



Economics Group

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Hiring Finally Begins to Pick Up in Some Hard Hit States

New York posted the largest increase in nonfarm employment during July, followed by California and New Jersey. Hard hit states around the country saw notable gains, as businesses continue to gradually re-open.

Businesses Slowly Re-open in Many Hard Hit Parts of the Country

Hiring has finally begun to turn up in a major way in many parts of the country hardest hit by the initial wave of COVID-19 infections and lockdowns put in place to slow the spread of the virus. New York posted the largest increase of any state, with employers adding 176,600 jobs during July. New York's gain topped the nation's three largest states (California, Texas and Florida), which have all seen the pace of economic recovery slow somewhat as COVID cases spiked this summer. Moreover, private-sector payrolls rose even faster, with businesses adding 244,200 jobs in July following a 274,200 job gain the prior month.

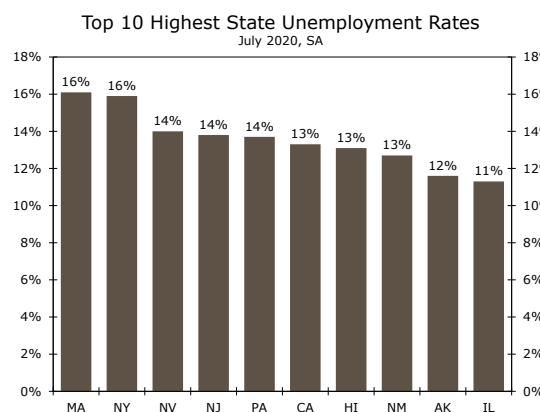
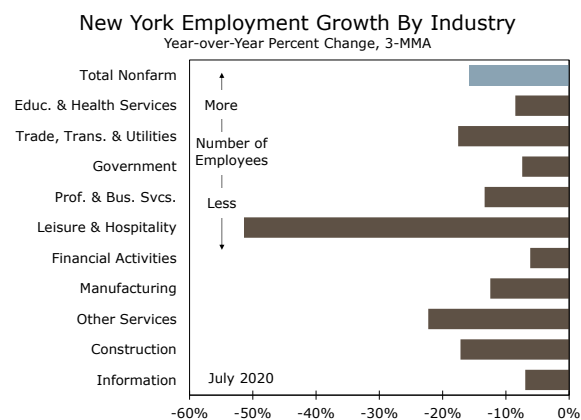
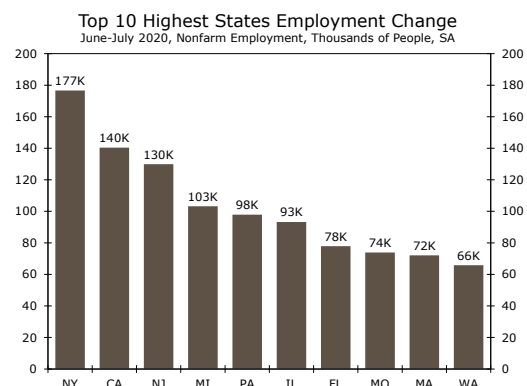
New York was not the only hard hit state posting strong job gains in July. California and New Jersey added 140,000 and 129,900 jobs, respectively, in July, and Michigan added 103,200 jobs. Pennsylvania (+97,900), Illinois (+93,200), Missouri (+73,900) and Massachusetts (+72,100) also rounded out the list of large states disproportionately impacted by COVID-19 related economic dislocations.

The improvement in the Northeast and Midwest reflects a bounce back from the horrific declines in payrolls seen this past spring. New York lost nearly two million jobs from February to April and has regained a little more than one quarter of those jobs over the past three months. Leisure and hospitality accounted for the bulk of job losses in New York this spring and has also accounted for much of the rebound, as some of the restaurants, bars and entertainment venues previously shut down have at least partially re-opened. Construction firms, healthcare providers and retailers have also rehired substantial numbers of workers, although employment remains well below pre-pandemic levels. Employment in financial services and professional services has proved more resilient but many of the workers in these industries work remotely and many have left the area, which is weighing on supporting service providers. Despite the large overall increase in nonfarm payrolls, New York's unemployment rate rose 0.3 percentage points to 15.9%. The jobless rate in New York City fell slightly in July, declining half a percentage point to 19.8%.

New Jersey has seen a similar turnaround to New York. Private employers added 146,700 jobs in July, up solidly from the 126,400 jobs added the prior month. Businesses have added 240,500, making a small but meaningful dent into the 804,400 jobs lost in March and April.

Illinois is another notable standout. Employers added 93,200 jobs in July, continuing the recovery following the loss of nearly 800,000 jobs during March and April. The turnaround has been a bit sharper in the private sector, with businesses adding 325,300 jobs over the past three months, which replaces more than 40% of the 758,000 jobs lost in March and April.

All of these states still have plenty of wood to chop. Unemployment rates in Massachusetts, New York, New Jersey and Pennsylvania all rank among the highest in the nation, despite the fact that job seekers are leaving these states in large numbers.



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