North Carolina’s Recovery Slowed As COVID Cases Rose in July

*While nonfarm employment posted a solid increase the rise was largely illusory. Private payrolls rose much more modestly. The unemployment rate rose one percentage point to 8.5%.*

**North Carolina’s Recovery Lost Steam in July**

- Nonfarm payrolls rose 57,200 in July but most of that increase came from an illusory gain in government jobs. Government ‘added’ 43,400 jobs in July, on a seasonally-adjusted basis. The rise is purely statistical, however, resulting from the earlier closing of schools due to the pandemic. Support staff at public schools lost their jobs this past spring, so there were fewer job losses this summer, resulting in a seasonally adjusted increase.

**Private Payrolls Rose Only Modestly in July**

- Private employers added 13,800 jobs in July—a solid increase but a deceleration in the pace of improvement from pandemic lows. Most of the increase was in leisure and hospitality, which added 8,500. Hiring also picked up in professional and business services (+4,800) and trade, transportation and utilities (+3,600).
- North Carolina’s unemployment rate rose to 8.5% in July, as the labor force grew nearly twice as fast as employment.