May 21, 2020

April 2020 Employment Report

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Types of Employment Data Analyzed

**Survey of Businesses**

**Current Employment Statistics**
- Employment and wage estimates by industry
- Measures jobs not number of people employed
- Excludes most agriculture, self-employed, family, military and rail workers

**Survey of Households**

**Local Area Unemployment Statistics**
- Unemployment, employment and labor force levels by geographic region
- Measures people employed not number of jobs
- Excludes individuals not in the labor force
Types of Analysis Discussed

Month-Over-Month

- Numeric/Percentage Change
- **Issue**: Large influence of seasonal factors
- **Main Use**: Compare changes to previous years in the same month – comparison of previous years point-in-time estimates

Year-Over-Year

- Numeric/Percentage Change
- **Issue**: Less influence of seasonal factors
- **Main Use**: Compare changes to previous time periods – long-term trends (growing, declining, accelerating, or decelerating)
Month-Over-Month (MoM) Highlights

• The Arizona seasonally-adjusted (SA) unemployment rate increased to 12.6% in April from 6.1% in March

• The U.S. SA unemployment rate increased to 14.7% in April from 4.4% in March

• Arizona reported a loss of 283,300 nonfarm jobs (-9.5%)

• The private sector reported a loss of 276,300 jobs (-10.9%)

• Ten of the eleven major sectors lost jobs while one gained jobs
Year-Over-Year (YoY) Highlights

- Arizona Nonfarm employment decreased by 232,300 jobs (-7.9%)
- Arizona private sector employment decreased 232,600 jobs (-9.3%)
- Two of the eleven major sectors added jobs
  - Gains were in recorded Natural Resources and Mining (500 jobs) and Government (300 jobs)
- Nine of the eleven sectors recorded job losses
  - The largest losses were recorded in Leisure and Hospitality (-126,300 jobs) and Trade, Transportation and Utilities (-41,300)
- All seven Arizona metro areas (MSAs) lost jobs
  - The largest decreases were recorded in Flagstaff MSA (-18.0%) followed by Lake Havasu-Kingman MSA (-11.1%)
Arizona & U.S. Unemployment Rate
Seasonally Adjusted

<table>
<thead>
<tr>
<th>Period</th>
<th>Labor Force Level</th>
<th>Employment Level</th>
<th>Unemployment Level</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr-2019</td>
<td>3,516,267</td>
<td>3,346,809</td>
<td>169,458</td>
<td>4.8</td>
</tr>
<tr>
<td>Mar-2020</td>
<td>3,578,637</td>
<td>3,359,486</td>
<td>219,151</td>
<td>6.1</td>
</tr>
<tr>
<td>Apr-2020</td>
<td>3,540,767</td>
<td>3,095,306</td>
<td>445,461</td>
<td>12.6</td>
</tr>
<tr>
<td>OTM Change</td>
<td>-37,870</td>
<td>-264,180</td>
<td>226,310</td>
<td>6.5</td>
</tr>
<tr>
<td>OTY Change</td>
<td>24,500</td>
<td>-251,503</td>
<td>276,003</td>
<td>7.8</td>
</tr>
</tbody>
</table>
Month-Over-Month Percent Labor Force Change

Notable Changes:

- The Arizona labor force declined by 37,870 people (-1.1%) MoM in April 2020.
- The U.S. labor force decline (-3.9%) was significantly larger than the Arizona labor force decline (-1.1%) in April 2020.
- Both the U.S. and Arizona labor forces declined by 1.0% MoM in March 2020.
Notable Changes:

- The U.S. recorded job losses in all eleven industry sectors.
- Arizona recorded losses in ten of eleven industry sectors.
- Job declines were larger for U.S. industry sectors in ten of the eleven industry sectors than for Arizona industry sectors.
- The largest differences between U.S. and Arizona job losses occurred within the Construction, Manufacturing and Natural Resources industry sectors.

Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics.
Month-Over-Month Employment Change

Highlights:

- Month-over-month job losses are not typical in the month of April
- Job gains were recorded in Natural Resources and Mining
- The largest losses occurred within Leisure & Hospitality; and Trade, Transportations & Utilities

Historic 10 Year Average (10-19): 8,700 Jobs or 0.3%

Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS
Month-Over-Month Employment Change

Total Nonfarm Employment by Region

- Prescott MSA: -5.2%
- Sierra Vista-Douglas MSA: -5.7%
- Tucson MSA: -9.1%
- Arizona: -9.5%
- Phoenix-Mesa-Scottsdale MSA: -9.7%
- Yuma MSA: -11.2%
- Lake Havasu City-Kingman MSA: -11.6%
- United States: -13.0%
- Flagstaff MSA: -16.1%

Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS
Month-Over-Month Employment Change

Select Industries by State and Metro Areas

<table>
<thead>
<tr>
<th>Industry</th>
<th>Arizona</th>
<th>Flagstaff MSA</th>
<th>Lake Havasu City-Kingman MSA</th>
<th>Yuma MSA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>-2.2%</td>
<td>-7.9%</td>
<td>-6.5%</td>
<td>-10.7%</td>
</tr>
<tr>
<td>Professional &amp; Business Svcs</td>
<td>-6.7%</td>
<td>0.0%</td>
<td>-21.7%</td>
<td>-14.1%</td>
</tr>
<tr>
<td>Other Services</td>
<td>-13.6%</td>
<td>-16.7%</td>
<td>-21.1%</td>
<td>-22.2%</td>
</tr>
<tr>
<td>Mining and Construction</td>
<td>-2.2%</td>
<td>-4.3%</td>
<td>-8.8%</td>
<td>-12.9%</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>-36.9%</td>
<td>-55.5%</td>
<td>-39.2%</td>
<td>-44.1%</td>
</tr>
</tbody>
</table>

Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics
Year-Over-Year Employment Change

Arizona Year-Over-Year Employment Gain/Loss by Sector

- Natural Resources & Mining: 0.5 thousands
- Government: 0.3 thousands
- Financial Activities: -0.1
- Construction: -0.5
- Manufacturing: -3.1
- Information: -5.3
- Other Services: Net Job Change of -12.0 (232,300)
- Education & Health Services: -19.0
- Professional & Business Svcs: -25.5
- Trade, Transportation & Utilities: -41.3
- Leisure & Hospitality: -126.4

Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS
Monthly Highlights:

- Losses in Employment Services (-15,300 jobs) and Business Support Services (-3,300 jobs) were responsible for the overall sector job losses.
Month-Over-Month Employment Change

Professional & Business Services Subsectors

Professional, Scientific and Technical Services
- United States: -5.4%
- Arizona: -3.3%
- United States: -3.4%
- Arizona: -2.9%

Management of Companies and Enterprises
- United States: -14.6%
- Arizona: -9.5%

Administrative and Waste services
- United States: -16.0%
- Arizona: -14.0%

Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics
Notable Losses:

- Administrative and Waste Service lost 24,900 jobs (-10.0%)
- Employment Services lost 11,200 jobs (-10.9%)
Month-Over-Month Employment Change

Highlights:

- Retail Trade recorded significant losses (-47,000 jobs or -14.3%), mainly due to losses in Clothing and Accessories (-11,800; or -59.6%)
- Transportation and Warehousing recorded a loss of (-9,400 jobs)

Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS
Month-Over-Month Employment Change

Trade, Transportation & Utilities Subsectors

<table>
<thead>
<tr>
<th>Subsector</th>
<th>United States</th>
<th>Arizona</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wholesale Trade</td>
<td>-6.0%</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>-13.0%</td>
<td>-14.3%</td>
</tr>
<tr>
<td>Transportation, Warehousing &amp; Utilities</td>
<td>-10.6%</td>
<td>-7.7%</td>
</tr>
</tbody>
</table>

Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics

18
Year-Over-Year Employment Change

Notable Losses:
- Retail Trade lost 41,700 jobs (-12.9%)
- Transportation and Warehousing lost 4,000 jobs (-3.9%)
  - A majority of the losses were recorded within Transportation

Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS
Month-Over-Month Employment Change

Highlights:
- Local Government (-8,100 jobs) was primarily responsible for atypical Government job losses
Month-Over-Month Employment Change

Government Subsectors

Federal Government
- United States: 0.3%
- Arizona: 1.6%

State Government Education*
- United States: -6.7%
- Arizona: -1.0%

Local Government Education**
- United States: -5.5%
- Arizona: -2.7%

* Indicates a sub-industry within State Government
** Indicates a sub-industry within Local Government

Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics
Notable Loss:
- Local Education recorded a loss of -6,600 jobs (-4.5%)
- State Education experienced gains of 3,100 jobs (5.3%)
Month-Over-Month Employment Change

Highlights:
- Large job losses were recorded in Food Services and Drinking Places (-85,700 jobs or -34.4%)
- Arts, Entertainment and Recreation lost 24,500 jobs

Historic 10-Year Average (10 ‘19): 1,700 Jobs or 0.6%

Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS
Month-Over-Month Employment Change

Leisure and Hospitality Subsectors

- Arts, Entertainment and Recreation: -51.6% (United States), -51.9% (Arizona)
- Accommodations: -41.4% (United States), -27.1% (Arizona)
- Food Services and Drinking Places: -45.4% (United States), -35.8% (Arizona)

Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics
Notable Losses:

- Record losses in Leisure & Hospitality overall.
- Food Services and Drinking Places recorded a loss of 90,300 jobs (-37.0%).
- Arts, Entertainment, and Recreation experienced losses of 23,300 jobs (-50.7%).
- Accommodations recorded a loss of 12,700 jobs (-27.5%).
Month-Over-Month Employment Change

Highlights:
- Insurance Carriers recorded losses of 1,600 jobs
- Credit Intermediaries recorded gains of 700 jobs
- Real Estate, Rental, and Leasing experienced losses of -1,600 jobs.
  - The majority of losses were recorded within Rental and Leasing

Historic 10-Year Average (‘10–’19): 600 Jobs or 0.3%

Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS
Year-Over-Year Employment Change

Notable Loss:
- Real Estate and Rental and Leasing recorded a loss of -2,200 jobs (-3.9%)
- Insurance Carriers recorded a loss of 300 jobs (-0.5%)

Notable Gains:
- Credit Intermediaries recorded a gain of 2,800 jobs (3.2%)
Month-Over-Month Employment Change

Highlights:
• Specialty Trades (-2,400 jobs) was responsible for the majority of losses in Construction
• Construction of Buildings (-1,700 jobs) and Heavy and Civil Construction (-100 jobs) both lost jobs

Historic 10-Year Average (10-19): 1,400 Jobs or 1.1%

Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS
Month-Over-Month Employment Change

Construction Subsectors

- Construction of Buildings: United States -11.4%, Arizona -4.6%
- Heavy and Civil Engineering Construction: United States -1.7%, Arizona -0.5%
- Specialty Trades Construction Contractors: United States -12.4%, Arizona -2.1%

Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics
Year-Over-Year Employment Change

Highlights:
- Specialty Trades lost 2,300 jobs (-2.0%)
- Heavy and Civil Construction gained 1,200 jobs (6.1%)

Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS
Month-Over-Month Employment Change

Highlights:
- Job losses were recorded in both Durable Goods (-2,100 jobs) and Nondurable Goods (-1,800 jobs)
- Losses of 900 in Aerospace Products and Parts

Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS
Month-Over-Month Employment Change

Manufacturing Subsectors

- Nondurable Goods: -8.8% (United States), -4.2% (Arizona)
- Durable Goods: -11.4% (United States), -1.6% (Arizona)
- Fabricated Metal*: -7.3% (United States), -0.5% (Arizona)
- Computer and Electronic Parts*: -1.1% (United States), 0.3% (Arizona)
- Aerospace Products and Parts*: -2.9% (United States), 0.0% (Arizona)

* Indicates a sub-industry within Durable Goods Manufacturing
Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics
Year-Over-Year Employment Change

Notable Loss:

- Nondurable Goods lost 2,100 jobs (-4.8%)
- Durable Goods lost 1,000 jobs (-0.8%)
- Aerospace Products and Parts lost 600 jobs (-2.0%)
- Computer and Electronic Parts gained 1,900 jobs (5.9%)
Month-Over-Month Employment Change

Arizona Natural Resources & Mining

Historic 10-Year Average (2010-19): 100 Jobs or 0.5%

Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS
Year-Over-Year Employment Change

Arizona Natural Resources & Mining

Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS
Month-Over-Month Employment Change

Arizona Other Services

Historic 10-Year Average (10-19): 100 Jobs or 0.1%

Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS
Year-Over-Year Employment Change

Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS
Month-Over-Month Employment Change

Historic 10-Year Average ('10-'19): 300 Jobs or 0.7%

Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS
Year-Over-Year Employment Change

Arizona Information

Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS
Unemployment Insurance (UI) Claims Filings

**UI Initial Claims** reflect the number of individuals filing for unemployment insurance benefits for the first time after their current job loss. They do not reflect the number of individuals who qualify for or ultimately receive UI benefits.

**State total UI claims**
- Available through the week ending May 16
- Represent the total number of UI claims filed in the state
- Sourced from the U.S. Department of Labor (DOL) Employment and Training Administration
Historical Unemployment Insurance (UI) Claims

Notable Changes:

- A total of 35,296,006 UI initial claims were filed from March 21 to May 16

Note: data reflect the number of individuals filing for unemployment insurance benefits not the number of individuals who qualify or ultimately receive UI benefits.
Historical Unemployment Insurance (UI) Claims

Notable Changes:

• A total of 580,845 UI initial claims were filed since the week ending March 21st through week ending May 16

• Prior to the week ending March 21, Arizona averaged 3,933 UI initial claims filings per week over the past year (03/23/19 - 03/14/20)

Note: data reflect the number of individuals filing for unemployment insurance benefits not the number of individuals who qualify or ultimately receive UI benefits
UI Initial Claims Comparisons

- The Arizona UI initial claims/employment ratio has consistently been lower than the U.S. UI initial claims/employment ratio.

* Seasonally-adjusted employment in Feb. 2020 was used for each period.

Source: Arizona Office of Economic Opportunity; Dept. of Economic Security; U.S. ETA
Report Summary

• Month-over-month, Arizona Total Nonfarm employment decreased by 283,300 jobs
  • Ten of the eleven major sectors lost jobs

• The Arizona seasonally-adjusted (SA) unemployment rate increased to 12.6% in April from 6.1% in March

• The U.S. SA unemployment rate increased to 14.7% in April from 4.4% in March

• A total of 580,845 unemployment insurance (UI) initial claims were filed in Arizona from the week ending March 21 through the week ending May 16
Thank You

Any Questions?

Upcoming Release: May Employment Report on June 18th