

COVID-19 Pandemic Economic Recovery Watch
Monroe County, NY and the Finger Lakes Region

Revised 9/28/2021

Summary: This report will give readers an understanding of the state of the economic recovery from the COVID-19 pandemic-driven recession in Monroe County and the Finger Lakes. It contains industry data and information about how specific demographic groups have been impacted. It is updated periodically.

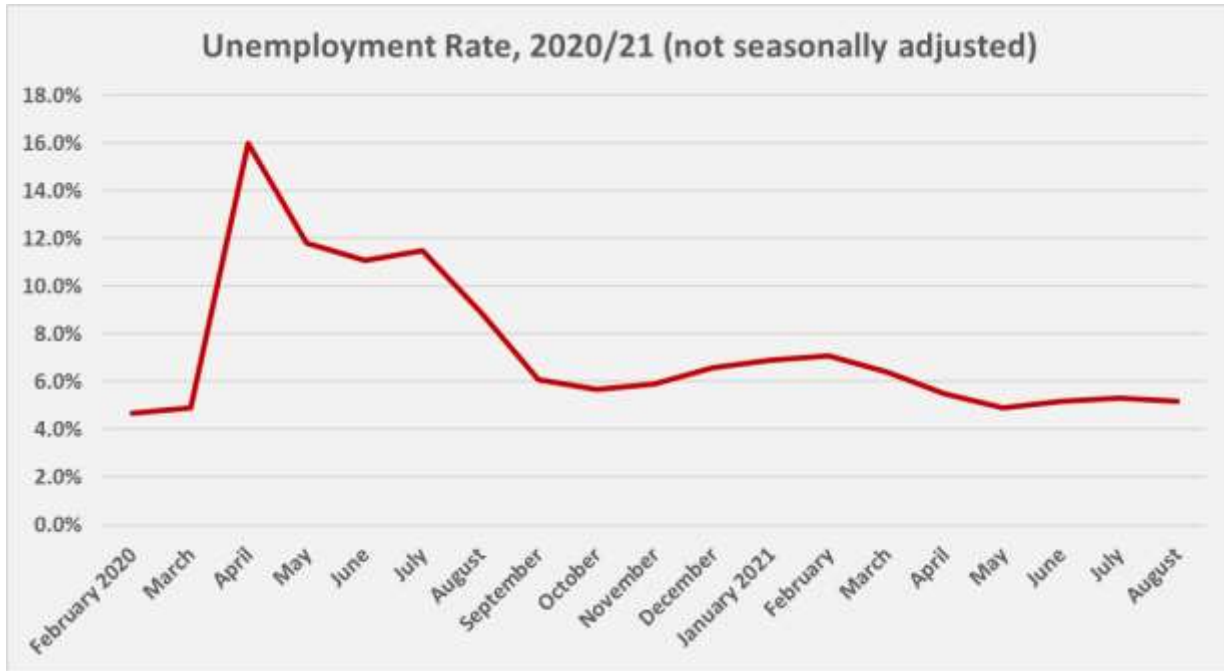
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Section 1: General Economic Conditions

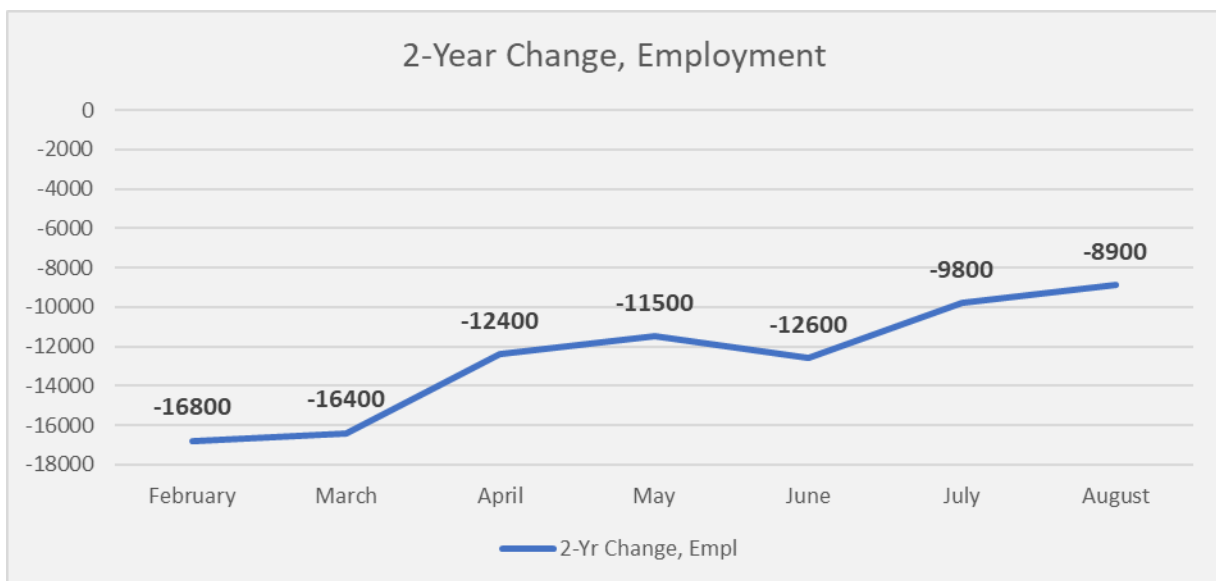
Unemployment

The unemployment rate peaked in April, declined in May, stagnated for a few months, and dropped again in both August and September. It is down to 5.2% in August 2021.



Employment Levels

Employment is down 8,900 (-1.6%) and the labor force is down 2,500 (-0.4%) compared to August 2019. We have not yet seen a full recovery.



Why are we tracking the two-year employment change? Comparing current month employment with the same month in a previous year eliminates seasonal variations. To answer the question, “To what extent has employment returned to pre-pandemic levels?” we need to choose a comparison month prior to the onset of the pandemic. Comparing to the same calendar month two years ago achieves that objective.

Online Job Postings

The Conference Board’s Help-Wanted OnLine data series tracks job postings on a monthly basis. The national index achieved a low of 70.4 (July 2018 = 100) in April 2020 after peaking at 108.8 in January 2020. The index recovered to 102.2 in July, hovered around 100 for several months, and is now well above pre-pandemic levels, at 154.0 in August 2021. The combination of lower employment levels with higher numbers of job openings signals large numbers of unfilled jobs, likely concentrated in key industry sectors.

Locally, I have been tracking the number of jobs within 25 miles of Rochester, NY posted on Indeed.com. The unofficial chart of weekday job openings below shows an upward trend over the last 15 months with a seasonal dip in November and December, a peak in April, followed by a return to a more moderate upward trend in the last three months.



Section 2: Industry Data

The Bureau of Labor Statistics identified the six industry sectors most exposed to COVID-19 shutdowns:

1. Restaurants and Bars
2. Travel and Transportation
3. Entertainment
4. Personal Services
5. Other Sensitive Retail
6. Sensitive Manufacturing

Nationwide, 20.4% of workers were employed in these exposed sectors in 2019. Rochester was less exposed to the effects of the shutdowns than the average Metro Area, with only 16.8% of our workforce employed in these six sectors.

In the Rochester Metro Area, just four industries account for over 85% of the August two-year decline in nonfarm employment.

Health Care and Social Assistance	-6,400
Professional and Business Services	-6,000
Government	-4,600
Leisure and Hospitality	-4,300

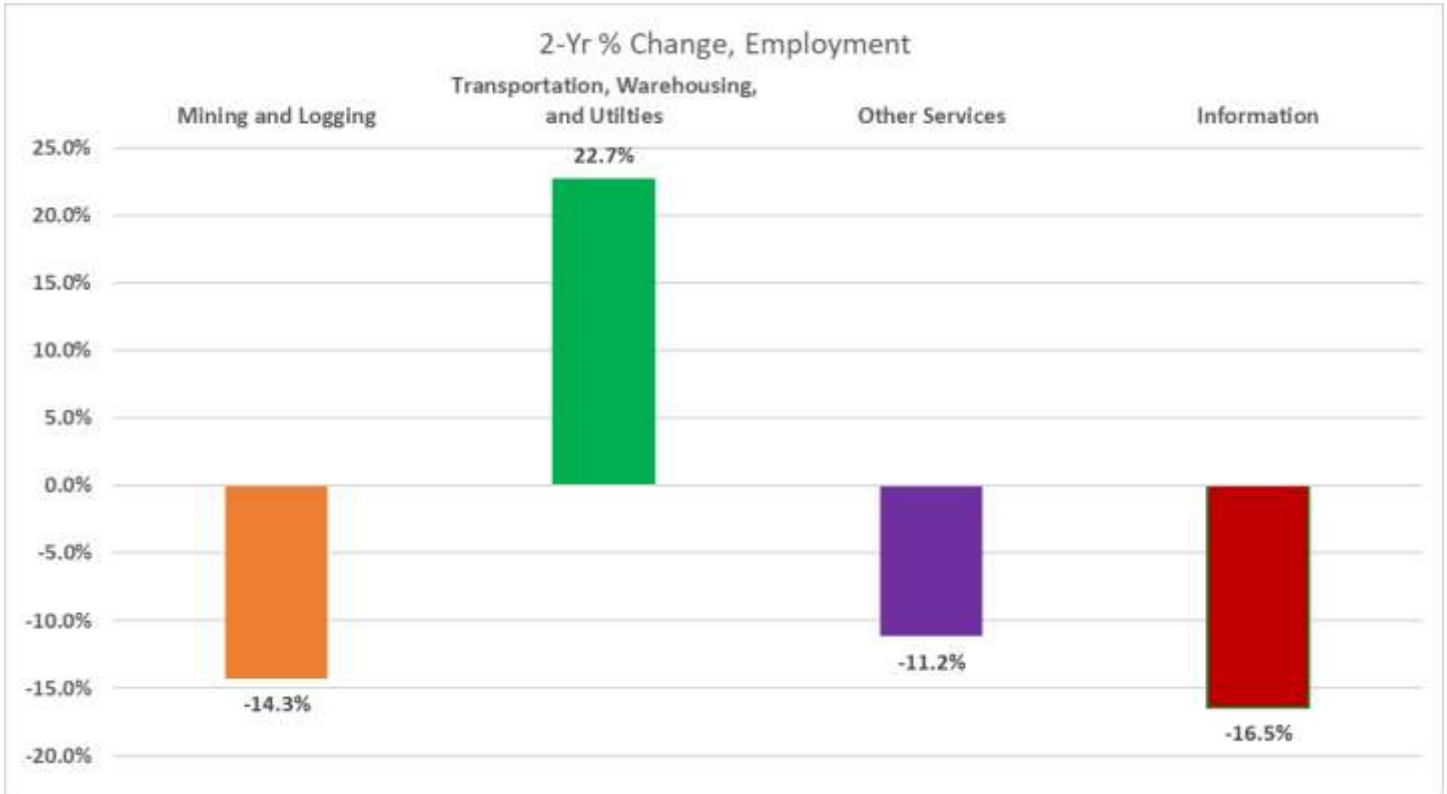
In the *Government* sector, most of the decrease is from local government education jobs. Most of the decline in the *Leisure and Hospitality* sector is due to job losses at bars and restaurants.

Three industries have actually seen significant increases in employment compared to August 2019, offsetting some of the losses.

Manufacturing	3,400
Transportation, Warehousing, and Utilities	2,700
Construction	1,100

Industries Declining the Fastest Due to COVID-19

Four industries experienced two-year percentage changes in jobs in the double digits—three with a decline, one with an increase. Notably, leisure and hospitality is no longer in this group.



Mining and logging is a very small industry. Although it shows a high percentage decline, the industry has lost only 100 jobs over two years. The information sector, which includes publishing, broadcast media, and telecommunications, has been shrinking since 2001.

Long-Term (Structural) Impact on Employment

The Bureau of Labor Statistics (BLS) has produced two alternate employment projections scenarios to reflect the uncertainty in long-term industry employment caused by the COVID-19 pandemic. The two alternate scenarios – a moderate impact scenario and a strong impact scenario – are built around changes in consumer spending and business hiring practices from 1) increased remote work; 2) increased e-commerce; 3) increased medical research; and 4) decreased spending on leisure and hospitality (in the strong impact scenario).

The following are the projected impacts on the 2019–29 national industry employment projections in the construction, retail, and leisure and hospitality industries. (Although the 2020-2030 projections are now available, 2019 is a better pre-pandemic base year for analyzing structural changes in the labor market.)

Construction

BLS projects the greatest impacts in nonresidential building construction employment.

Scenario	Employment Change, 2019–29
Baseline	4.2%
Moderate Impact	-2.0%
Strong Impact	-3.8%

Retail

Retail trade employment is projected to decline under all three scenarios.

Scenario	Employment Change, 2019–29
Baseline	-2.4%
Moderate Impact	-4.4%
Strong Impact	-7.2%

Leisure and Hospitality

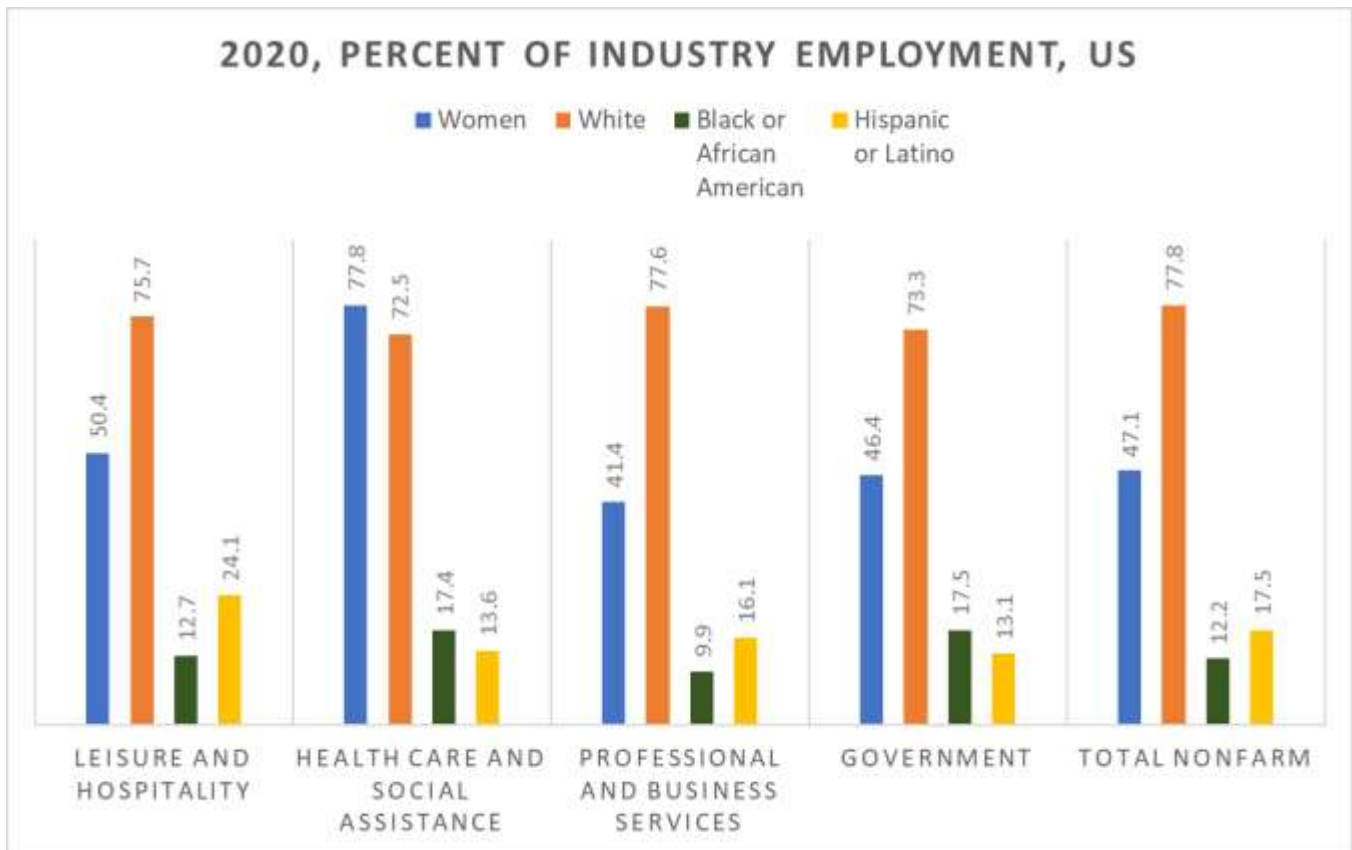
BLS projects the following impact to food services and drinking places and traveler accommodation employment.

Scenario	Food Services and Drinking Places Employment Change, 2019–29	Traveler Accommodation Employment Change, 2019–29
Baseline	7.3%	-0.3%
Moderate Impact	1.3%	-4.2%
Strong Impact	-3.1%	-8.6%

Section 3: Wages and Demographics

Here is some demographic information on the four industries with the greatest employment decline in the Rochester Metro Area. The data indicate that women and people of color have been disproportionately impacted by job losses in several of the sectors that have been most heavily impacted by COVID-19.

- Women are overrepresented in leisure and hospitality and health care and social assistance.
- Black or African American workers are overrepresented in leisure and hospitality, health care and social assistance, and government.
- Hispanic or Latino workers are overrepresented in leisure and hospitality.



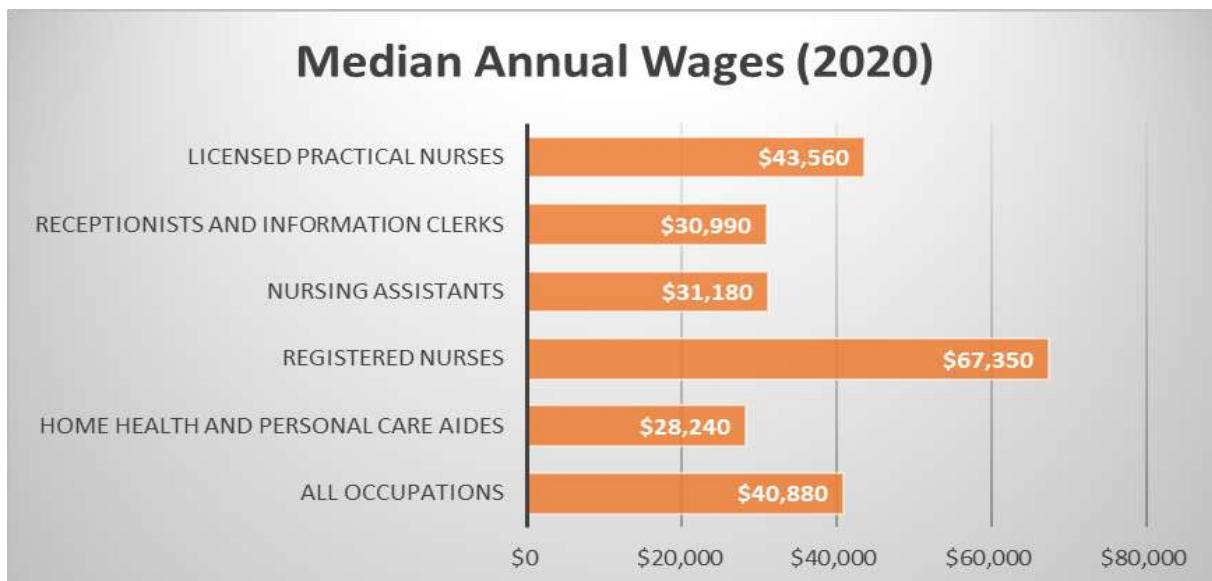
Here is some wage and demographic information on the five most common occupations in each of the industries with the greatest employment decline.

Wages

All five of the most common occupations in the **accommodation and food services** industry (which are the majority of leisure and hospitality jobs in the Rochester Metro area) have wages that are significantly *lower* than the median wage for all occupations. Workers in these jobs were paid low wages before the pandemic and were among the most likely to lose their jobs due to COVID-19. During the recovery, these jobs are high-risk, high-contact jobs.



Three of the five most common occupations in the **health care and social assistance** industry have wages that are significantly *lower* than the median wage for all occupations. Those three occupations make up one-third of the industry workforce.



Three of the five most common occupations in the **professional and business services** sector have wages that are significantly *higher* than the average for all occupations.



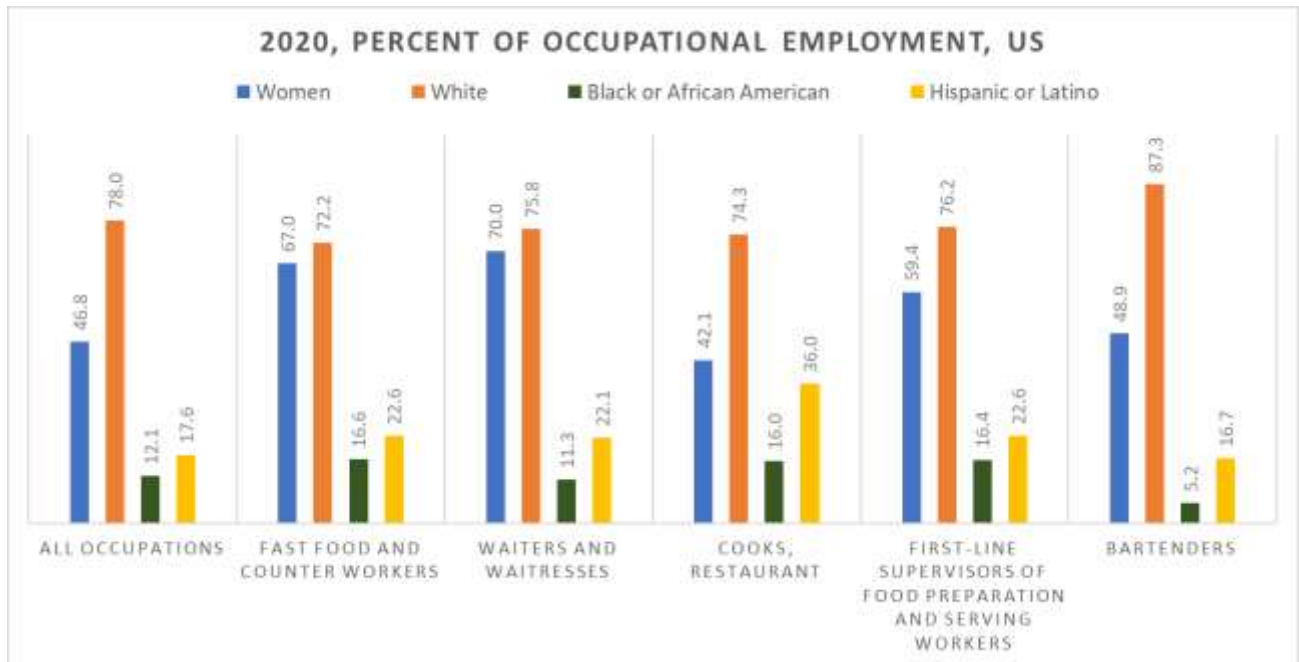
Three of the five most common occupations in the **government** industry have wages that are significantly *higher* than the median wage for all occupations.



Demographics

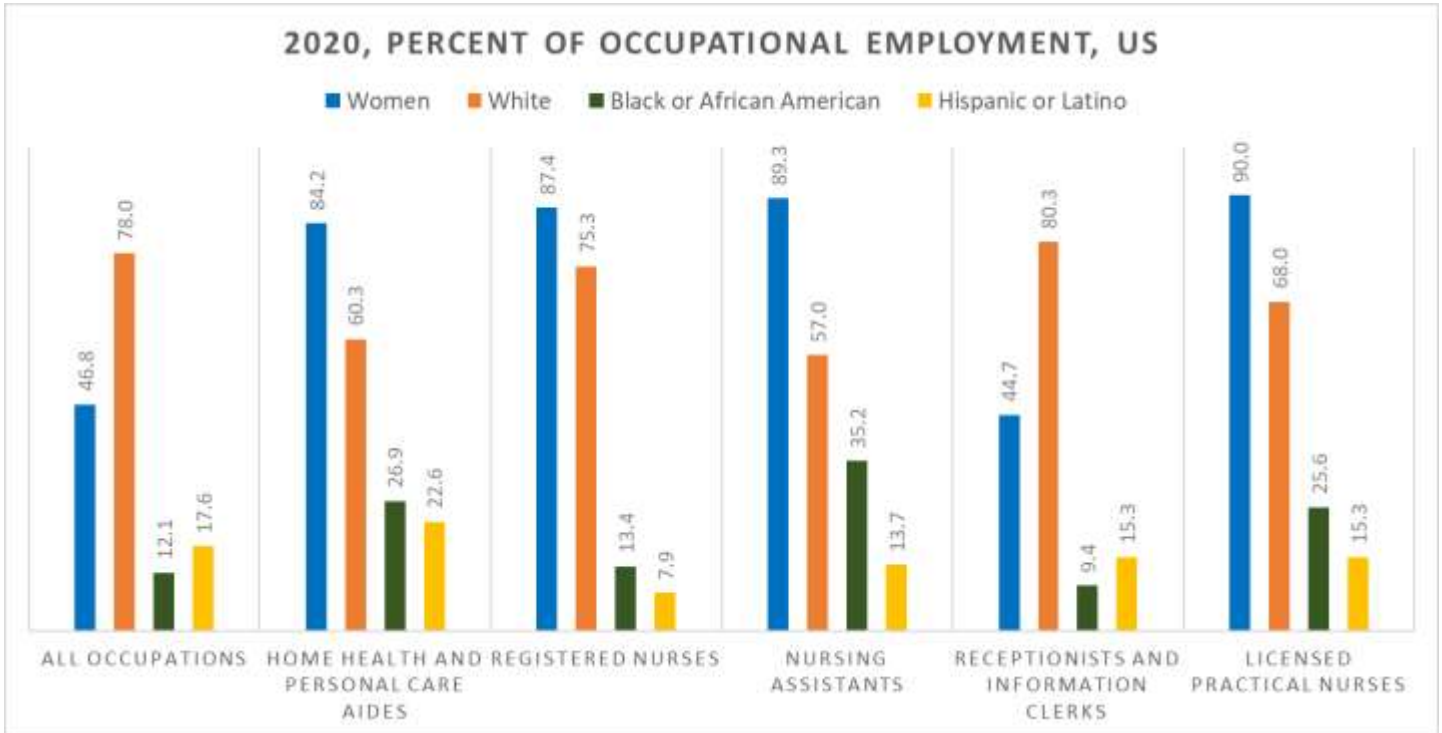
The top five occupations in the **accommodation and food services** industry account for 60.0% of industry employment.

- Women are overrepresented in four of the top five occupations.
- Black or African American workers are overrepresented in three of the top five occupations.
- Hispanic or Latino workers are overrepresented in four of the top five occupations.



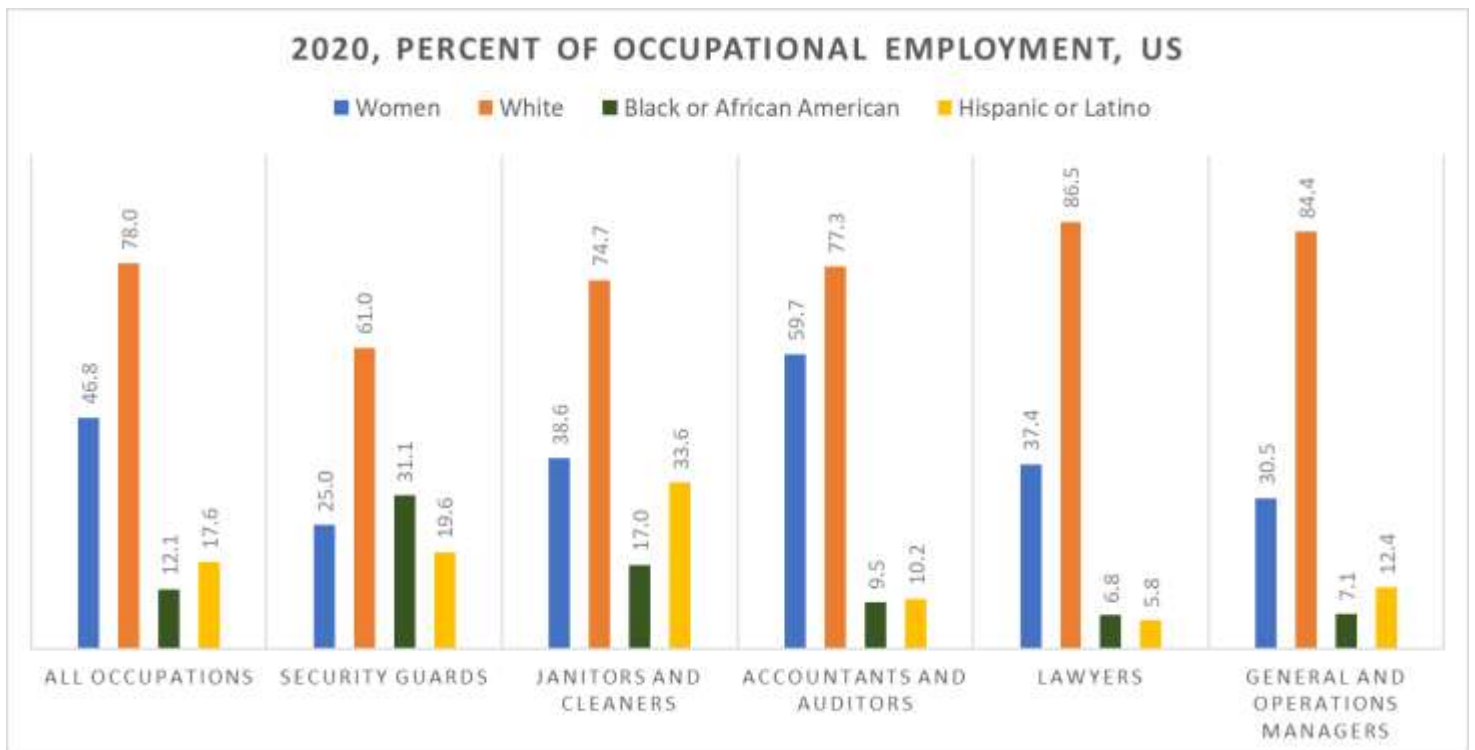
The top five occupations in the **health care and social assistance** industry account for 44.7% of industry employment.

- Women are overrepresented in four of the top five occupations.
- Black or African American workers are overrepresented in four of the top five occupations.
- Hispanic or Latino workers are overrepresented in the largest, lowest paying occupation and underrepresented in the other four occupations.



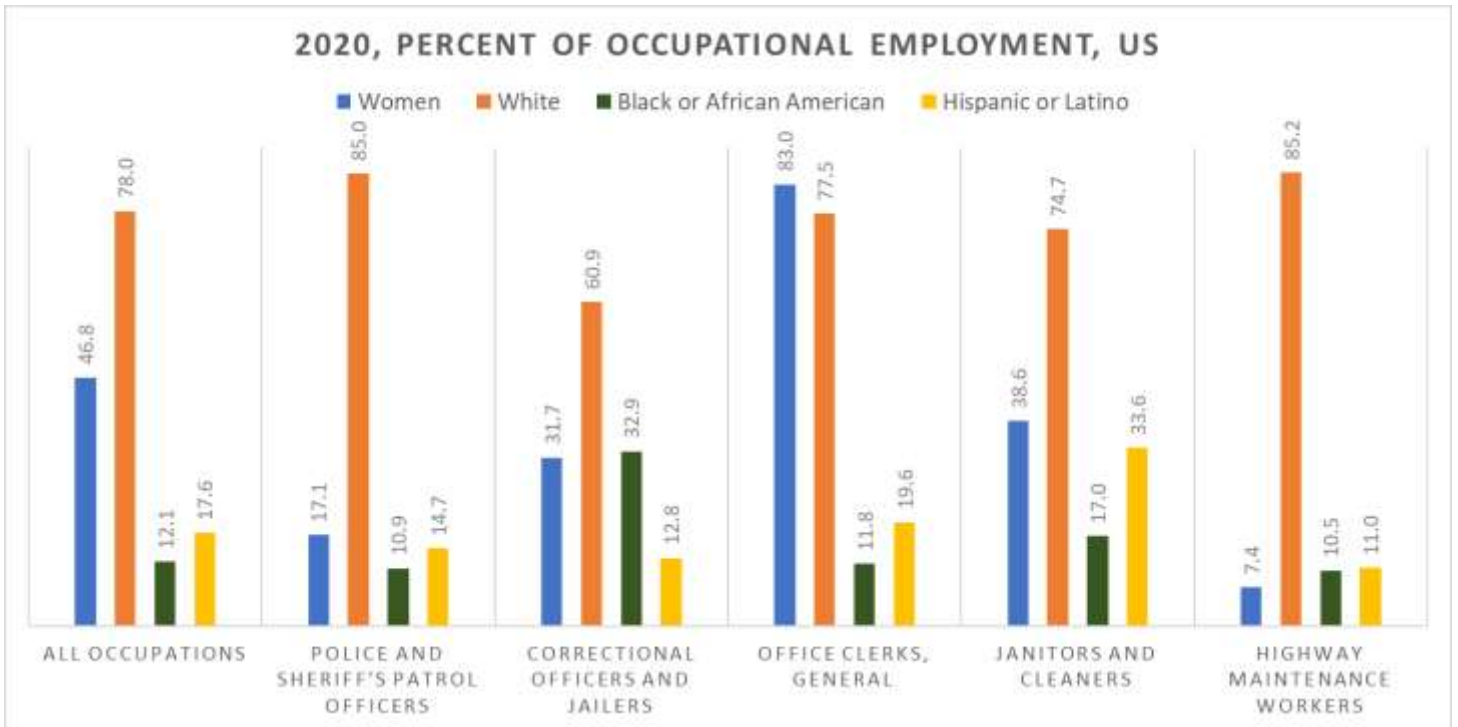
The top five occupations in the **professional and business services** industry account for just 19.9% of industry employment.

- Women are underrepresented in four of the top five occupations.
- Black or African American workers are overrepresented in the two lowest-paying occupations and underrepresented in the other three occupations.
- Hispanic or Latino workers are overrepresented in the two lowest-paying occupations and underrepresented in the other three occupations.



The top five occupations in the **government** industry account for just 20.4% of industry employment.

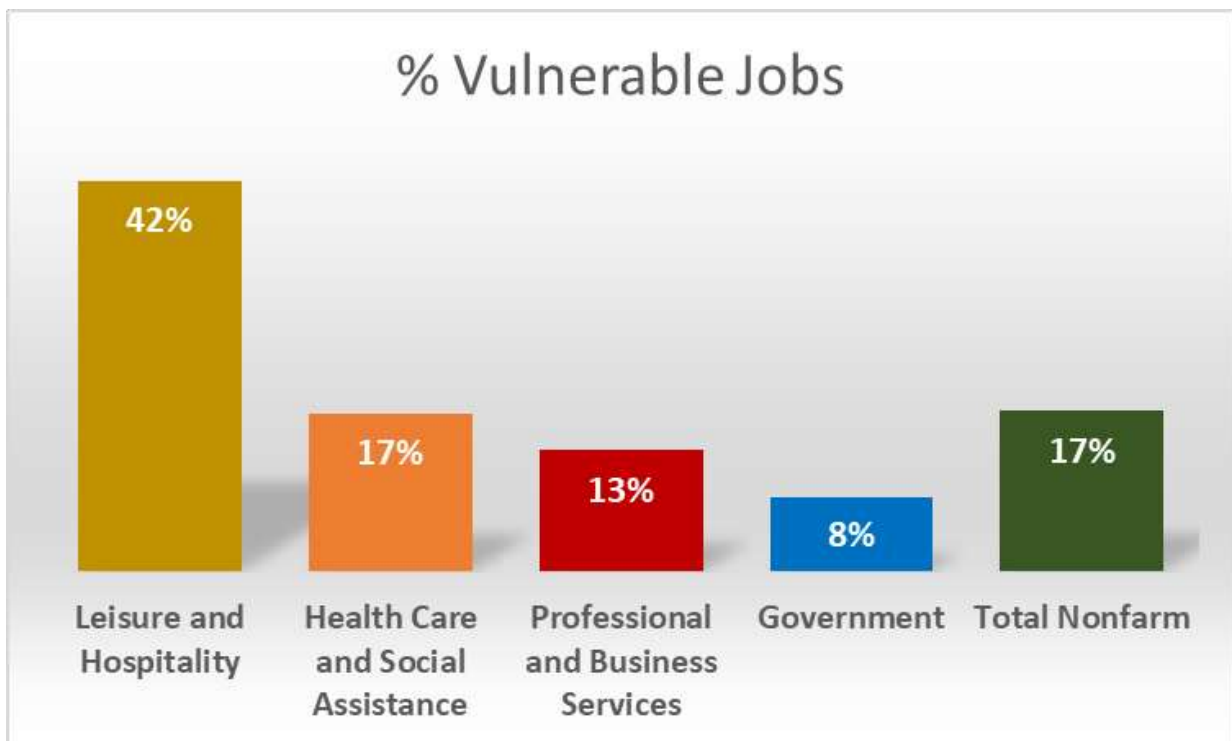
- Women are significantly underrepresented in four of the top five occupations, including the three occupations that pay more than the median for all occupations.
- Black or African American workers are underrepresented in three of the top five occupations.
- Hispanic or Latino workers are underrepresented in three of the top five occupations.



Vulnerability of Jobs

The Brookings Institution's Visualizing Vulnerable Jobs tool defines a vulnerable job as one that pays less than the median wage and is not covered by employer-sponsored health care benefits.

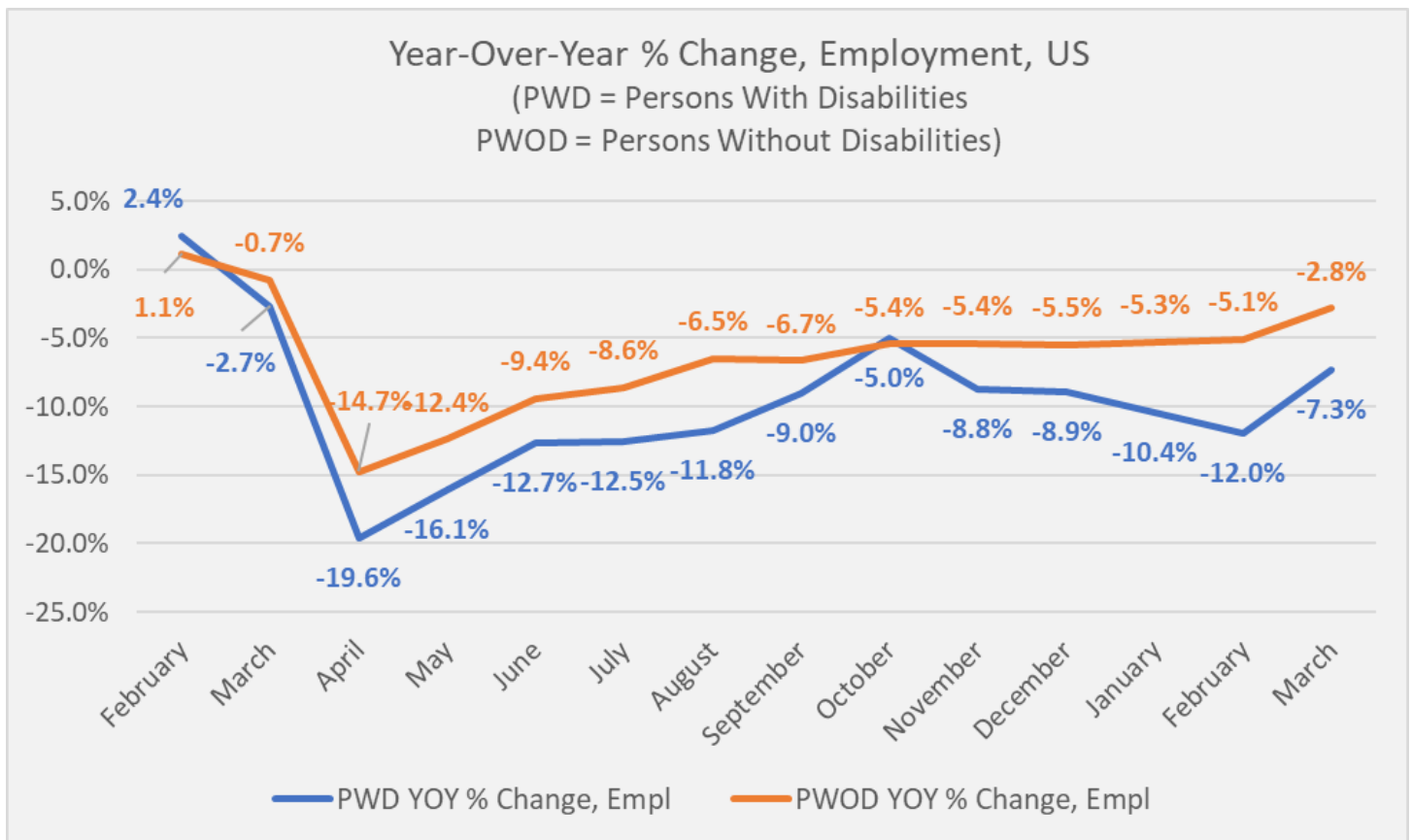
Here is a comparative look at the percentage of vulnerable jobs in the industries with the greatest employment decline in the Rochester Metro Area.



Section 4: Impact on People With Disabilities

Timely local employment data for people with disabilities are not available. However, we can assume that the impact of the COVID-19 pandemic on people with disabilities in our local area is similar to the overall national impact.

Workers with disabilities experienced earlier and more severe COVID-19 related job losses than workers without disabilities. The percentages of people with and without disabilities going back to work converged in October and diverged again in November.

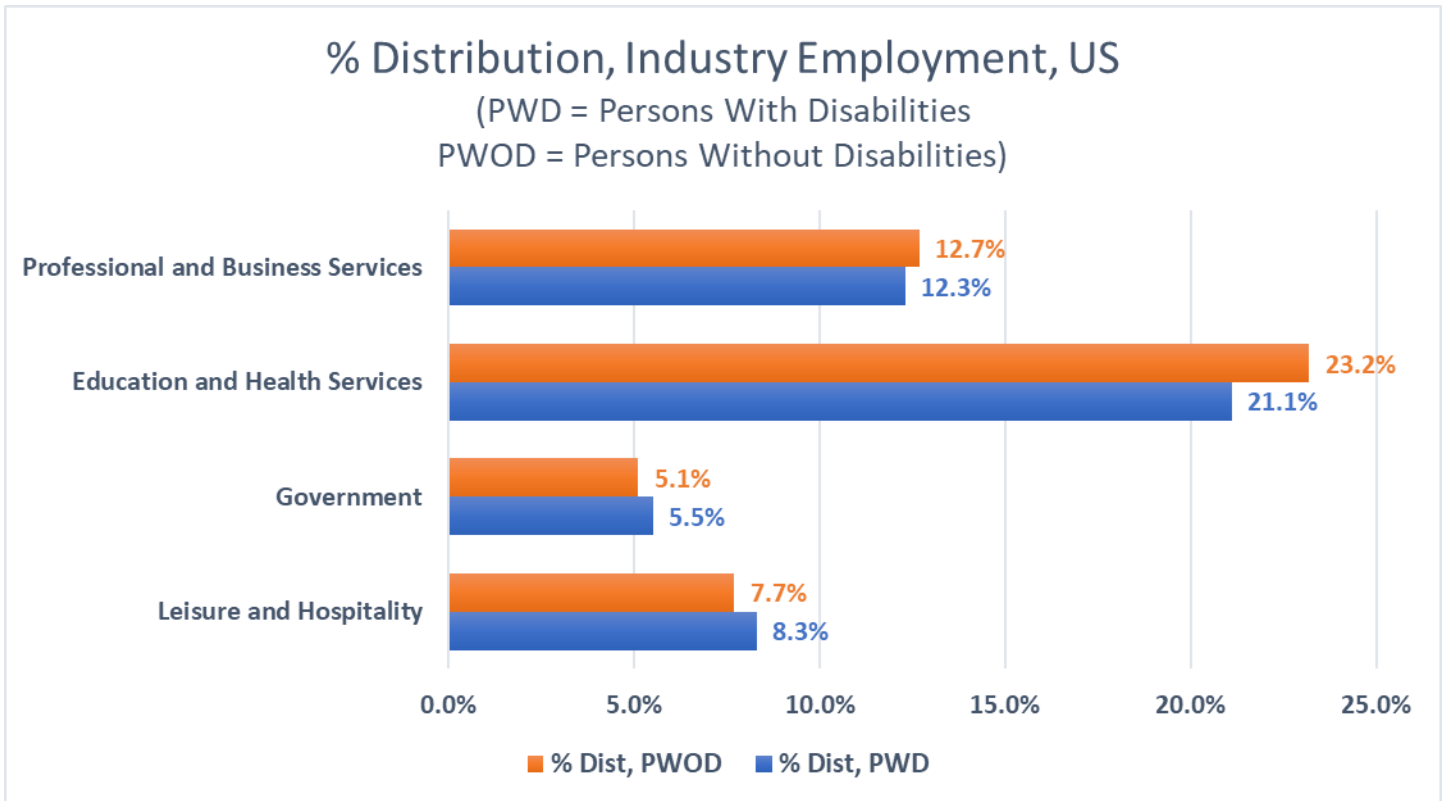


As we look at the 2-year employment change over the last several months, we note that the percentage change for people with disabilities has been positive since June. This trend may be an indication that employment of people with disabilities is benefiting from the current worker shortage. However, the August 2021 unemployment rate paints a different picture, standing at **10.9%** for people with disabilities, compared to 5.0% for people without disabilities. The comparatively high unemployment rate is due, in part, to a two-year increase in the labor force participation rate of three-tenths of a percentage point for people with disabilities. This will be an encouraging trend if it holds.



Here is some demographic information on the industries with the greatest employment decline in the Rochester Metro Area.

- People with disabilities are overrepresented in the leisure and hospitality and government industry sectors.
- People with disabilities are underrepresented in the professional and business services and education and health services sectors.

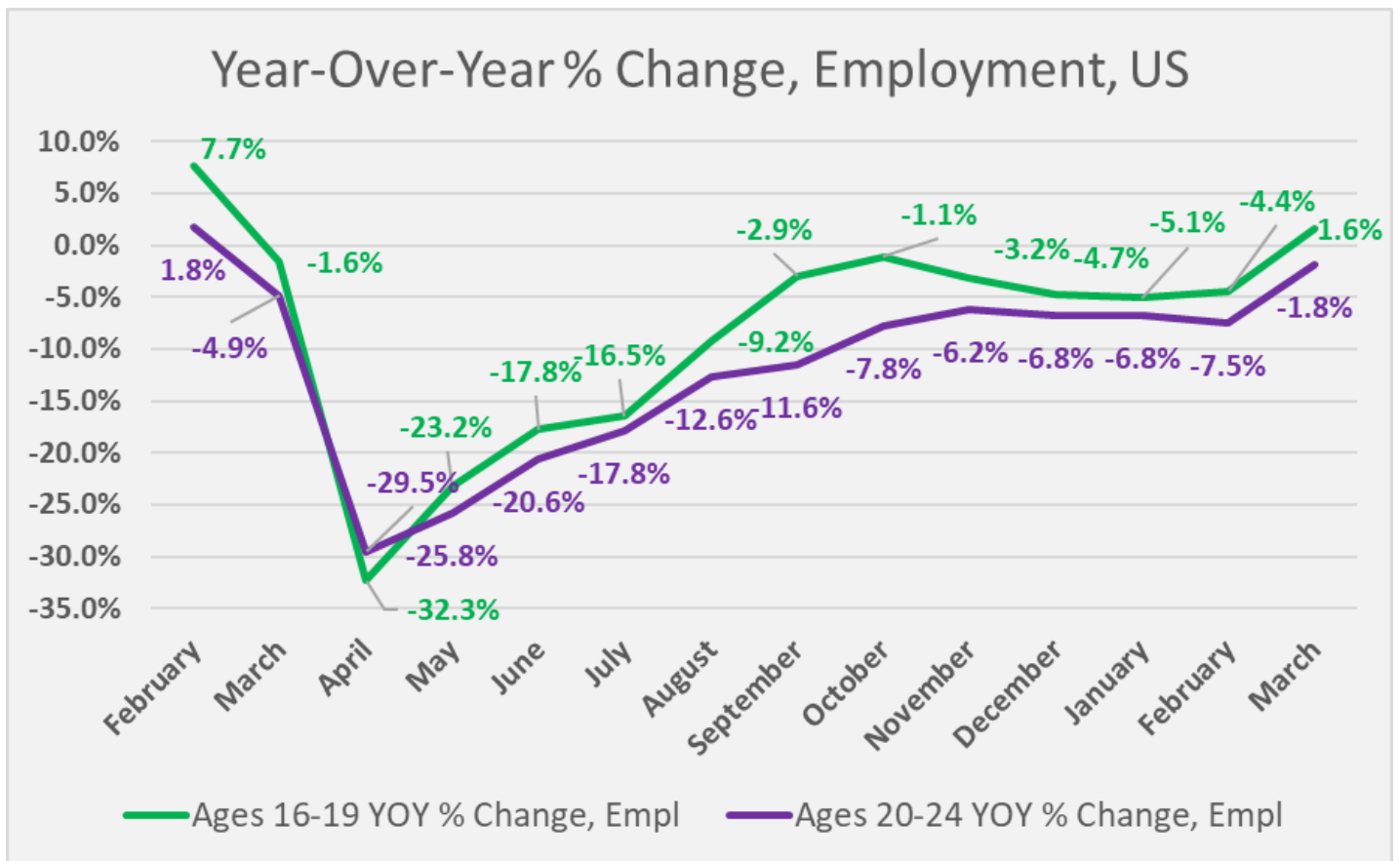


Note: This chart represents the percent distribution of people within a category across industries. For example, people with disabilities do not make up 12.3% of workers in the professional and business services industry. Rather, 12.3% of workers with disabilities are employed in the professional and business services industry.

Section 5: Impact on Youth

As is the case for people with disabilities, timely local employment data for younger workers are not available. However, we can assume that the impact of the COVID-19 pandemic on youth in our local area is similar to the overall national impact.

Through February 2021, younger workers, ages 20–24, had experienced more severe COVID-19 related job losses than individuals of prime working age.



As we look at the 2-year employment change over the last several months, we note that the percentage change for 16–19 year-olds has been positive while the percentage change for 20–24 year-olds remains negative.

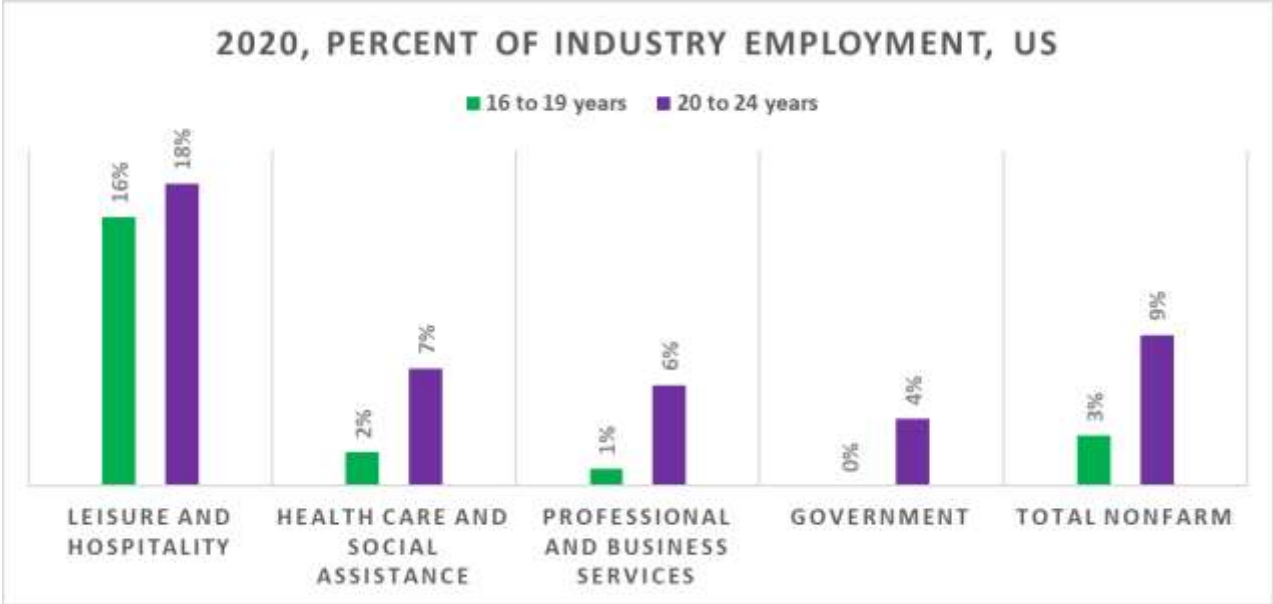


The August unemployment rates for youth are as follows:

Ages 16–19	10.9%
Ages 20–24	9.1%

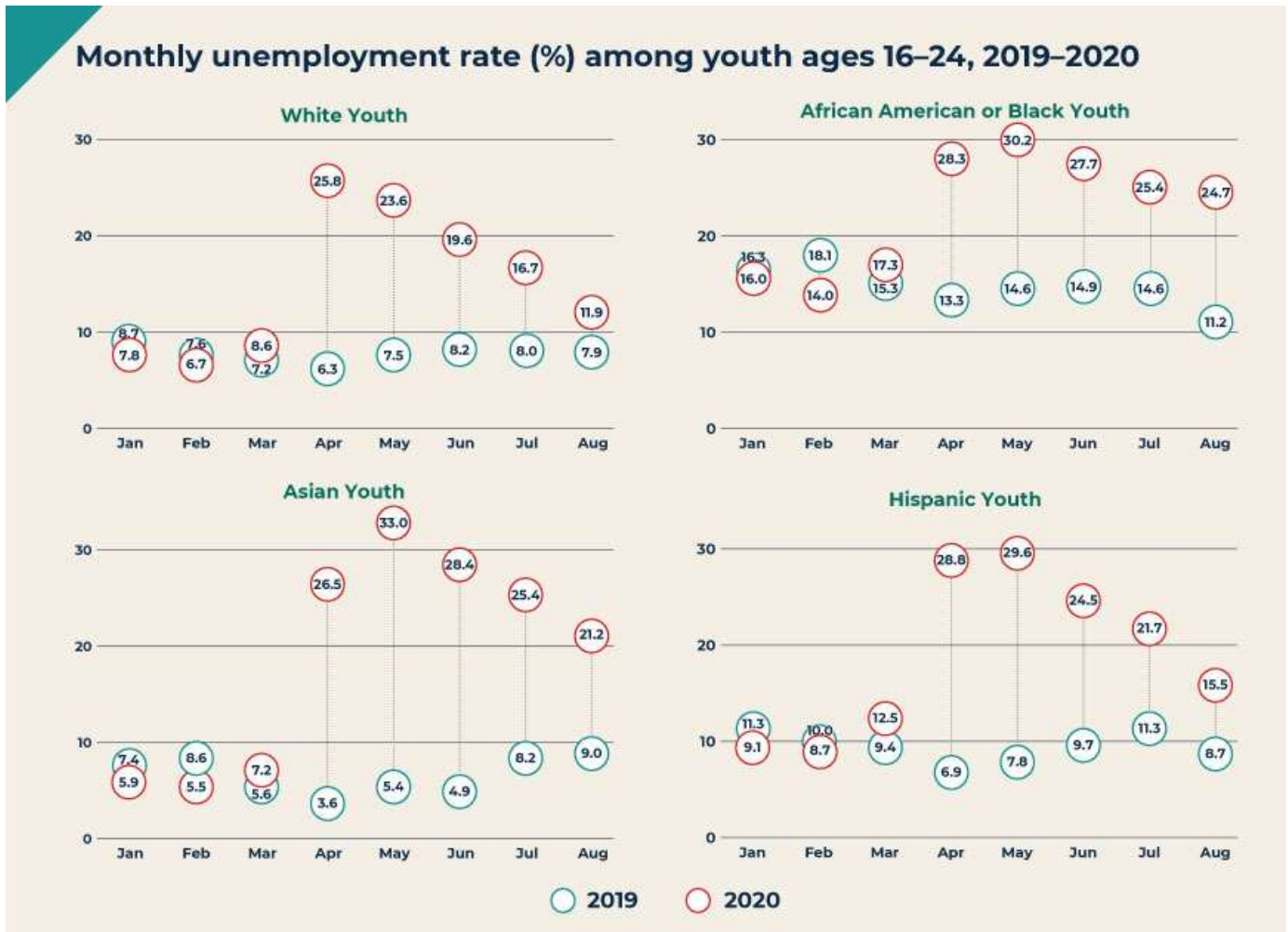
Why is employment change for youth, ages 16–19, positive while the unemployment rate remains higher than for 20–24 year-olds? Younger youth have seen an increase of one percentage point in their labor force participation rate over the last two years. In what may be a troubling trend, older youth have seen a decrease of nearly two percentage points during the same period.

Here is some demographic information on the four industries with the greatest employment declines in the Rochester Metro Area. Youth have been disproportionately impacted by job losses due to COVID-19 in the leisure and hospitality industry. Younger workers are significantly overrepresented in this low-paying industry.



Impact on Youth by Race and Ethnicity

Nationally, the way younger workers experienced the effects of the COVID-19 pandemic differed by race and ethnicity. The chart below shows how Black or African American youth were experiencing a slower economic recovery through August 2020 than any other racial or ethnic group.



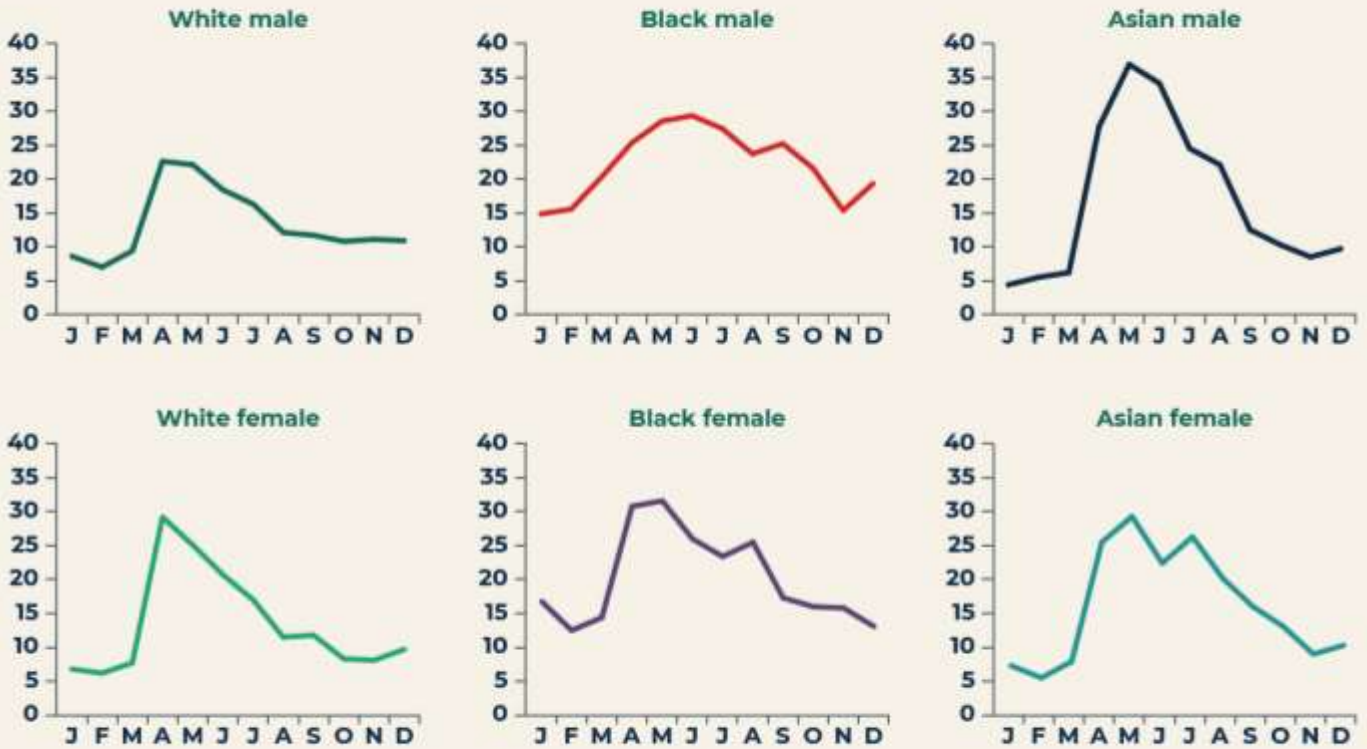
Source: Mathematica compilation based on the Bureau of Labor Statistics' monthly Labor Force Statistics from the Current Population Survey (<https://www.bls.gov/cps/data.htm>).

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Progress Together

Here is an updated chart that shows differences in youth unemployment rates by gender and race through December 2020.

Monthly youth unemployment rates in 2020, by gender and race (%)

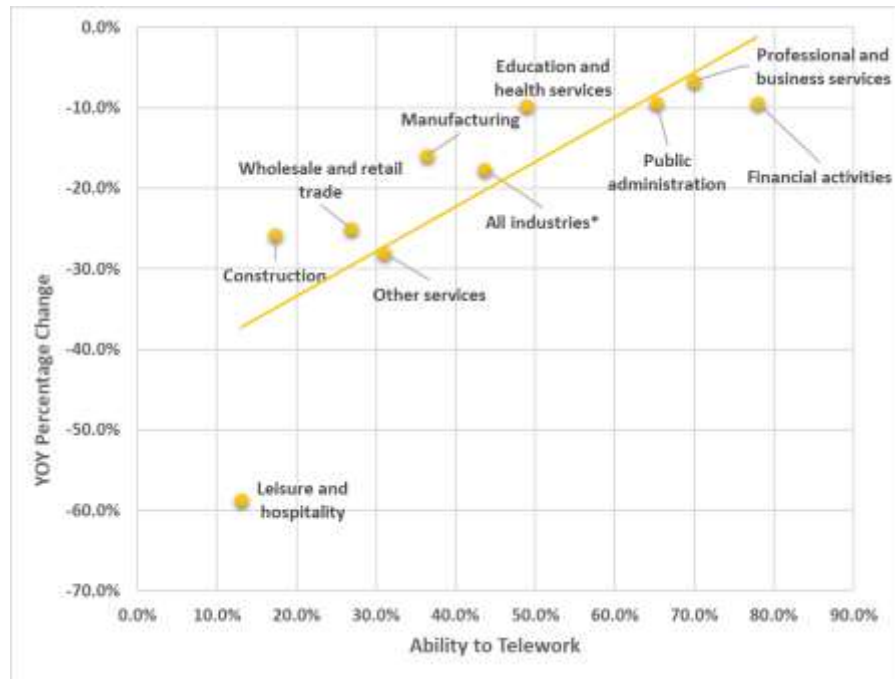


Source: Mathematica compilation based on the Bureau of Labor Statistics' monthly Labor Force Statistics from the Current Population Survey (<https://www.bls.gov/cps/data.htm>).

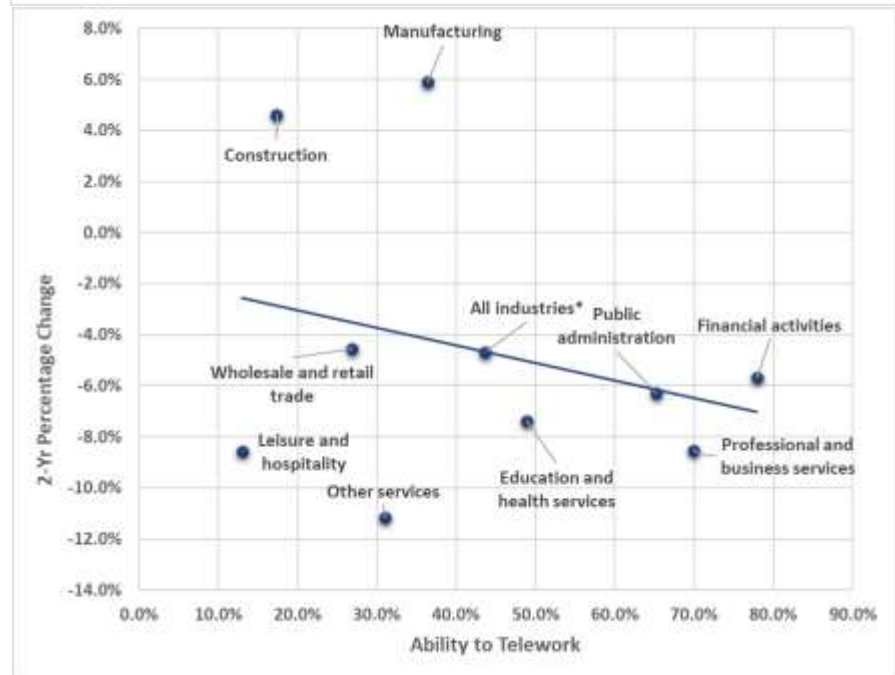
Section 6: Ability to Work From Home

The strong negative correlation between the percentage of workers in an industry with the ability to work from home and the percentage of industry jobs lost during the pandemic was most pronounced during the months that businesses were forced to shut down.

The chart at the right graphs ability to telework against change in employment during the month of **May 2020**.



The chart at the right graphs ability to telework against 2-yr change in employment during the month of **August 2021**.



*Employment data for all industries are for total nonfarm jobs.

Having the ability to work from home does not necessarily mean that 1) an employer extends that opportunity to the worker or 2) the worker takes advantage of the opportunity. The data suggest that there is an opportunity to mitigate the effects of pandemic-related shutdowns by increasing the percentage of workers who benefit from available work-from-home opportunities. That percentage is referred to as the takeup rate.

Takeup rates (from national data) among the Rochester metro’s largest industries vary from a low of 12.7% to a high of 40.8%. There is room for improvement in every industry.

Industry	Pre-COVID Takeup Rate
Professional and business services	40.8%
Manufacturing	31.6%
Financial activities	29.6%
All industries*	24.7%
Wholesale and retail trade	19.3%
Public administration	16.5%
Education and health services	15.8%
Other services	14.0%
Construction	13.0%
Leisure and hospitality	12.7%

*Employment data are for total nonfarm jobs.

Section 7: Availability and Affordability of Child Care

In the Rochester metro area, nearly **1 in 5** workers have a child under age 14 *and* are child care dependent. The Economic Policy Institute estimates the average annual cost for child care for one child in Monroe County to be \$10,100 (nearly 20% of the average worker's wages in 2018). The problem of availability and affordability has been compounded by the fact that many school-aged children were not in school full time last school year.

We might argue that child care is too costly, yet not costly enough, when we consider wages of workers at child day care establishments.

- The average annual wage for a worker at a child day care establishment in Monroe County in 2018 was \$22,187.
- That was just 111% of the Federal Poverty Level for a family of three.
- The average cost of child care would consume over 45% of the average child day care worker's salary.

Questions? Contact Lee Koslow, Lkoslow@rochesterworks.org.