemic,” BLS
Monthly Labor Review, Dec. 2020
(<https://www.bls.gov/opub/mlr/2020/article/employment-recovery.htm>)



Figure 3. Unemployed people by reason for unemployment

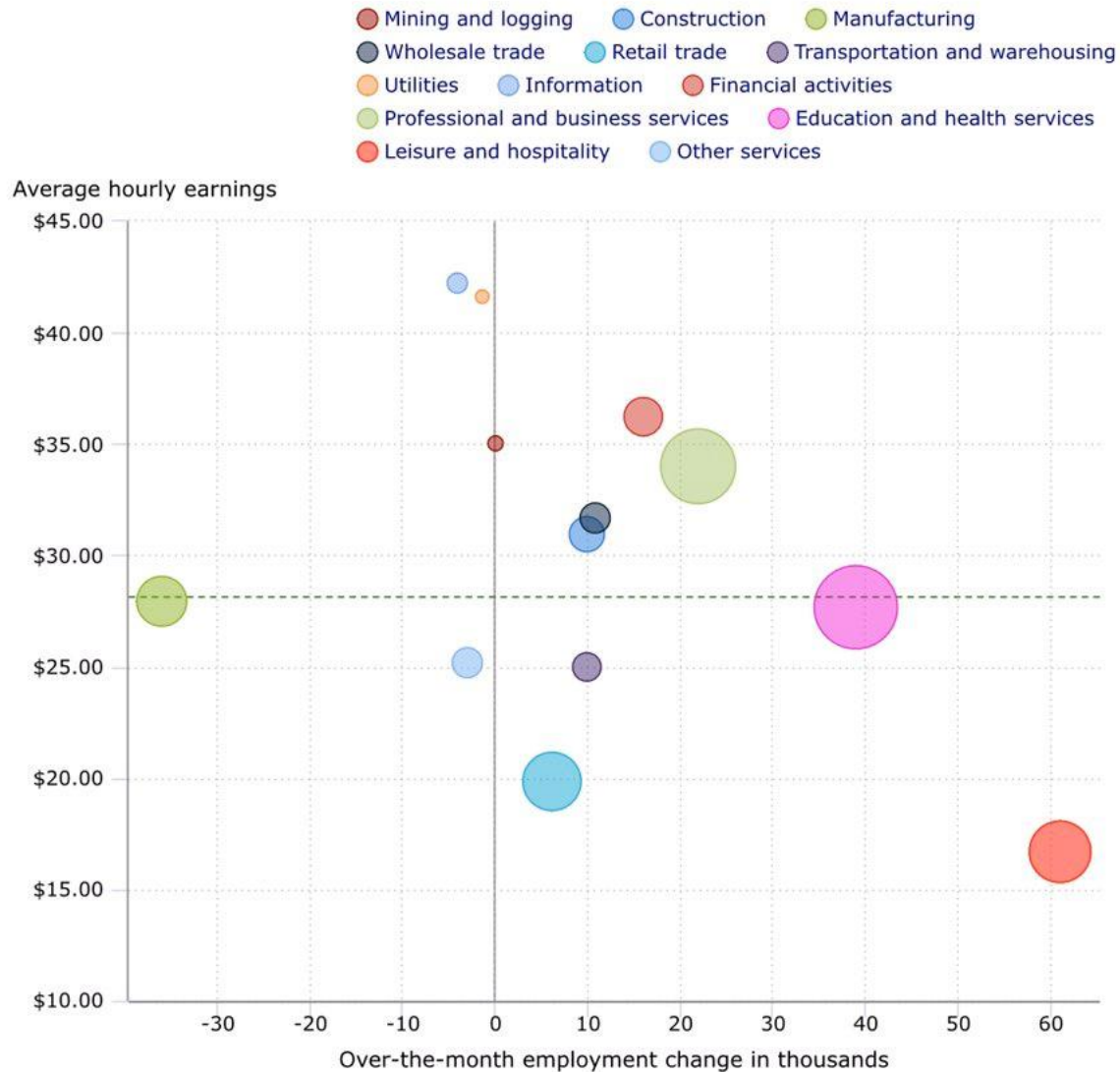


Click legend items to change data display. Hover over chart to view data.
Source: U.S. Bureau of Labor Statistics, Current Population Survey.



Employment and average hourly earnings by industry for all employees, October 2019, seasonally adjusted

Bubble size represents employment level in thousands

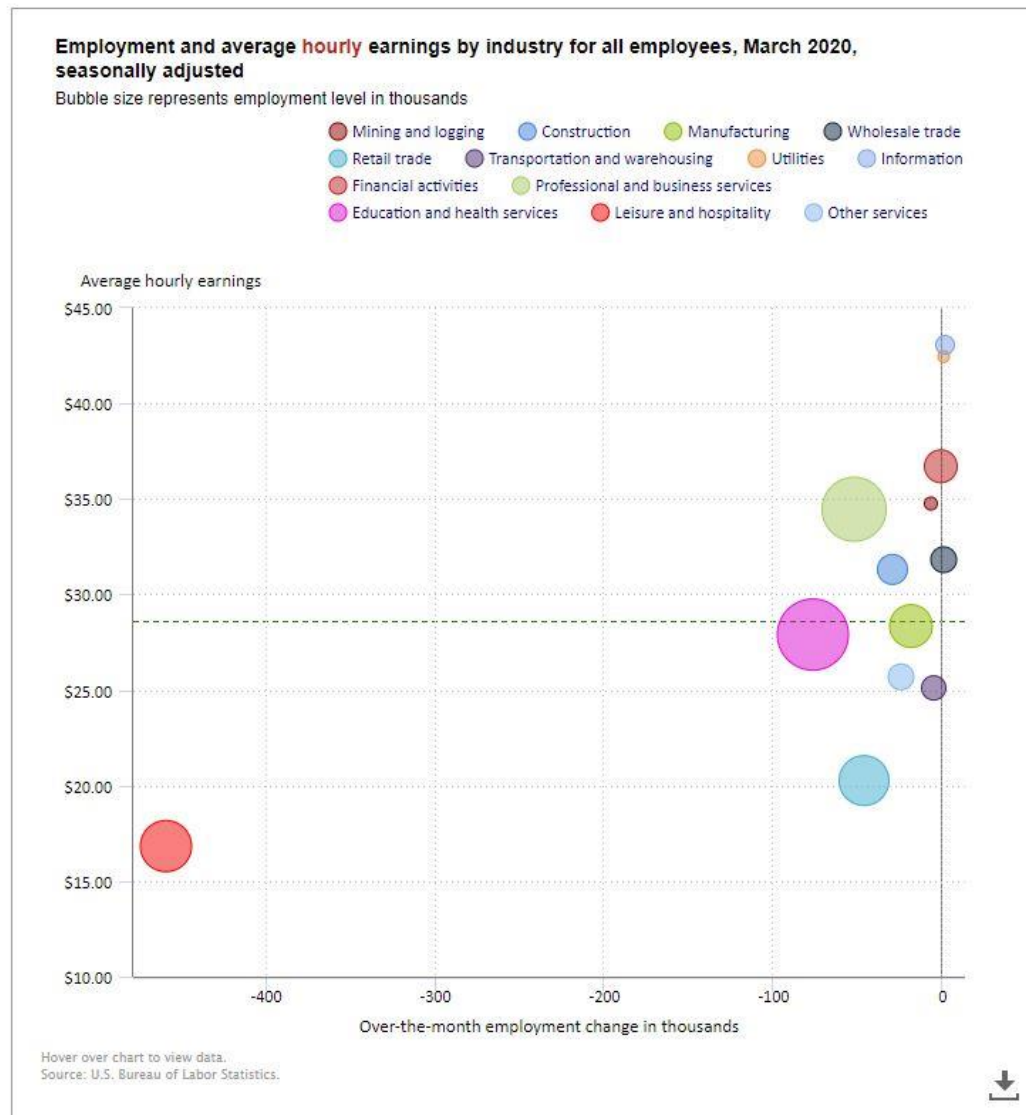


Hover over chart to view data.
Source: U.S. Bureau of Labor Statistics.

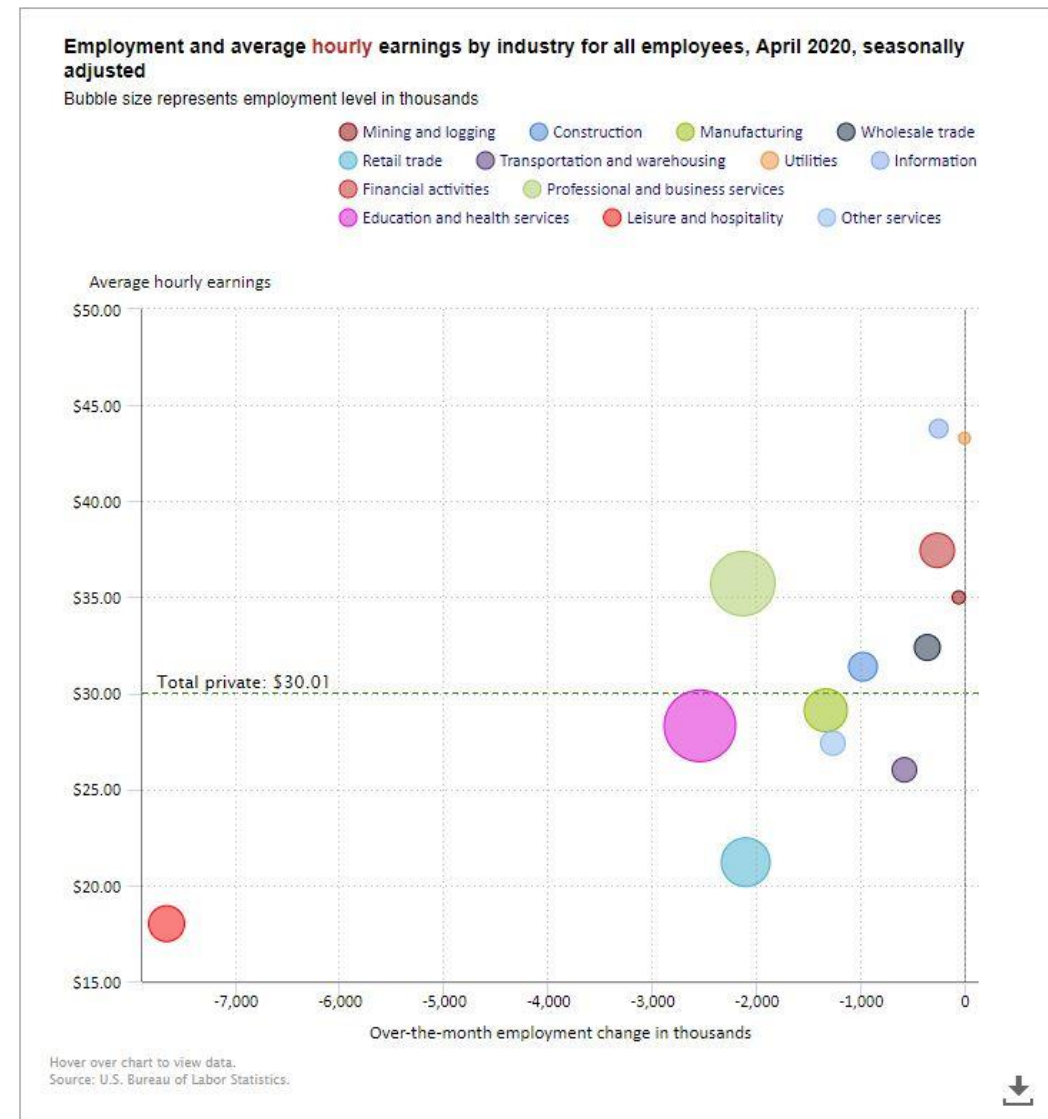


Demand-side factors:

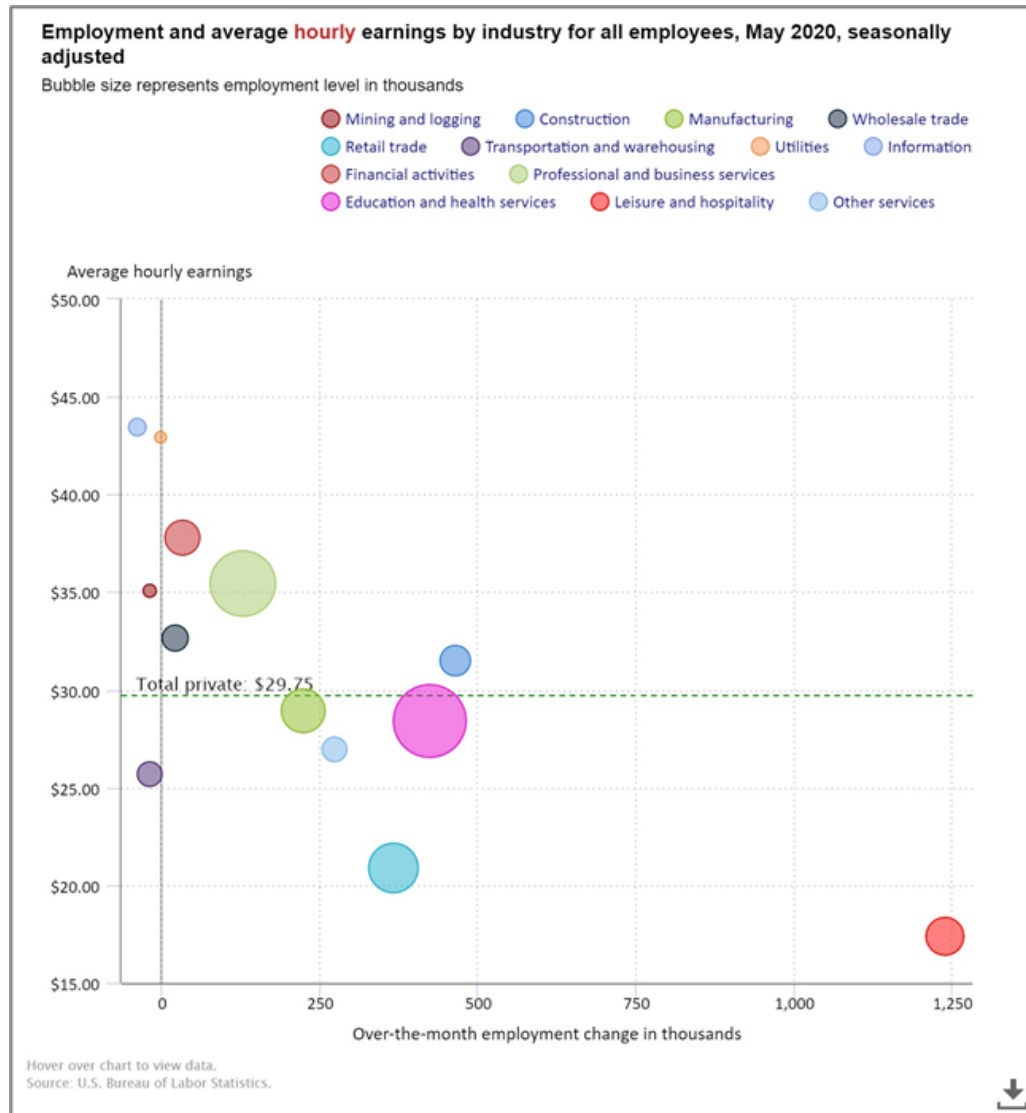
Pre-pandemic (October 2019):
follow the red-orange bouncing
ball (leisure/hospitality
sector)...



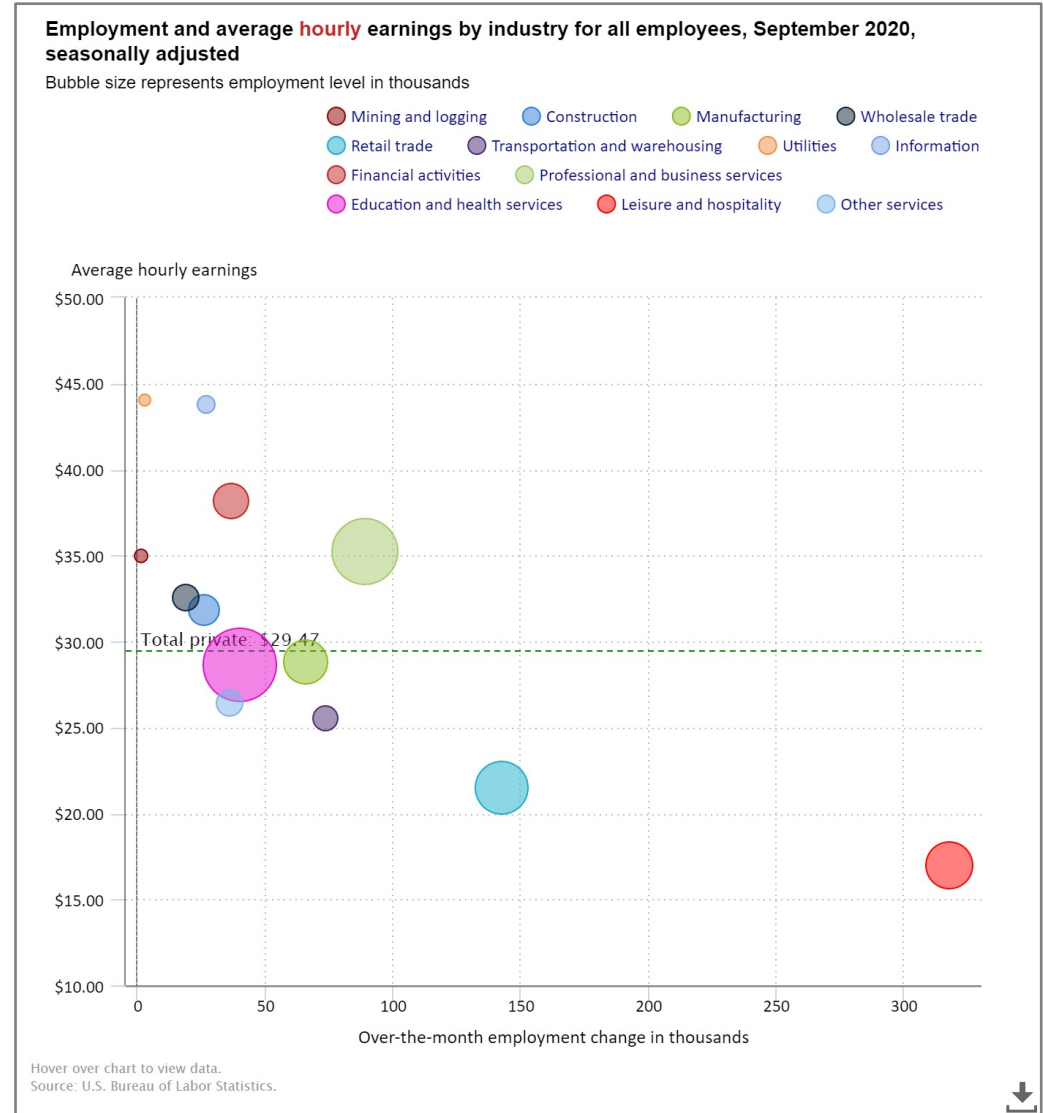
March 2020



April 2020



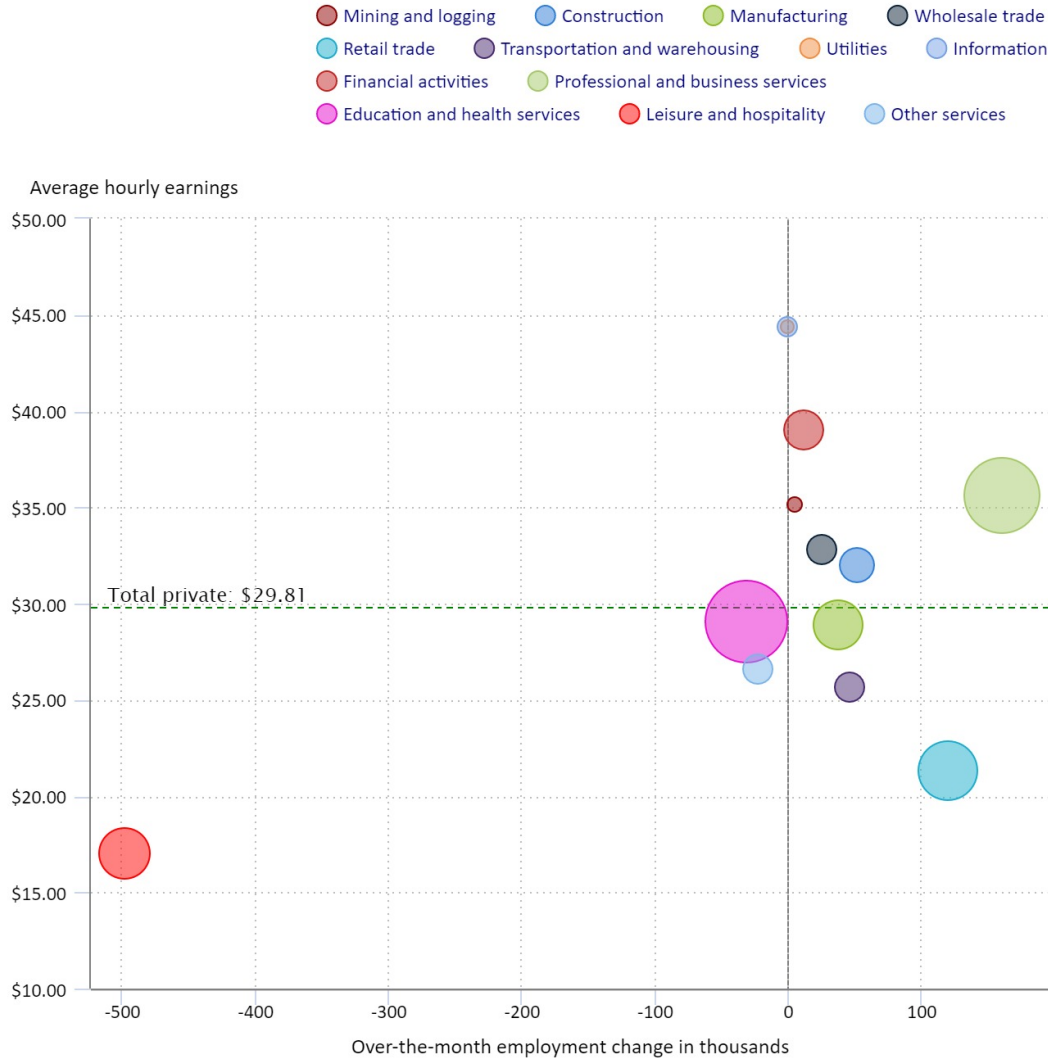
May 2020



September 2020

Employment and average **hourly** earnings by industry for all employees, December 2020, seasonally adjusted

Bubble size represents employment level in thousands



Hover over chart to view data.
Source: U.S. Bureau of Labor Statistics.



...and **December 2020**
(back down again)

Pandemic Labor Market Outcomes by Gender and Race

(why this recession has been dubbed the “She-cession”)

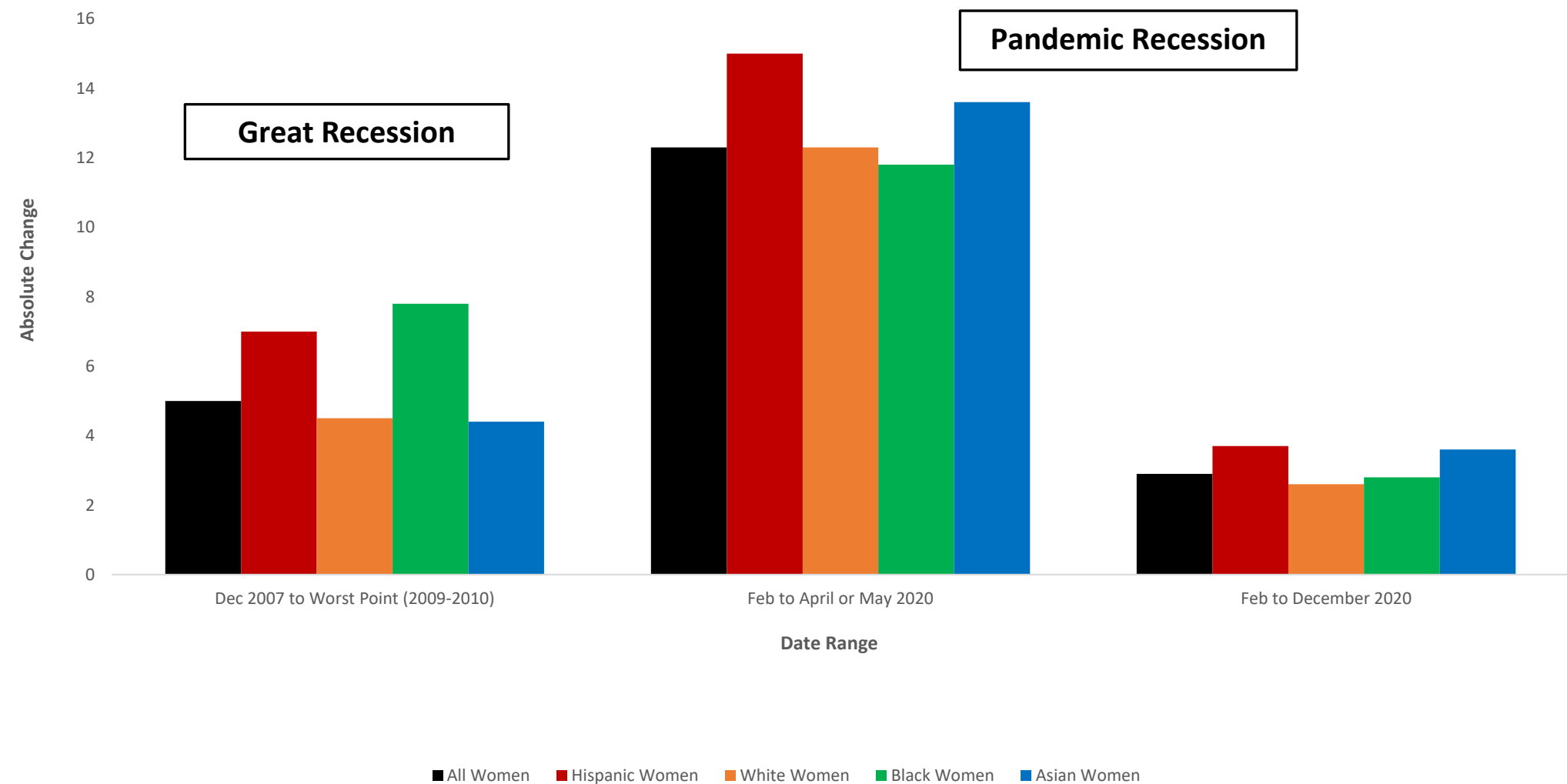
Charts/table that follow are based on BLS-published, *un*adjusted data by race and gender categories, through December 2020, downloadable here:

<https://data.bls.gov/PDQWeb/In>. (These are not yet on my blog but were shared on Twitter here: <https://twitter.com/economistmom/status/1347969256626003970?s=20>)



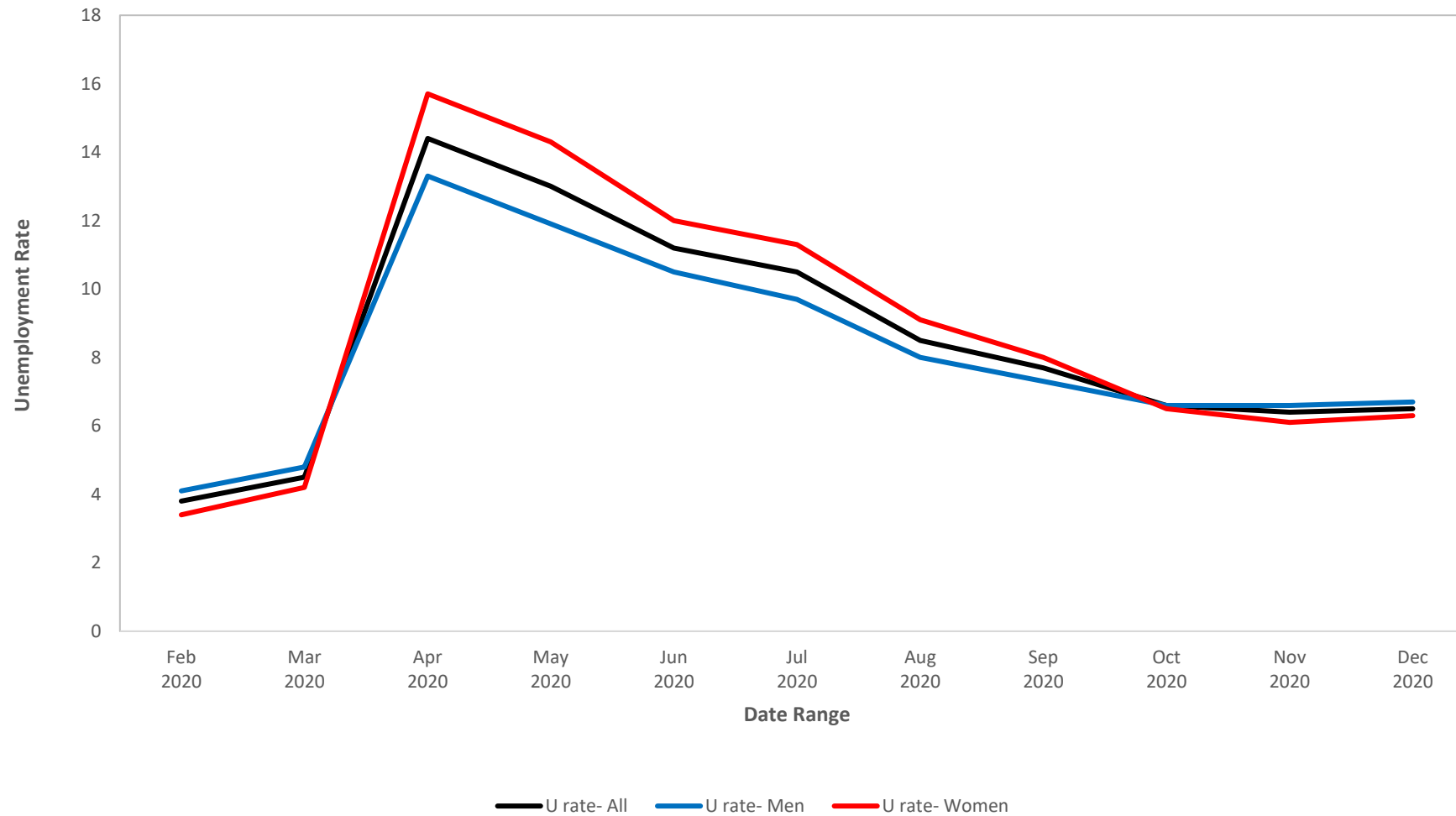
Unemployment Rate, Absolute Change for All Women and Women by Racial Group

(comparing Great and Pandemic Recessions, through December 2020)



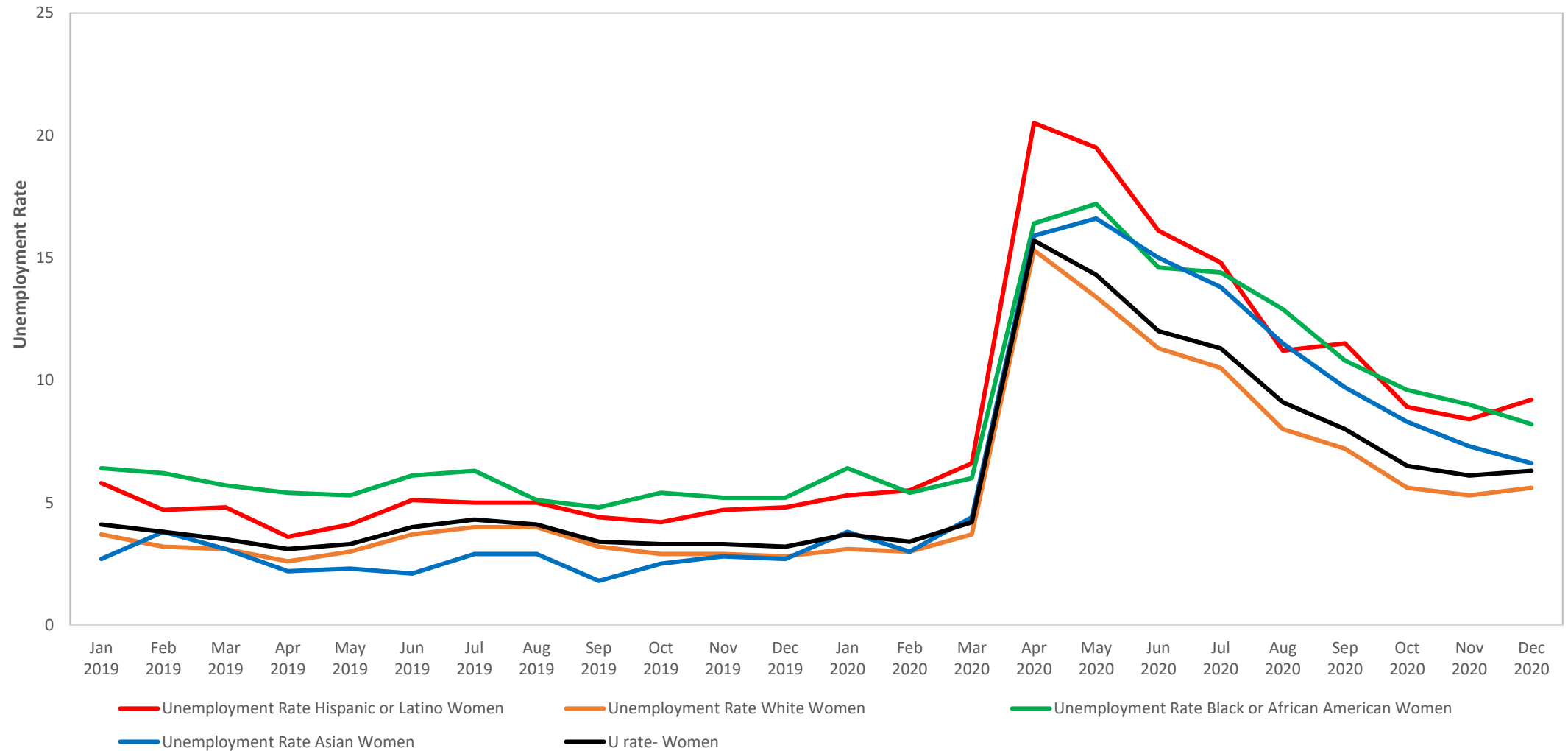
Unemployment Rates for Overall, All Men, All Women

Pandemic Recession: February 2020 - December 2020



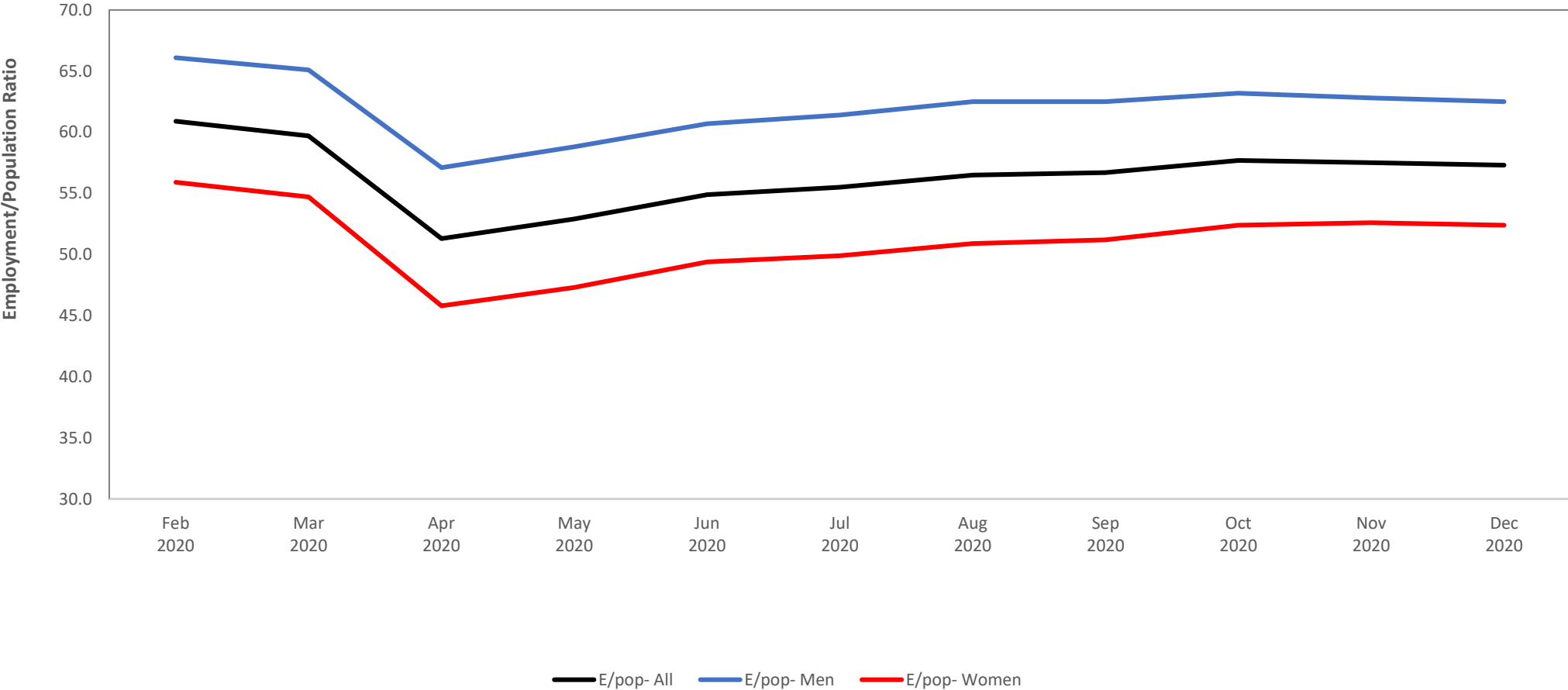
Unemployment Rate for All Women and Women by Racial Group

January 2019 - December 2020



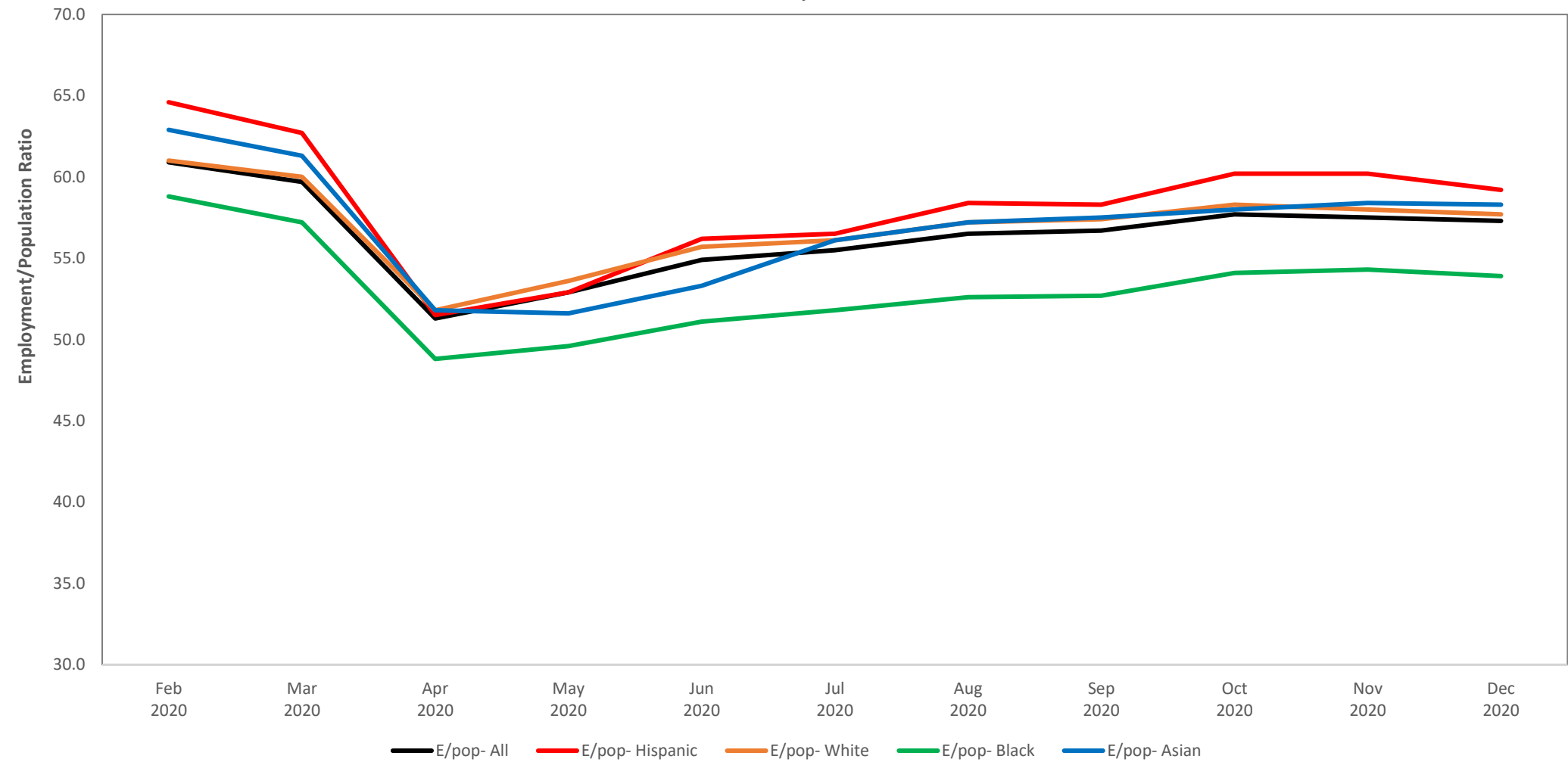
Employment to Population Ratio for Overall Population, All Men and All Women

Pandemic Recession: February 2020 - December 2020



Employment to Population Ratio by Race

Pandemic Recession: February 2020 - December 2020



Employment/Population Ratio for All Women and by Racial Group

January 2019 - December 2020



Unemployment Rates During Prior ("Great") Recession and Current Pandemic Recession

by Race/Gender Categories, Unadjusted data from Bureau of Labor Statistics

UPDATED for DECEMBER data - DL 1/8/2021

	Great Recession (December 2007 - June 2009)			Pandemic Recession (February 2020 through April--worst point for most groups--and DECEMBER 2020)				
	December 2007	Worst Point (U peak)	<u>Change:</u> Dec 2007 to Worst Point (2009-2010)*	February 2020	April 2020	December 2020	<u>Change:</u> Feb to April 2020**	<u>Change:</u> Feb to DEC 2020
All	4.8	10.6	5.8	3.8	14.4	6.5	10.6	2.7
All Women	4.4	9.4	5.0	3.4	15.7	6.3	12.3	2.9
All Men	5.1	12.3	7.2	4.1	13.3	6.7	9.2	2.6
All White	4.3	9.7	5.4	3.4	13.8	5.9	10.4	2.5
White Women	3.9	8.4	4.5	3.0	15.3	5.6	12.3	2.6
White Men	4.5	11.4	6.9	3.7	12.6	6.2	8.9	2.5
All Black	8.6	17.3	8.7	6.3	16.4	9.3	10.1	3.0
Black Women	7.5	15.3	7.8	5.4	16.4	8.2	11.0	2.8
Black Men	9.7	21.3	11.6	7.3	16.3	10.6	9.0	3.3
All Hispanic	6.3	13.9	7.6	4.8	18.5	9.2	13.7	4.4
Hispanic Women	6.4	13.4	7.0	5.5	20.5	9.2	15.0	3.7
Hispanic Men	6.3	15.0	8.7	4.3	16.9	9.2	12.6	4.9
All Asian	3.7	8.4	4.7	2.5	14.3	5.8	11.8	3.3
Asian Women	4.0	8.4	4.4	3.0	15.9	6.6	12.9	3.6
Asian Men	3.4	9.6	6.2	2.1	12.9	5.1	10.8	3.0

the "She-cession"

...but female U rate now < male (since Oct)

least impacted this time

*Black Men: worst off in prior recession (chg & level)
(highest U rate level in Dec)*

*Hisp. Women worst chg through April
now Hisp. Men worst off through Dec*

best off in prior (had been worst through NOV)

Asians alone: female U still > male U in Dec

*** Worst Points during Great Recession are where each category's unemployment rate peaked:**

Asian Women peaked earliest, in 6/2009; White & Hispanic Men peaked in 1/2010; Asian Men peaked in 2/2010; Black Men peaked in 3/2010; and White, Black & Hispanic Women peaked in 7/2010.

**** Peak Unemployment during Pandemic Recession occurred in May 2020 for the following groups:**

All Black (16.6%), Black Women (17.2%), All Asian (14.8%), Asian Women (16.6%), and Asian Men (13.2%).

Things to Think About/Discussion

- What has the Pandemic Recession taught us about vulnerabilities in our economy (weak links in our economic supply chain)?
- What will the economic recovery be conditional on, and how can public policy help? (How to bring up the lower half of the “K” and get back to a strong and resilient and inclusive/equitable economy?)
- Should we consider whether federal and state tax-and-transfer systems are outdated given today’s (and the future of) labor markets and household structures?
- Need for more and better (more granular) data to understand even how the *macro* economy is doing and how helpful (or wasteful) public policies are. See President Biden’s [Executive Order on “Advancing Racial Equity and Support for Underserved Communities Through the Federal Government”](#); it’s about gender equity, too. (See my blog posts about [the Asian-Female intersection](#).)
- Remember the ultimate foundation of the economy is people and work (human capital, not physical or financial capital). If we recalibrate government subsidies more towards human capital, this likely implies needed shift of the role and resources of government from federal to state/local.