

**August 20, 2020**

# July 2020 Employment Report

Doug Walls, Labor Market Information Director



# 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)

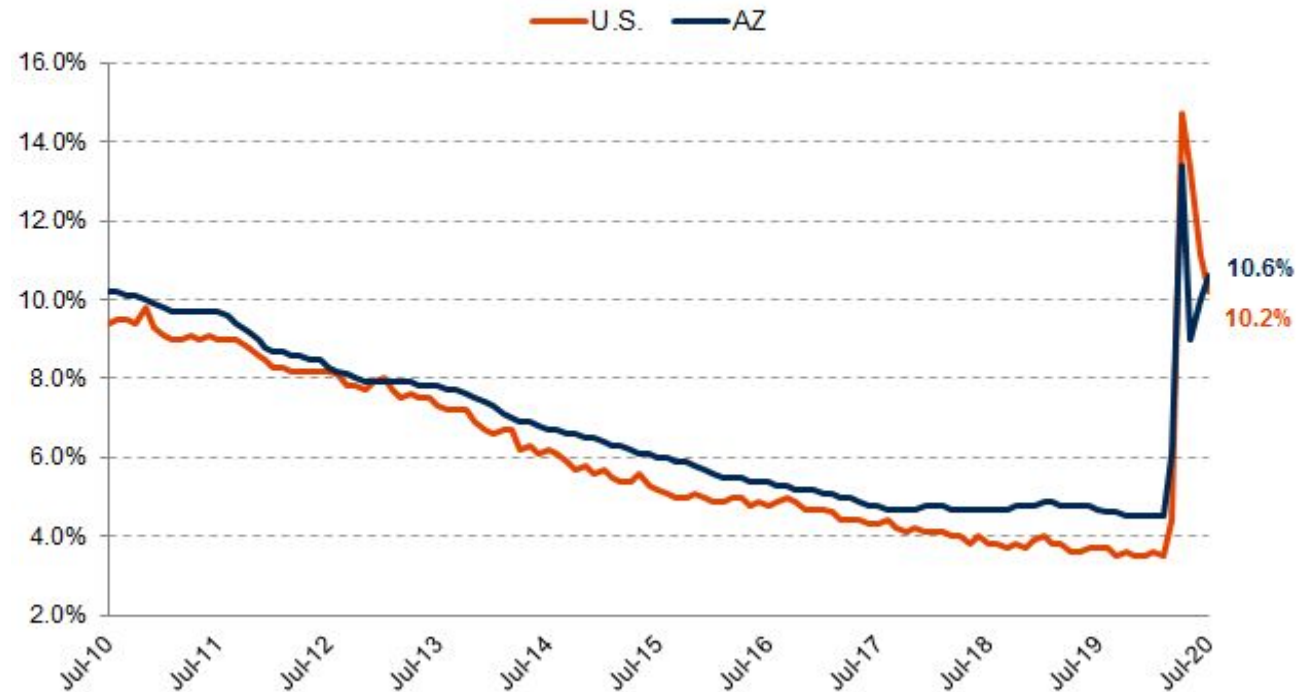
# Month-Over-Month (MoM) Highlights

- The Arizona seasonally-adjusted (SA) unemployment rate increased to 10.6% in July from 10.0% in June
- The U.S. SA unemployment rate decreased to 10.2 % in July from 11.1% in June
- Arizona reported a decrease of 19,500 nonfarm jobs (-0.7%)
- The private sector lost 18,000 jobs (-0.7%)
- Six of the eleven major sectors reported jobs losses while the remaining five sectors reported job gains

# Year-Over-Year (YoY) Highlights

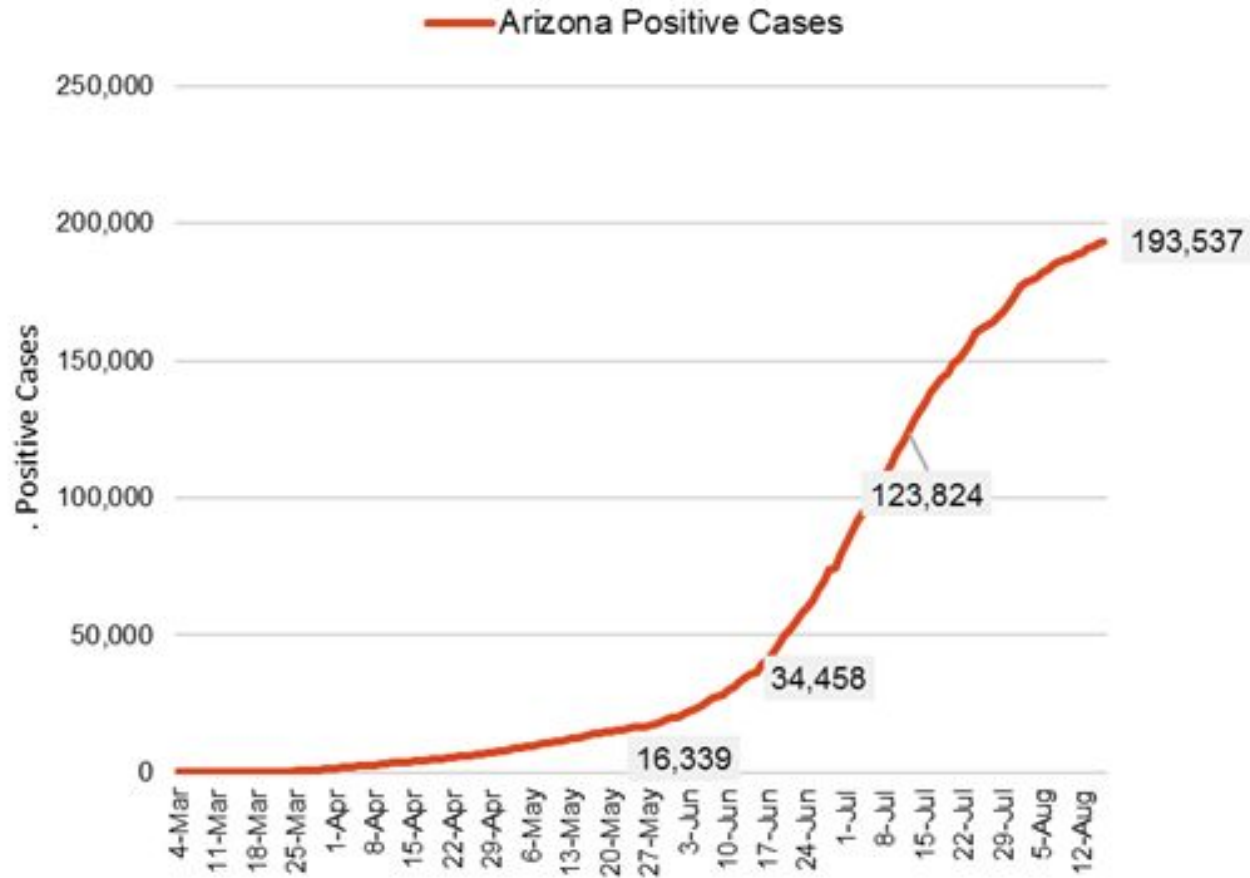
- Arizona nonfarm employment decreased by 103,800 jobs (-3.6%)
- Arizona private sector employment decreased by 99,200 jobs (-4.0%)
- Three of the eleven major sectors added jobs
  - The largest gains were recorded in Trade, Transportation & Utilities (6,500 jobs) and Other Services (1,200 jobs)
- Eight of the eleven sectors recorded job losses
  - The largest losses were recorded in Leisure and Hospitality (-60,600 jobs) and Professional and Business Services (-30,000)
- Six of the seven Arizona metro areas (MSAs) lost jobs
  - The largest decreases were recorded in Flagstaff MSA (-16.5%) followed by Lake Havasu-Kingman MSA (-5.0%)
  - Sierra Vista-Douglas was the only MSA that recorded job gains (3.7%)

## Arizona & U.S. Unemployment Rate Seasonally Adjusted



Period	Labor Force Level	Employment Level	Unemployment Level	Percent
Jul-2019	3,555,243	3,388,011	167,232	4.7
Jun-2020	3,509,620	3,158,464	351,156	10.0
Jul-2020	3,562,146	3,184,839	377,307	10.6
OTM Change	52,526	26,375	26,151	0.6
OTY Change	6,903	-203,172	210,075	5.9

# Total Positive COVID-19 Cases

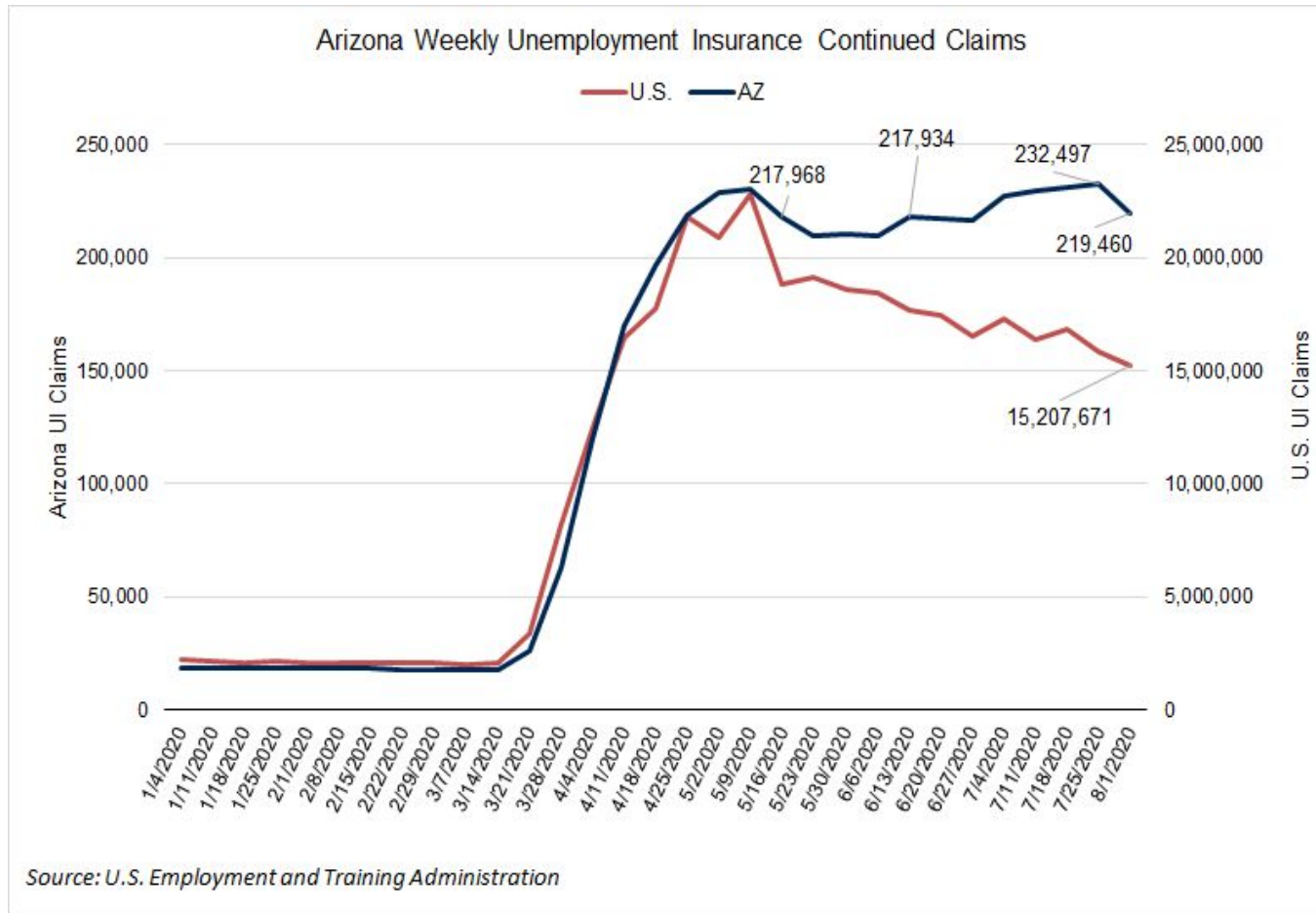


Source: COVID Tracking Project

- Positive COVID-19 cases increased throughout July 2020 in Arizona



# Historical Unemployment Insurance (UI) Claims

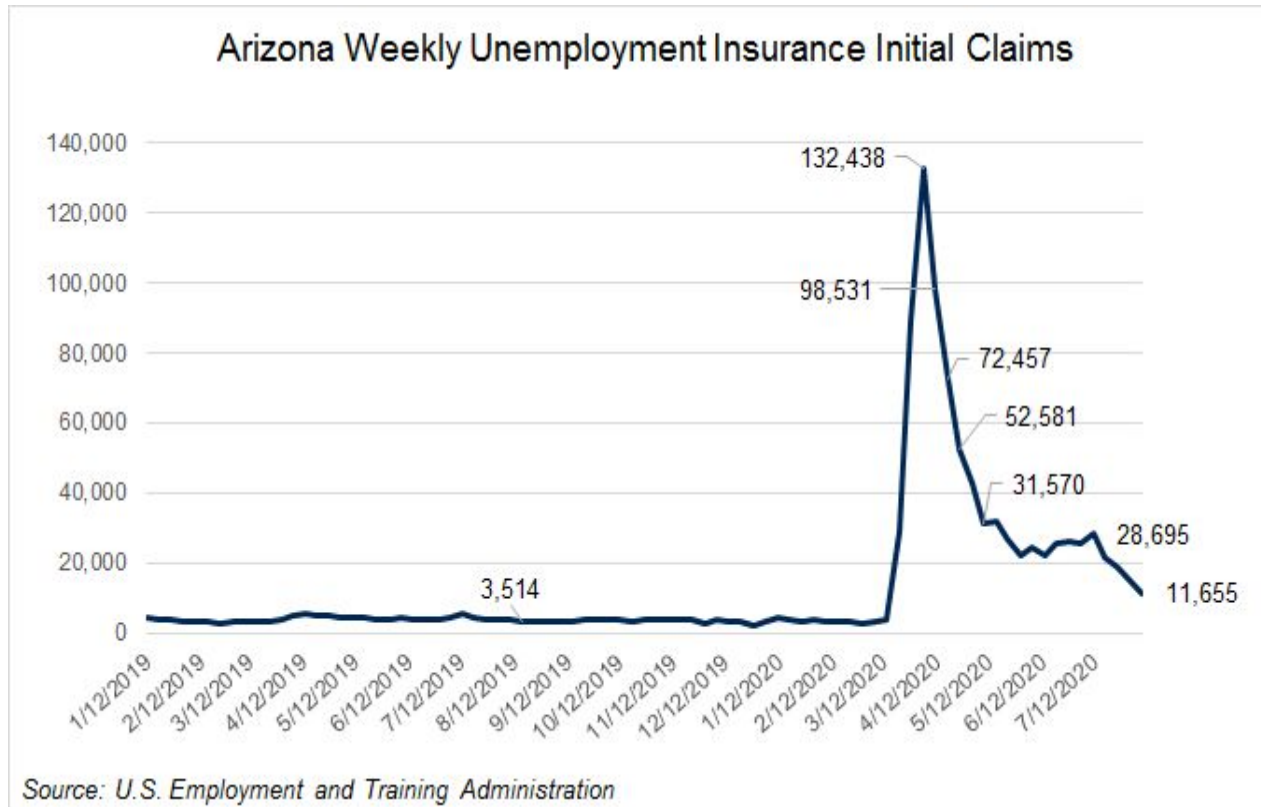


## Continued Claims:

- Arizona claims declined by 13,037 individuals from week ending July 25 to week ending August 1. It was the largest weekly decrease since March.
- U.S. claims have been declining since reaching its peak during week ending May 9.



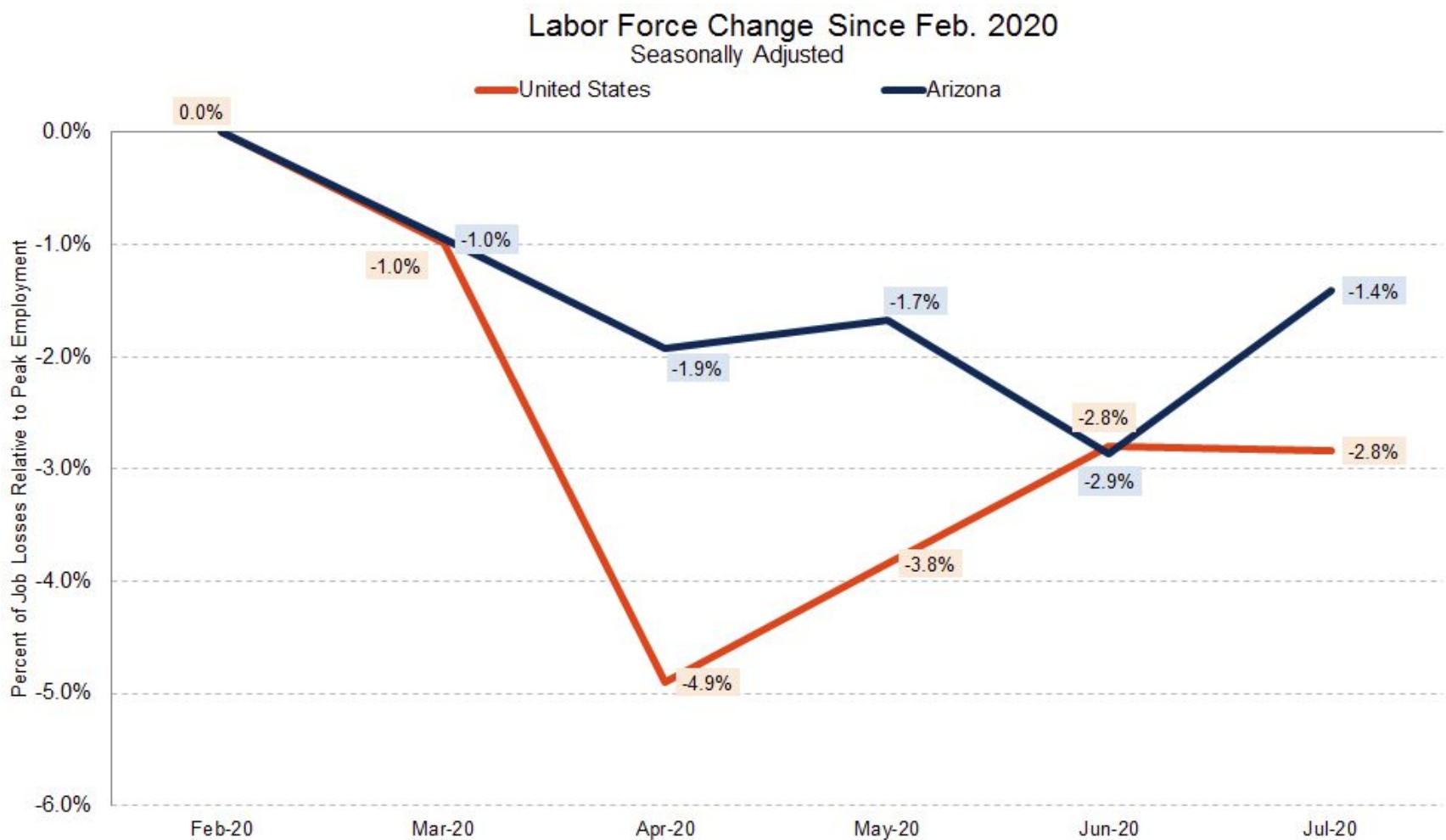
# Unemployment Insurance (UI) Claims



## Initial Claims:

- During week ending August 8, 11,655 UI initial claims were filed in Arizona
- Arizona UI initial claims filed has been declining since week ending July 11
- A total of 850,914 UI initial claims have been filed in Arizona since week ending March 21 through week ending August 8

# Labor Force Comparison

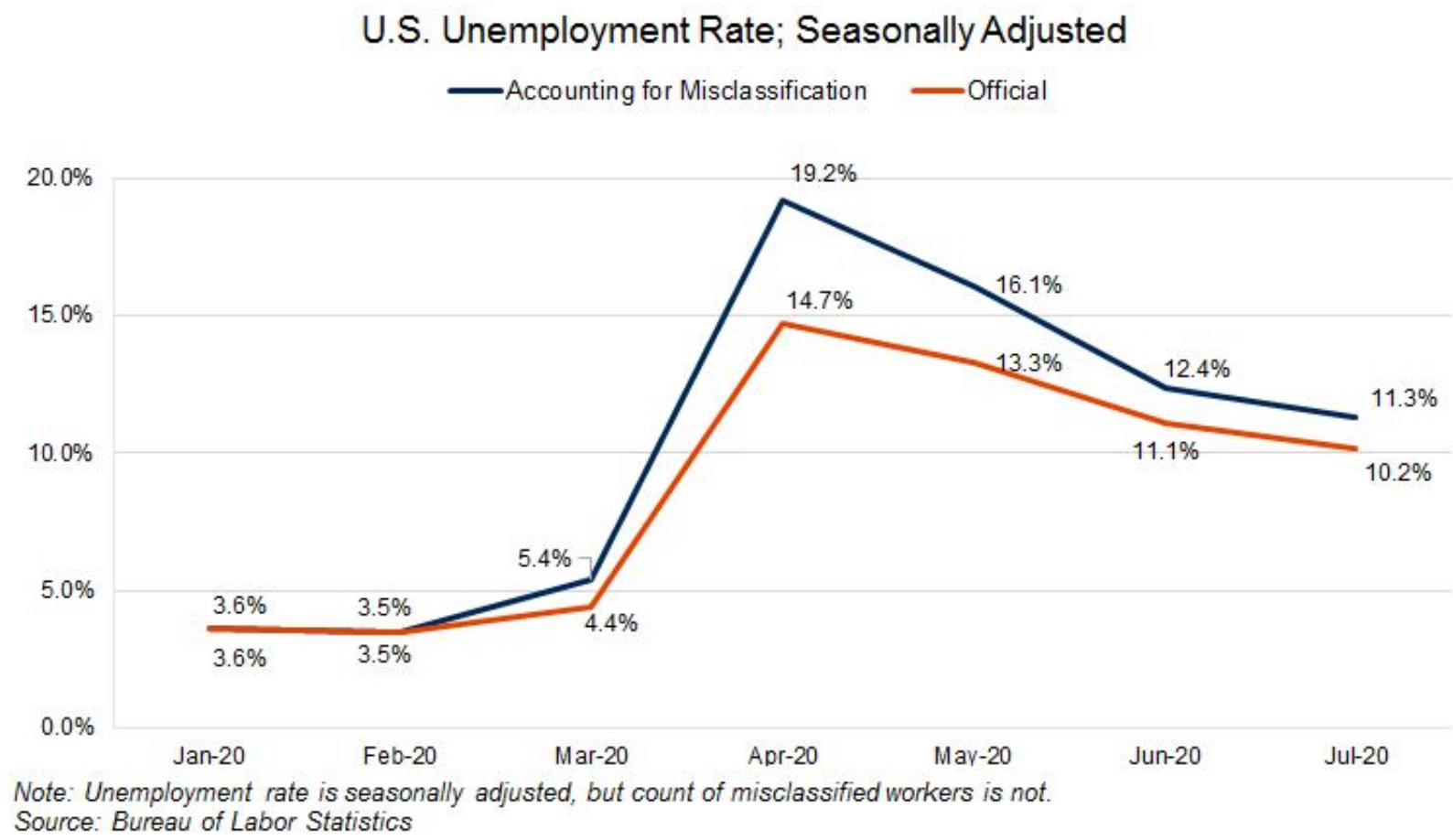


Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. Of Labor, Bureau of Labor Statistics

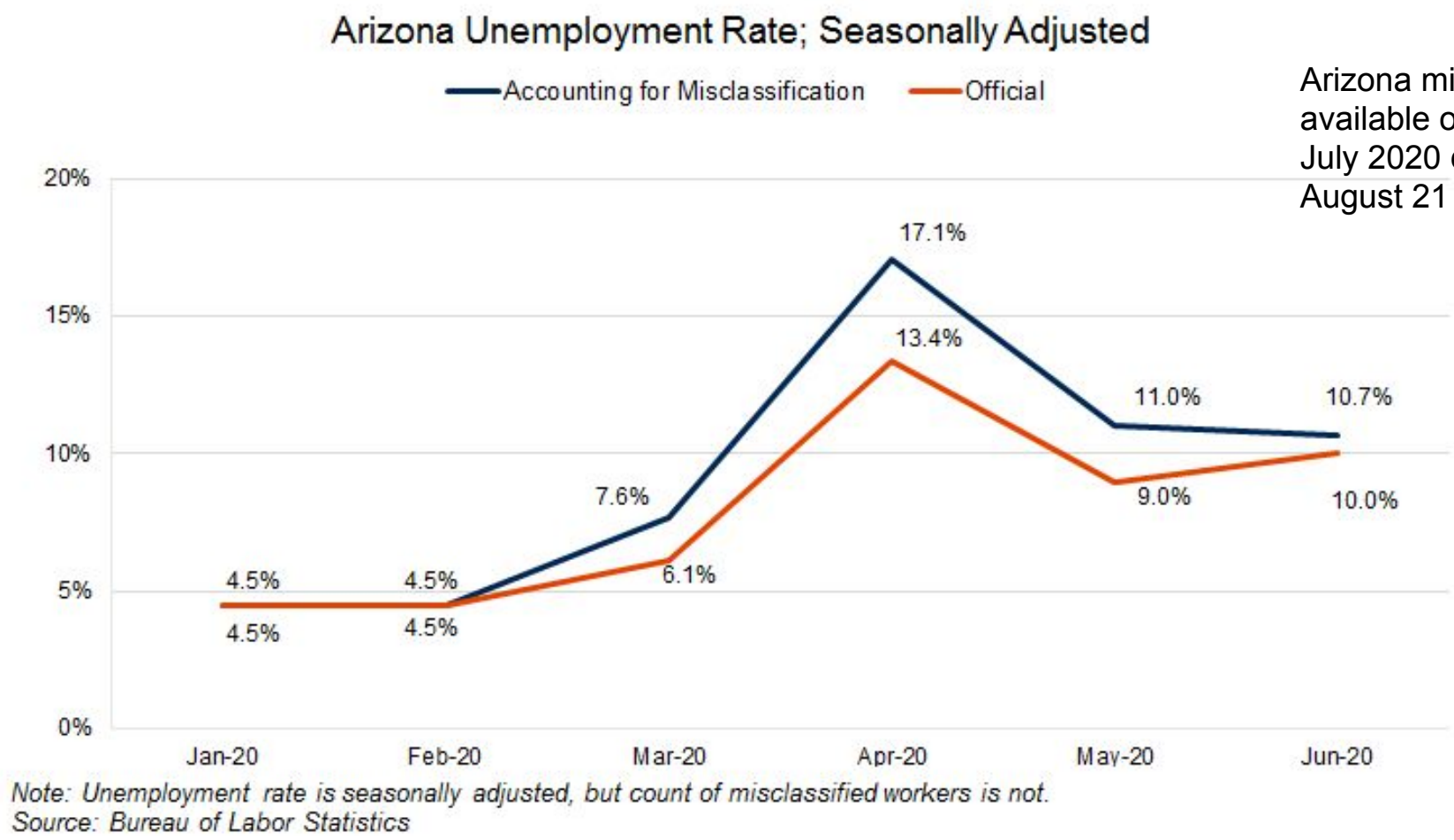
# Impacts of COVID-19 on the BLS Household Survey

- For the March 2020 survey, BLS began classifying anyone who was not working because of virus-related business closing as unemployed.
- BLS identified a misclassification error, in which some people were mistakenly characterized as employed rather than unemployed.
  - An unusual number of people were being counted as “employed but absent from work”
    - Typically, this category reflects vacation, family leave or other temporary absences.
- If the misclassified people had been counted as unemployed, the unemployment rate would have been higher in March-July 2020.

# Impacts of COVID-19 on the BLS Household Survey



# Impacts of COVID-19 on the BLS Household Survey



Arizona misclassification data available only through June 2020. July 2020 data will be available August 21 .

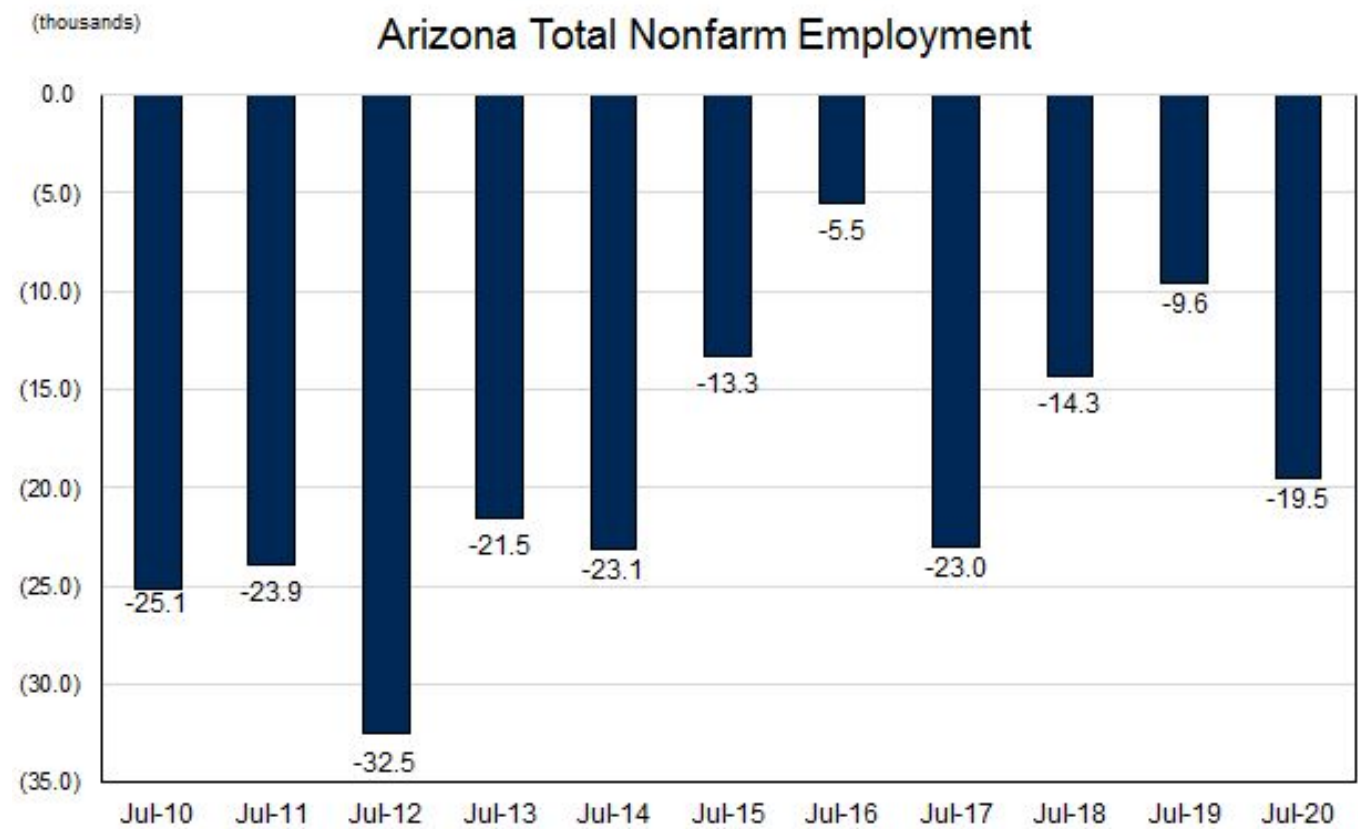
# Impacts of COVID-19 on the BLS Household Survey

## Survey Response Rates

- The response rate in the **national** survey of households was 83 percent in February, 73 percent in March, 70 percent in April, 67 percent in May, 65 percent in June, and 67 percent in July.
- The Bureau of Labor Statistics was still able to obtain estimates that met their standards for accuracy and reliability
- The response rate in the **Arizona** survey of households was 80 percent in January, 81 percent in February, 68 percent in March, 63 percent in April, 59 percent in May, and 58 percent in June.

*Note: July 2020 response rate estimate for Arizona will be available August 21*

# Month-Over-Month Employment Change

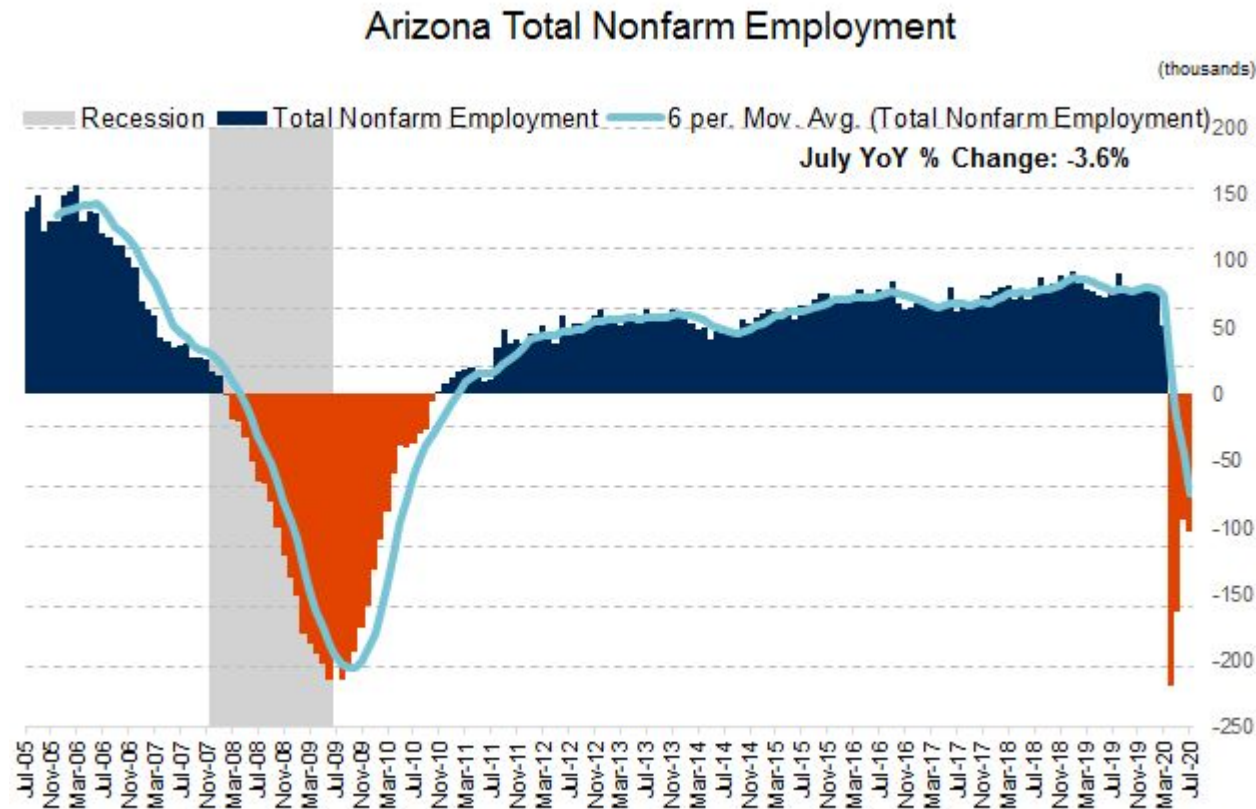


**Historic 10-Year Average ('10-'19): -19,200 Jobs or -0.8%**

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



# Year-Over-Year Employment Change

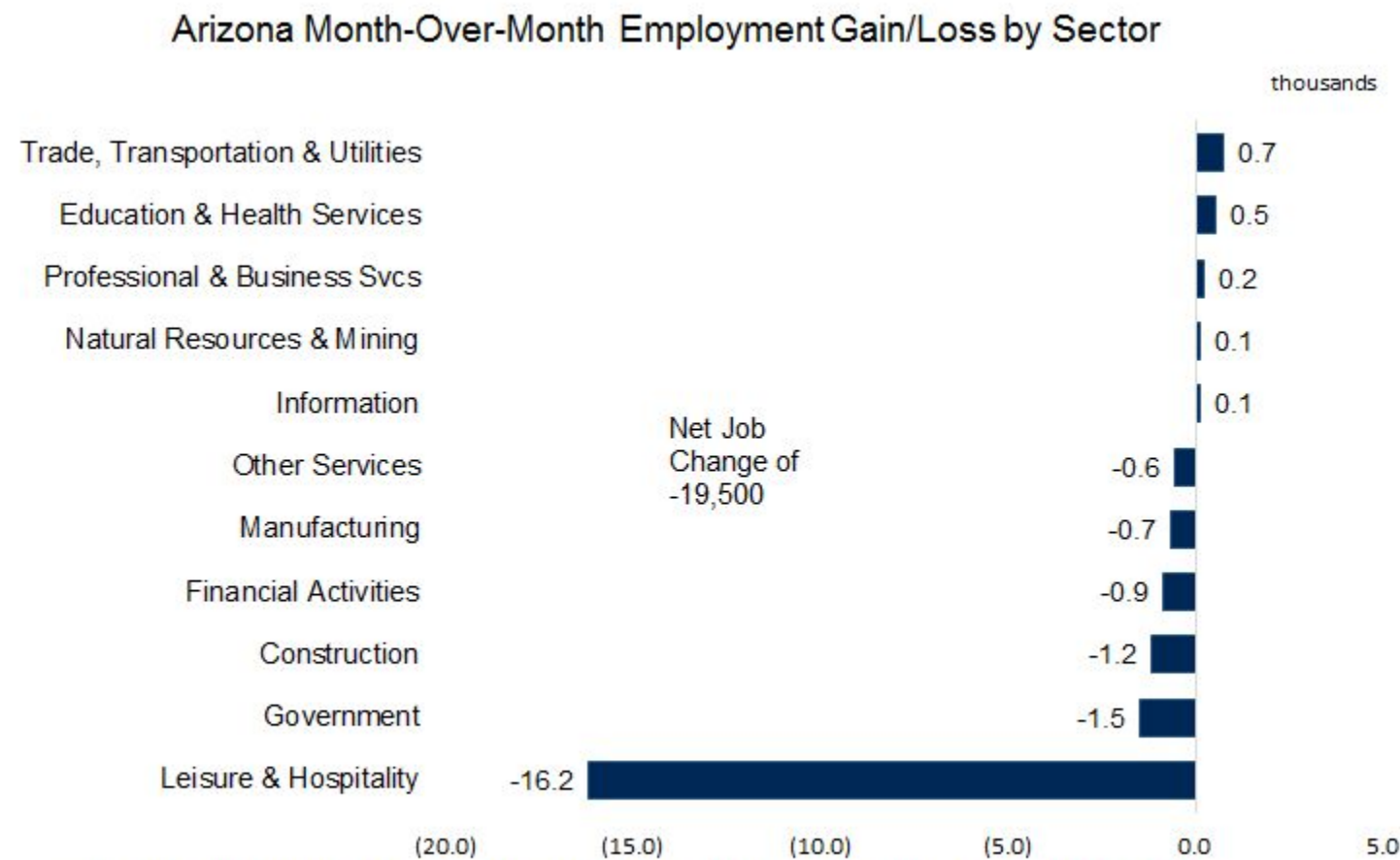


Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS

## Highlights:

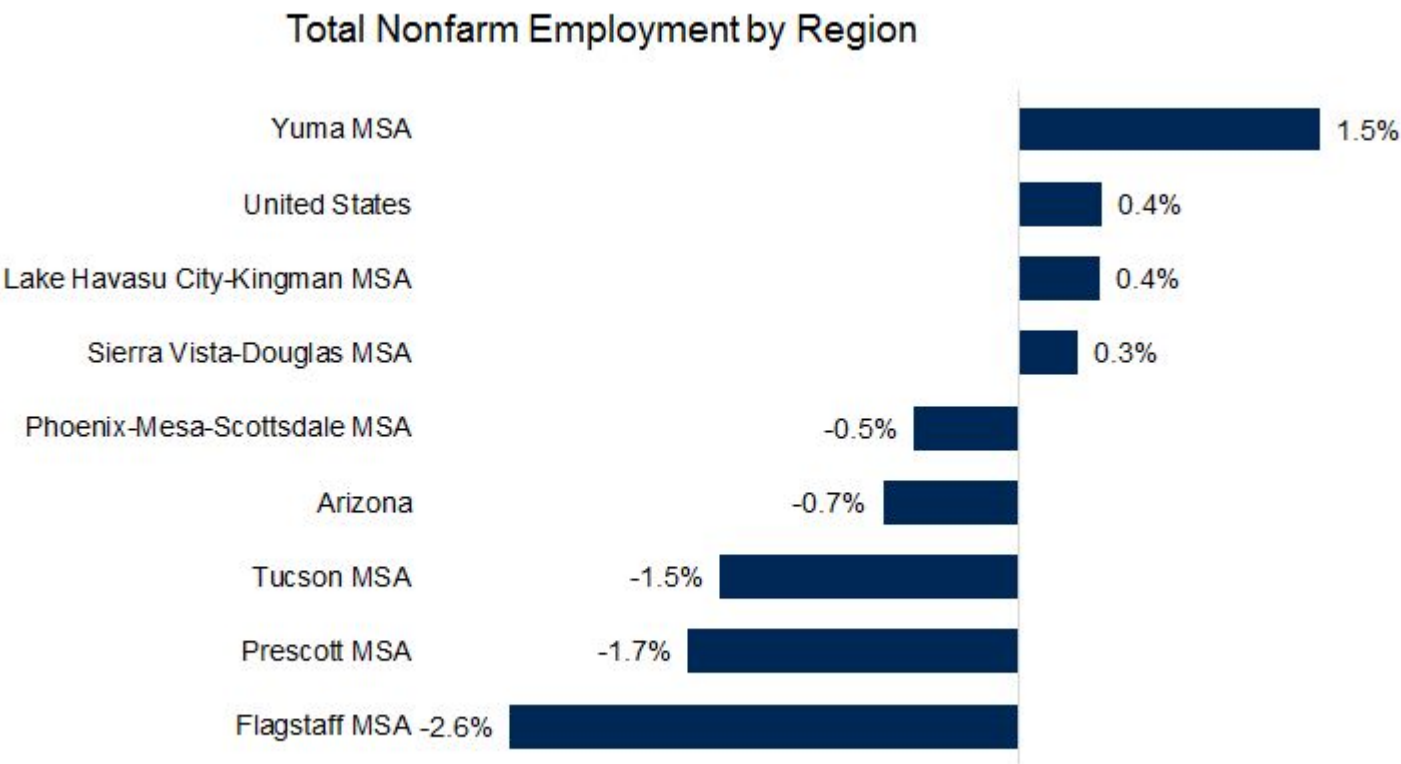
- Arizona nonfarm employment declined 3.6% YoY (-103,800 jobs) in July 2020
- U.S. nonfarm employment declined 7.7% YoY in July 2020

# Month-Over-Month Employment Change



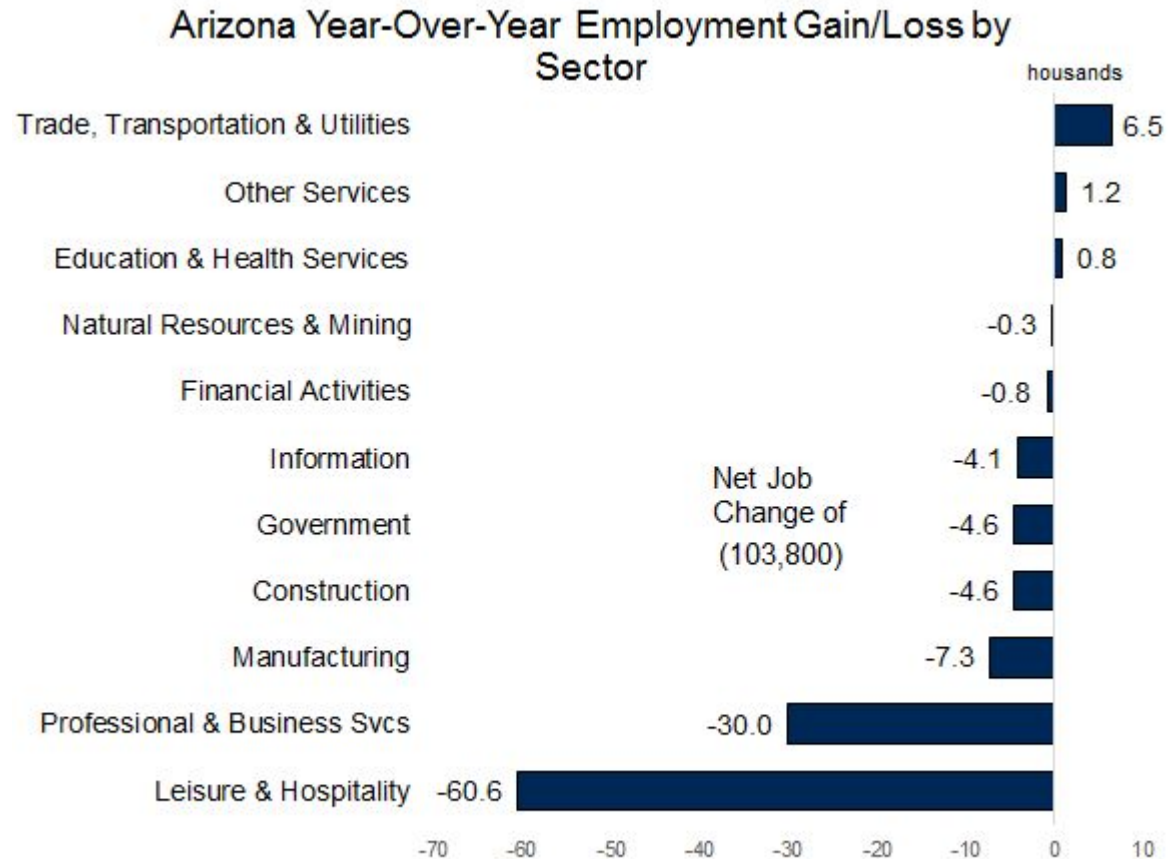
Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics

# Month-Over-Month Employment Change



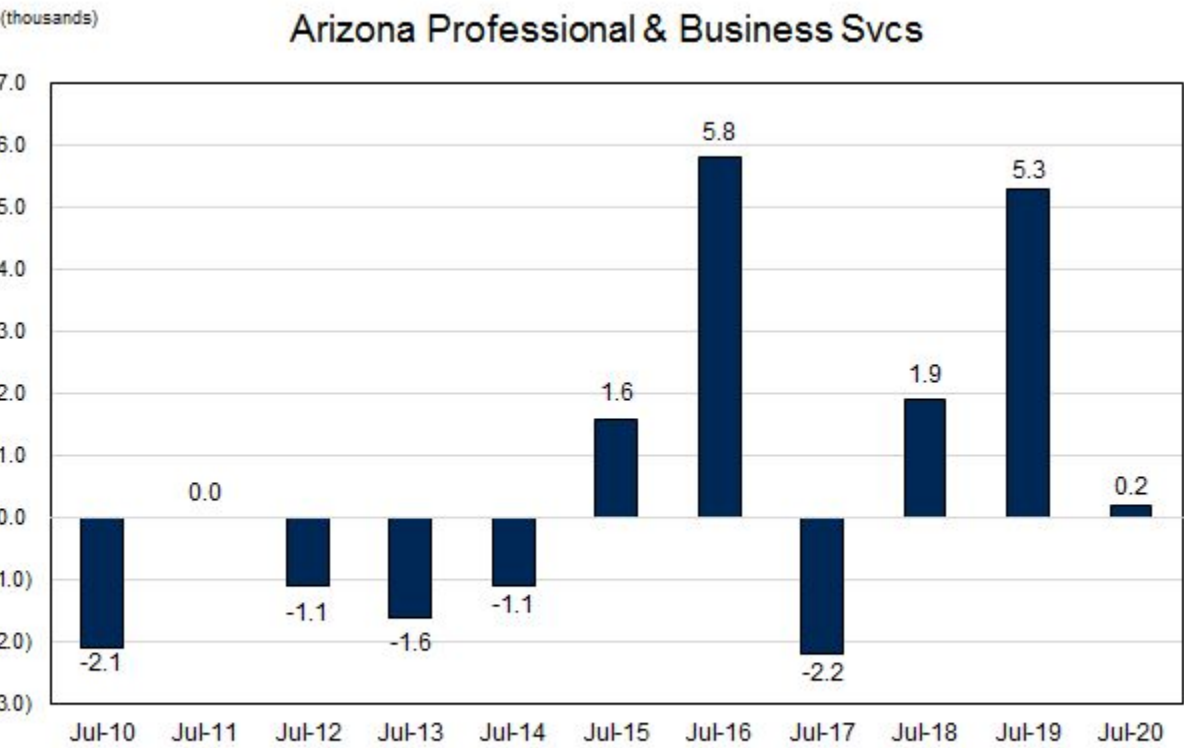
Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS

# 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



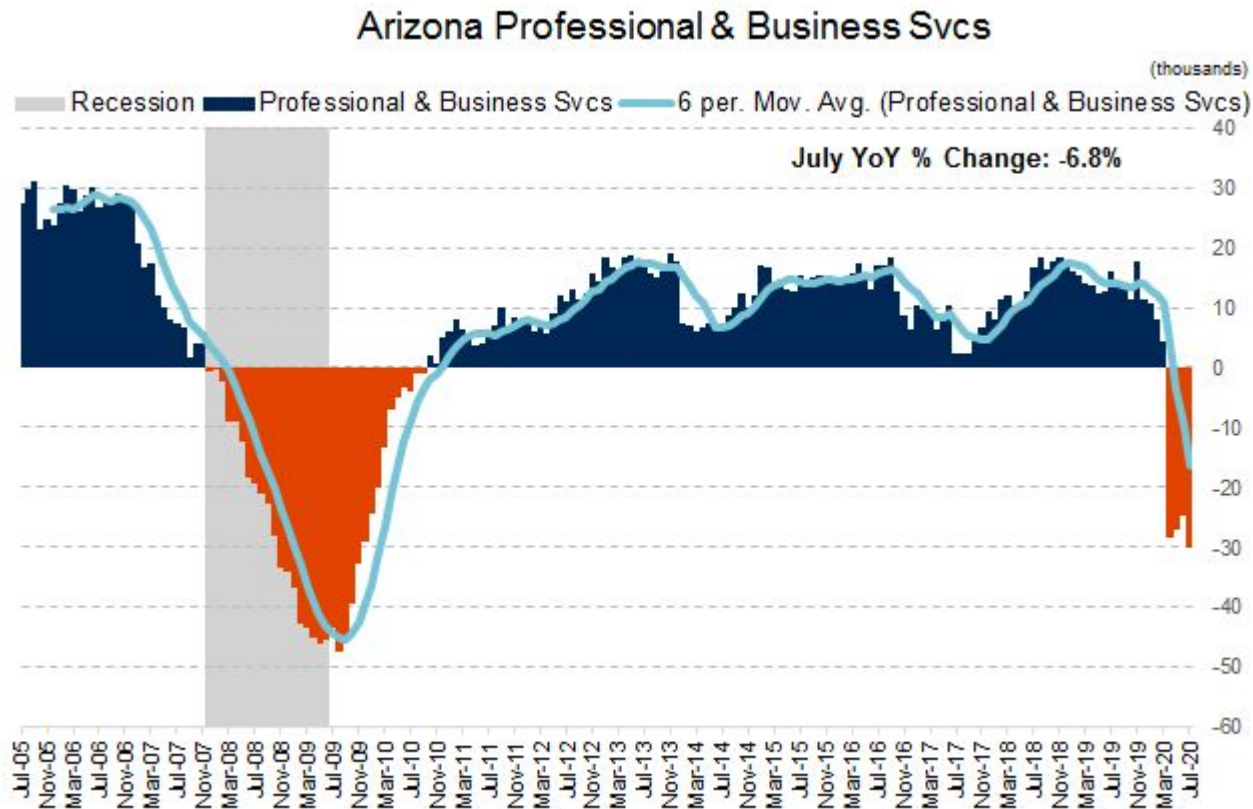
Historic 10-Year Average ('10-'19): 700 Jobs or 0.1%

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

## Highlights:

- Job gains were recorded in Employment Services (800 jobs or 0.9%)
- Job losses were recorded in Business Support Services (-800 jobs or -2.3%) and Services to Business and Dwellings (-1,000 jobs or -2.4%)

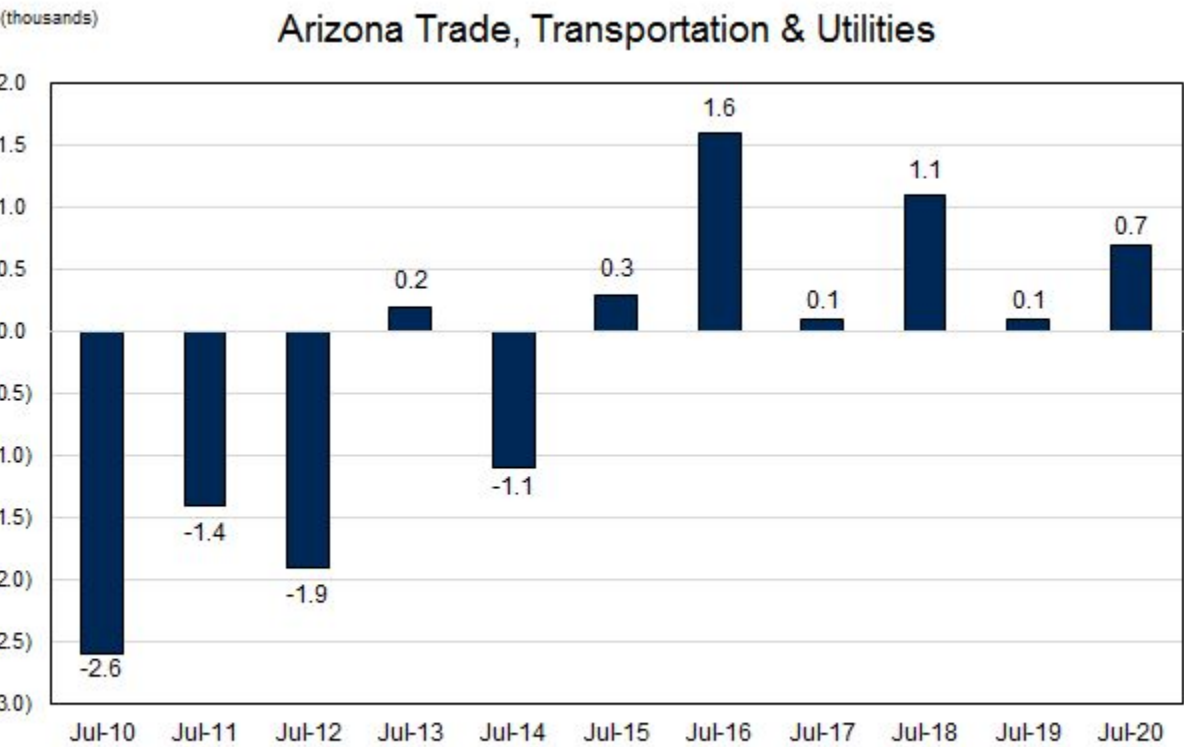
# Year-Over-Year Employment Change



## Notable Losses:

- Employment Services lost 13,600 jobs (-12.7%)
- Services to Buildings and Dwellings lost 5,100 jobs (-11.1%)
- Business Support Services lost 5,600 jobs (-14.0%)

# Month-Over-Month Employment Change



Historic 10-Year Average ('10-'19): -400 Jobs or -0.1%

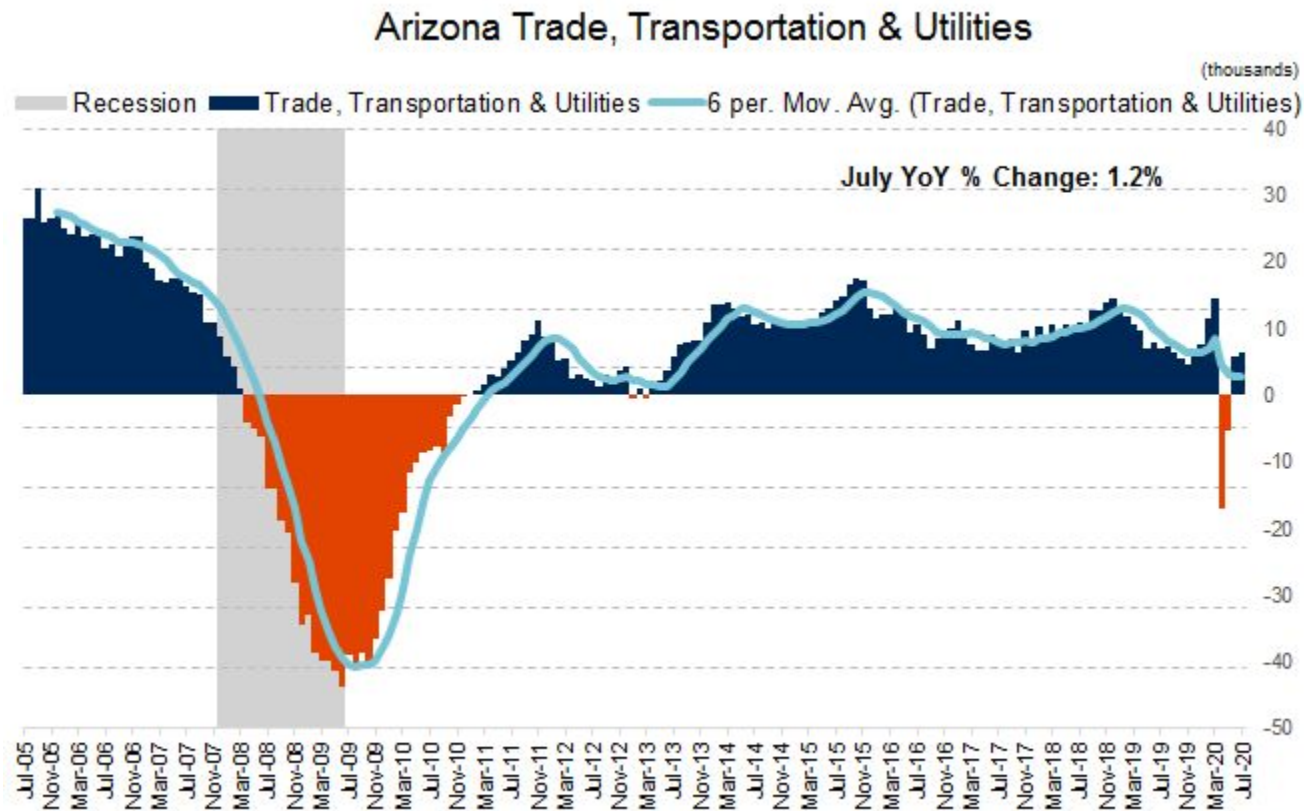
Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS

## Highlights:

- Retail Trade recorded a gain of 1,100 jobs or 0.3%.
- Wholesale Trade recorded a loss of 1,600 jobs or -1.5%.
- Transportation and Warehousing recorded a gain of 1,200 jobs or 1.1%



# Year-Over-Year Employment Change



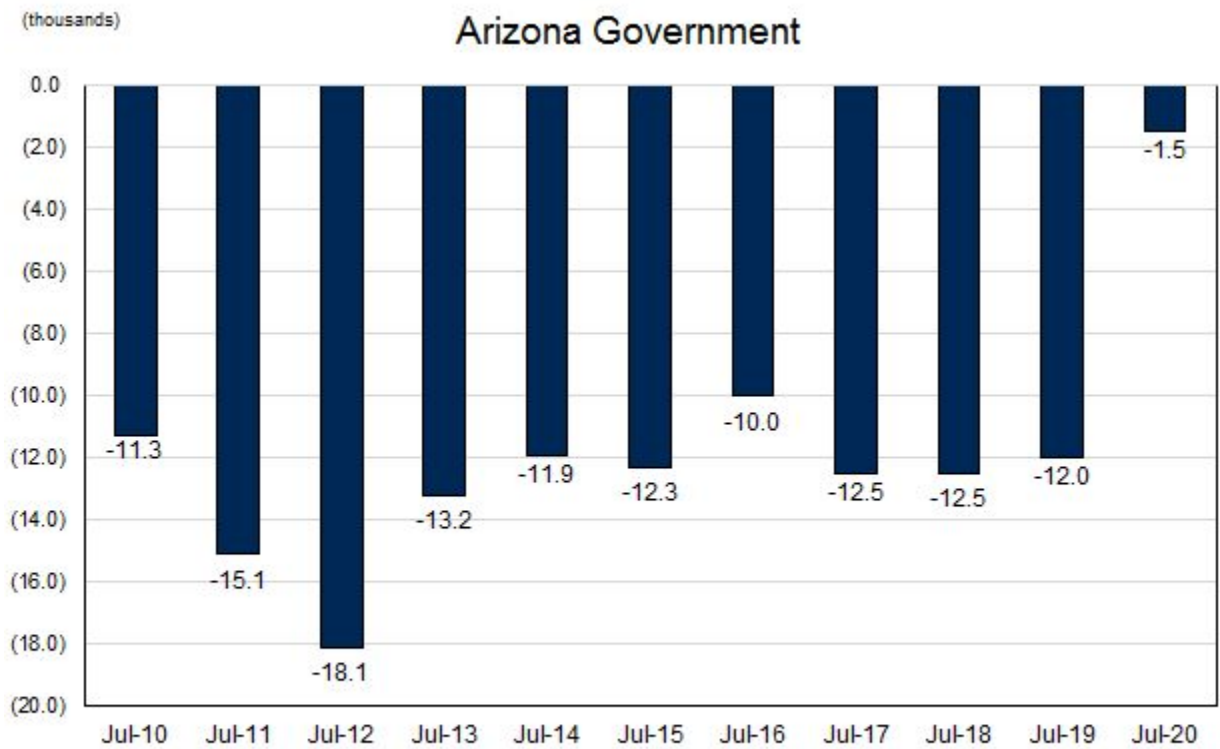
## Notable Losses:

- Retail Trade recorded a loss of 500 jobs (-0.2%)

## Notable Gains:

- Wholesale Trade recorded a gain of 5,400 jobs (5.5%)
- Transportation and Warehousing recorded a gain of 1,400 jobs (1.3%)

# Month-Over-Month Employment Change



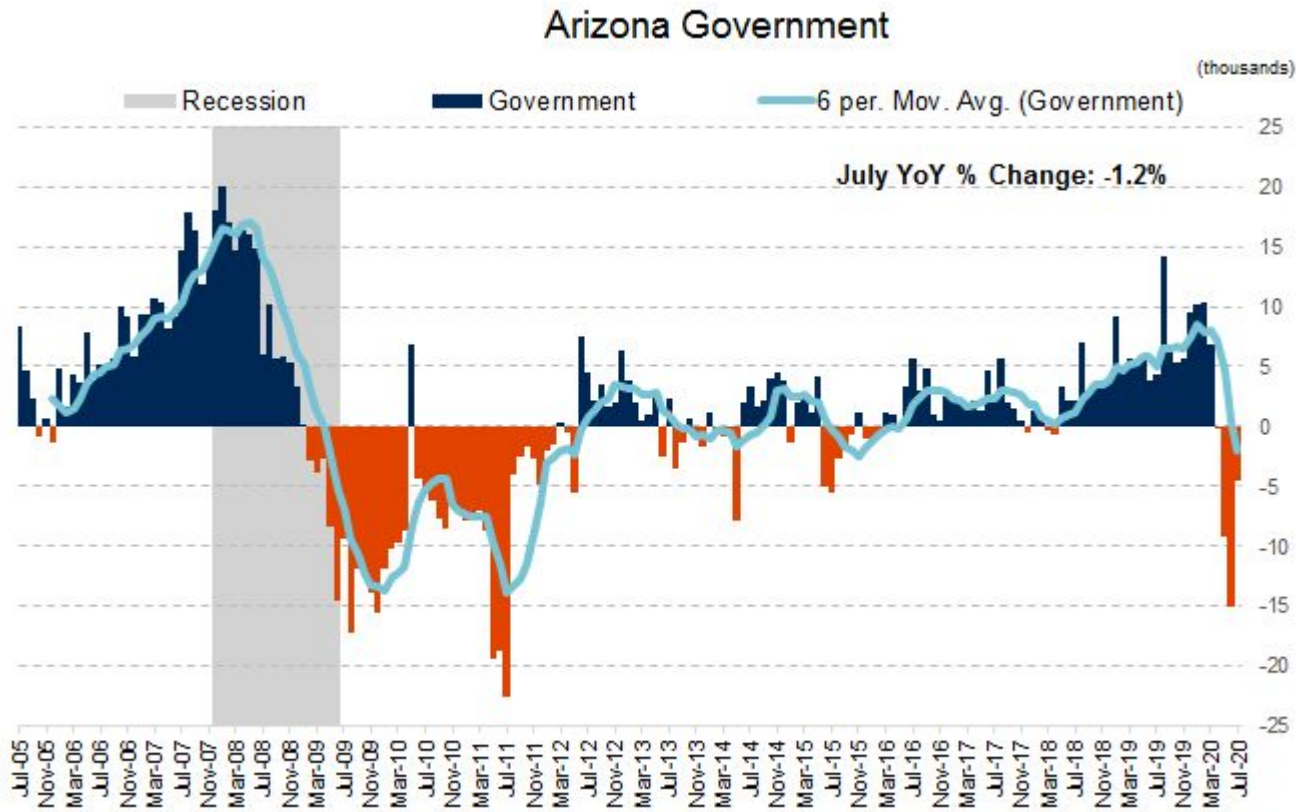
**Historic 10-Year Average ('10-'19): -12,900 Jobs or -3.4%**

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

### Highlights:

- Local Government Education lost 300 jobs or -0.3%
- State Government Education lost 100 jobs or -0.2%

# Year-Over-Year Employment Change



## Notable Gains:

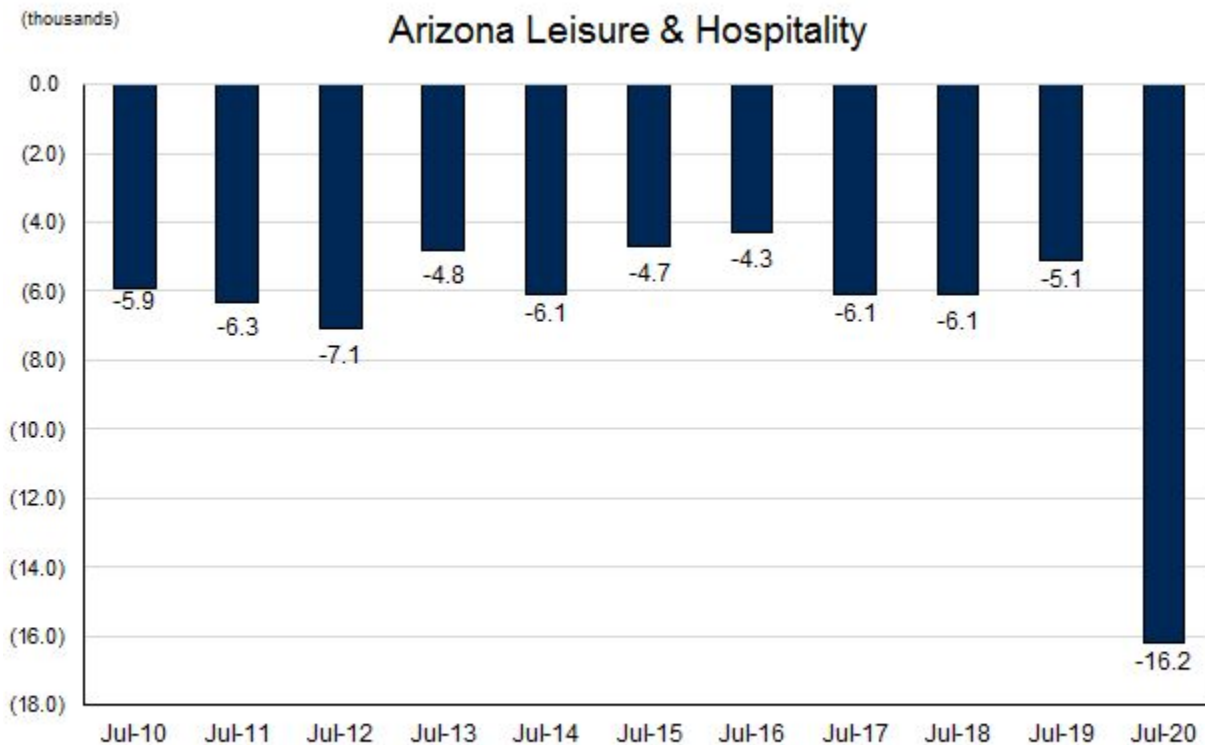
- State Government Education recorded a gain of 1,500 jobs (3.6%)

## Notable Losses:

- Local Government Education recorded a loss of -3,400 jobs (-3.4%)

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

# Month-Over-Month Employment Change



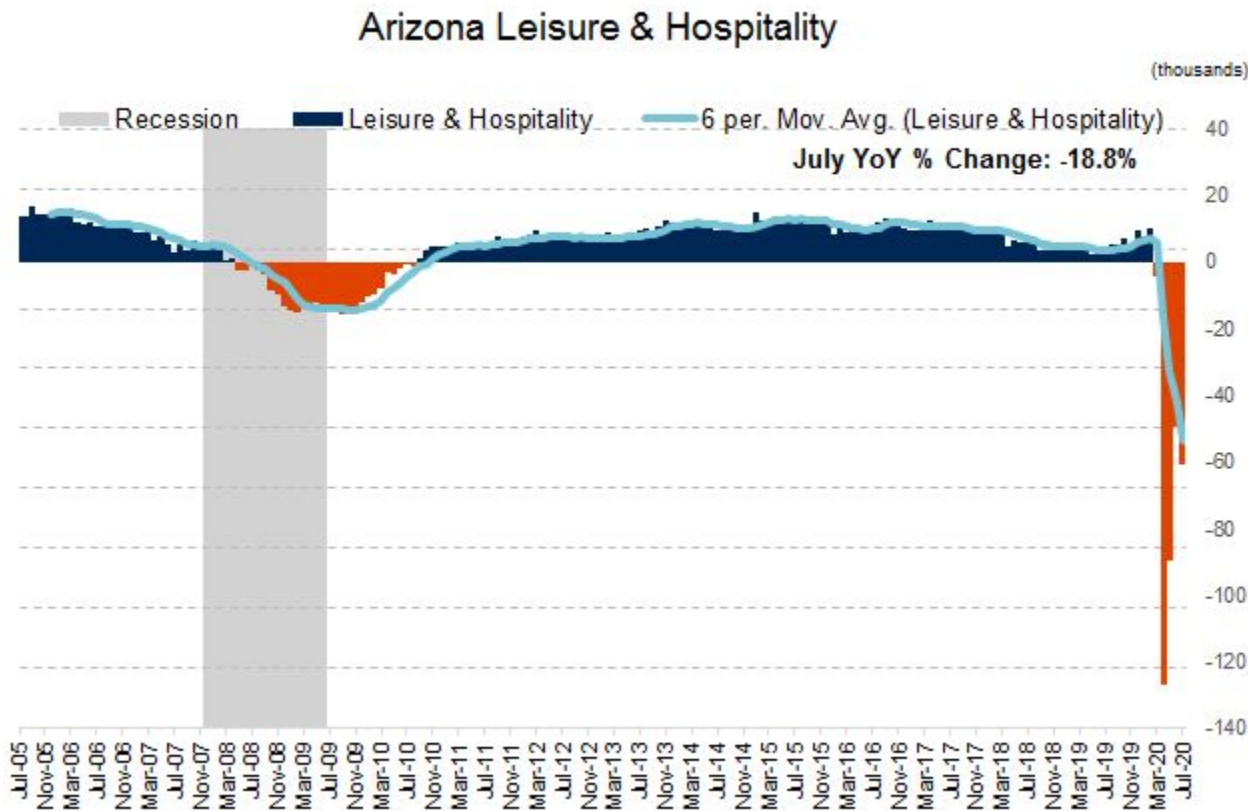
**Historic 10-Year Average ('10-'19): -5,700 Jobs or -2.0%**

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

## Highlights:

- Food Services and Drinking Places lost 8,900 jobs or -4.2%
  - Losses were recorded in Drinking Places, Full Service and Limited Service Restaurants
- Accommodation lost 4,600 jobs or -13.9%
  - Losses were recorded in Hotels and Motels
- Arts, Entertainment and Recreation lost 2,700 jobs or -8.5%
  - Losses were recorded in Amusement and Theme Parks, Fitness and Recreational Sports Centers, Golf Courses and Country Clubs and Bowling Centers

# Year-Over-Year Employment Change

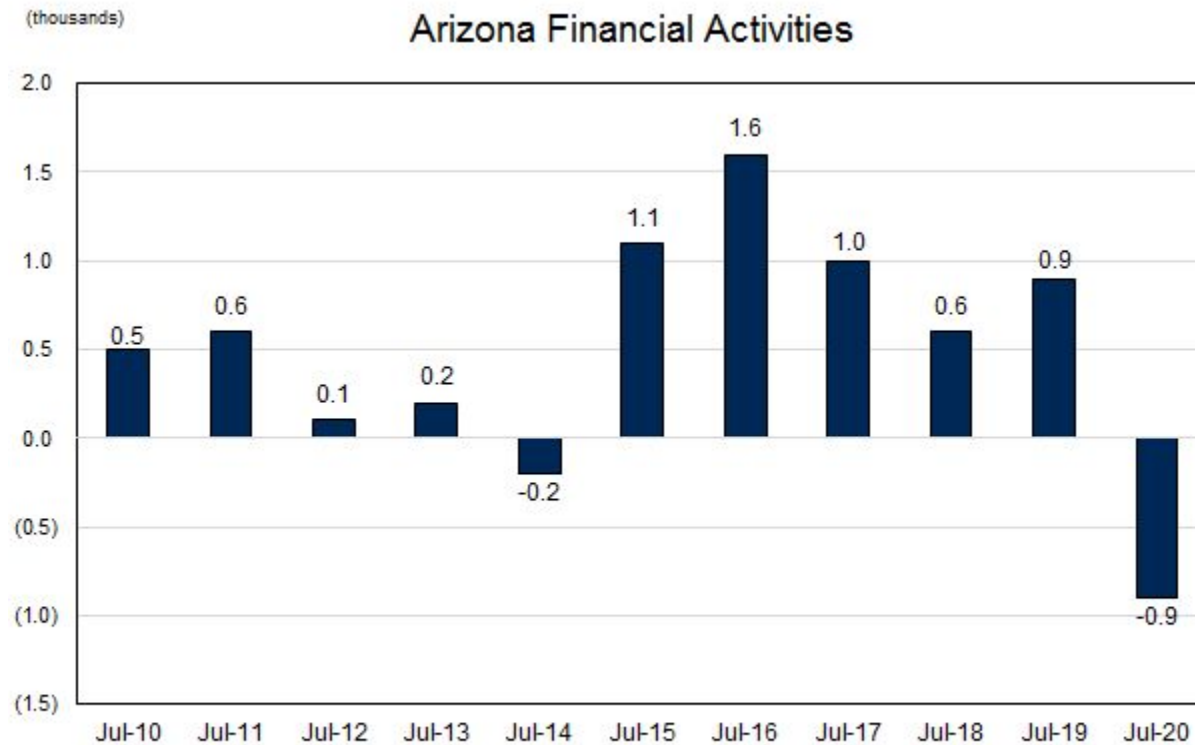


Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS

## Notable Losses:

- Food Services and Drinking Places recorded a loss of 28,500 jobs (-12.3%).
- Arts, Entertainment, and Recreation experienced losses of 15,800 jobs (-35.1%).
- Accommodations recorded a loss of 16,300 jobs (-36.5%).

# Month-Over-Month Employment Change



**Historic 10-Year Average ('10-'19): 600 Jobs or 0.3%**

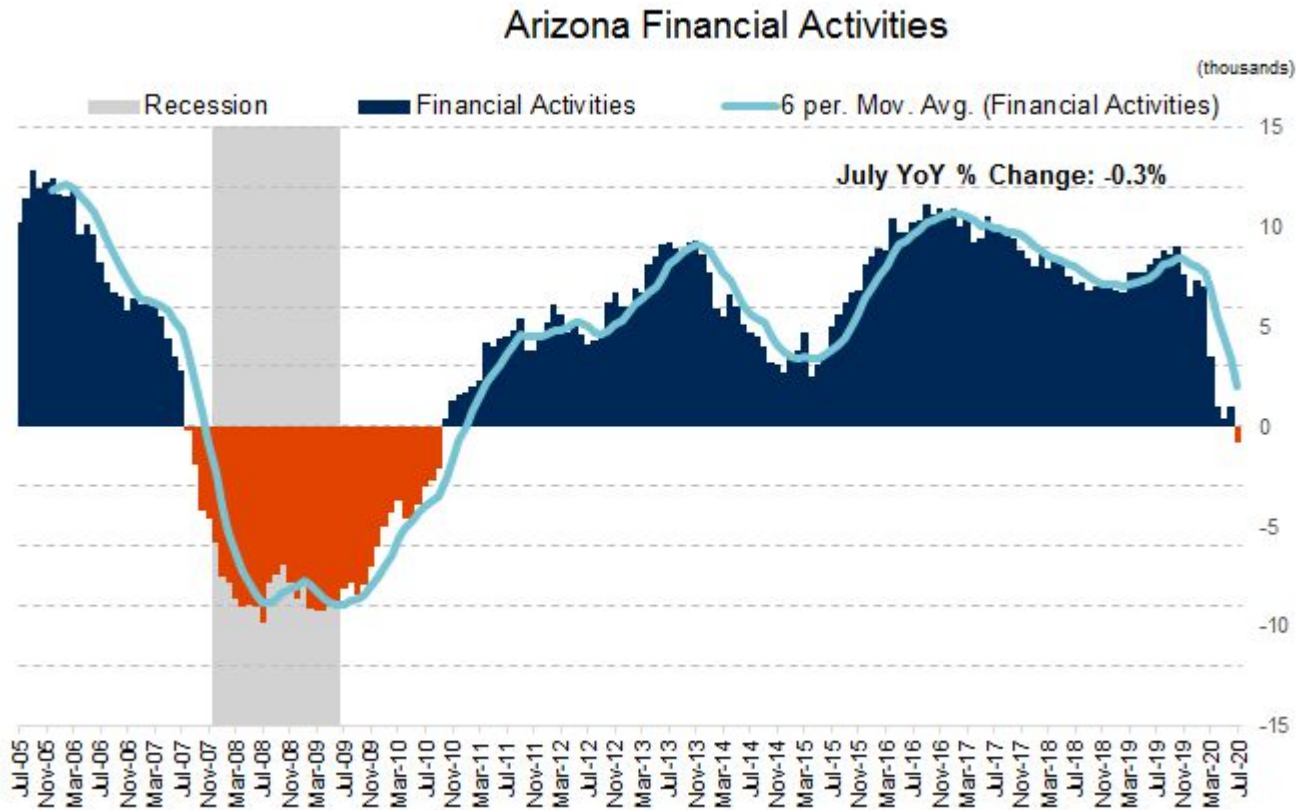
*Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS*

## Highlights:

- Credit Intermediaries recorded losses of 600 jobs
  - Losses were reported in Mortgage and Nonmortgage Loan Brokers, Commercial Banking and All Other Nondepository Credit Intermediation
- Real Estate, Rental, and Leasing recorded losses of 200 jobs or -0.4%



# Year-Over-Year Employment Change



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

## Notable Losses:

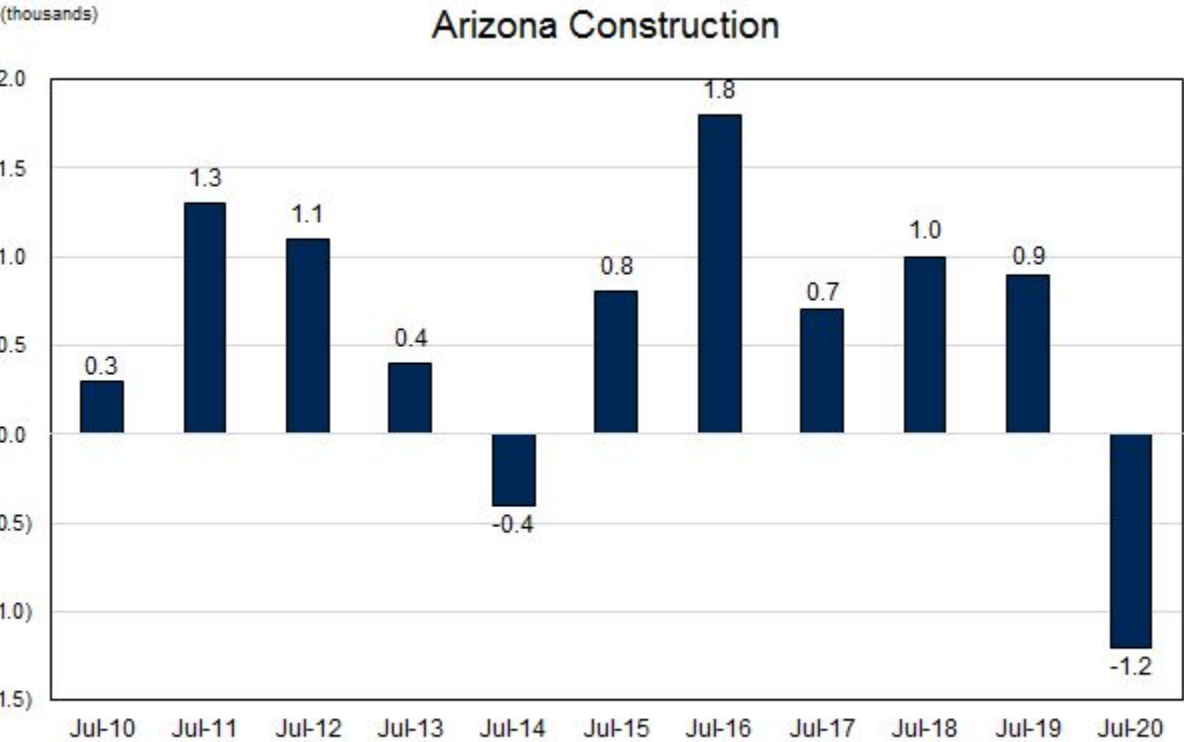
- Real Estate and Rental and Leasing recorded a loss of 1,800 jobs (-3.3%)
- Insurance Carriers recorded a loss of 1,800 jobs (-2.8%)

## Notable Gains:

- Credit Intermediaries recorded a gain of 2,600 jobs (2.9%)



# Month-Over-Month Employment Change



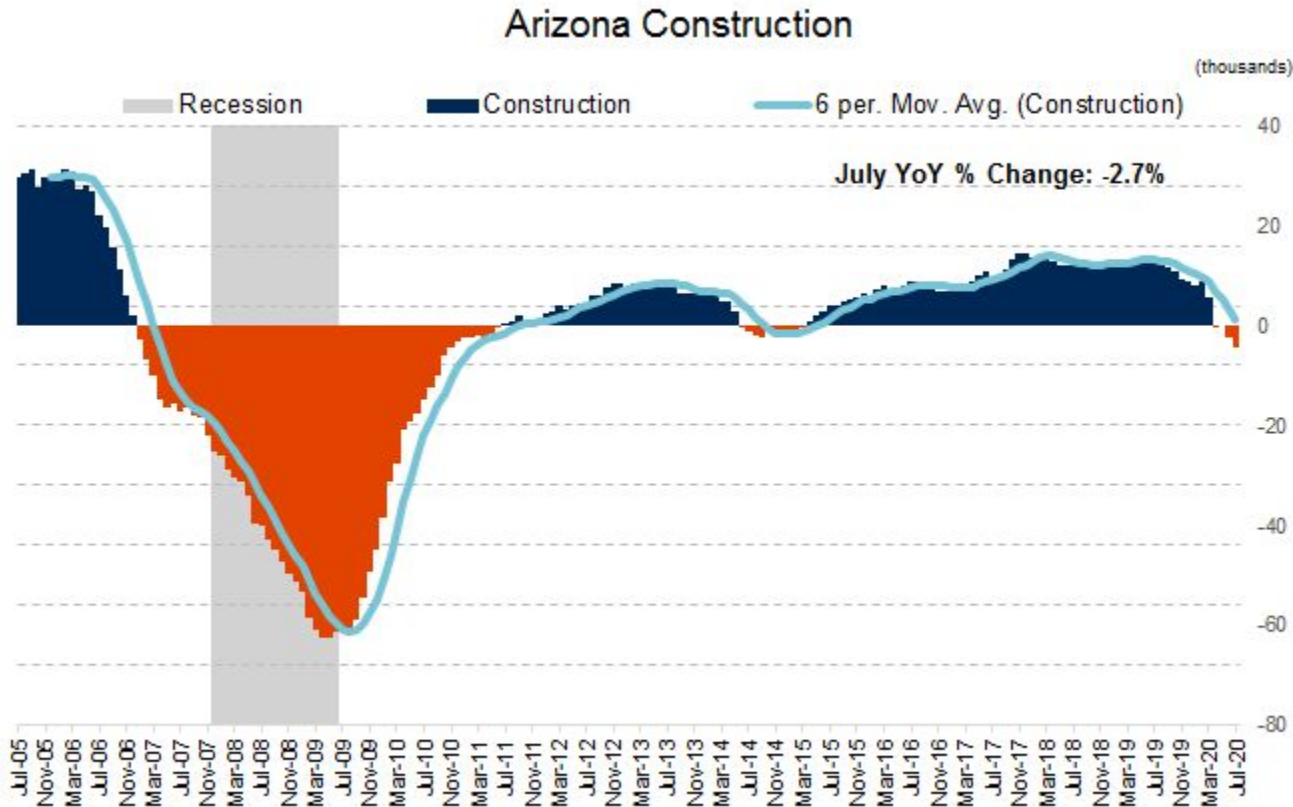
Historic 10-Year Average ('10-'19): 800 Jobs or 0.6%

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

## Highlights:

- Specialty Trade Construction (-1,000 jobs) was responsible for the majority of losses in Construction
- Heavy and Civil Engineering also lost jobs (-400 jobs)
- Construction of Buildings recorded a gain of 200 jobs

# Year-Over-Year Employment Change



## Highlights:

- Specialty Trades lost 3,700 jobs (-3.2%)
- Construction of Buildings lost 1,200 jobs (-3.4%)
- Heavy and Civil Construction gained 300 jobs (1.5%)

# Arizona New Private Housing Units Authorized by Building Permits; Seasonally Adjusted

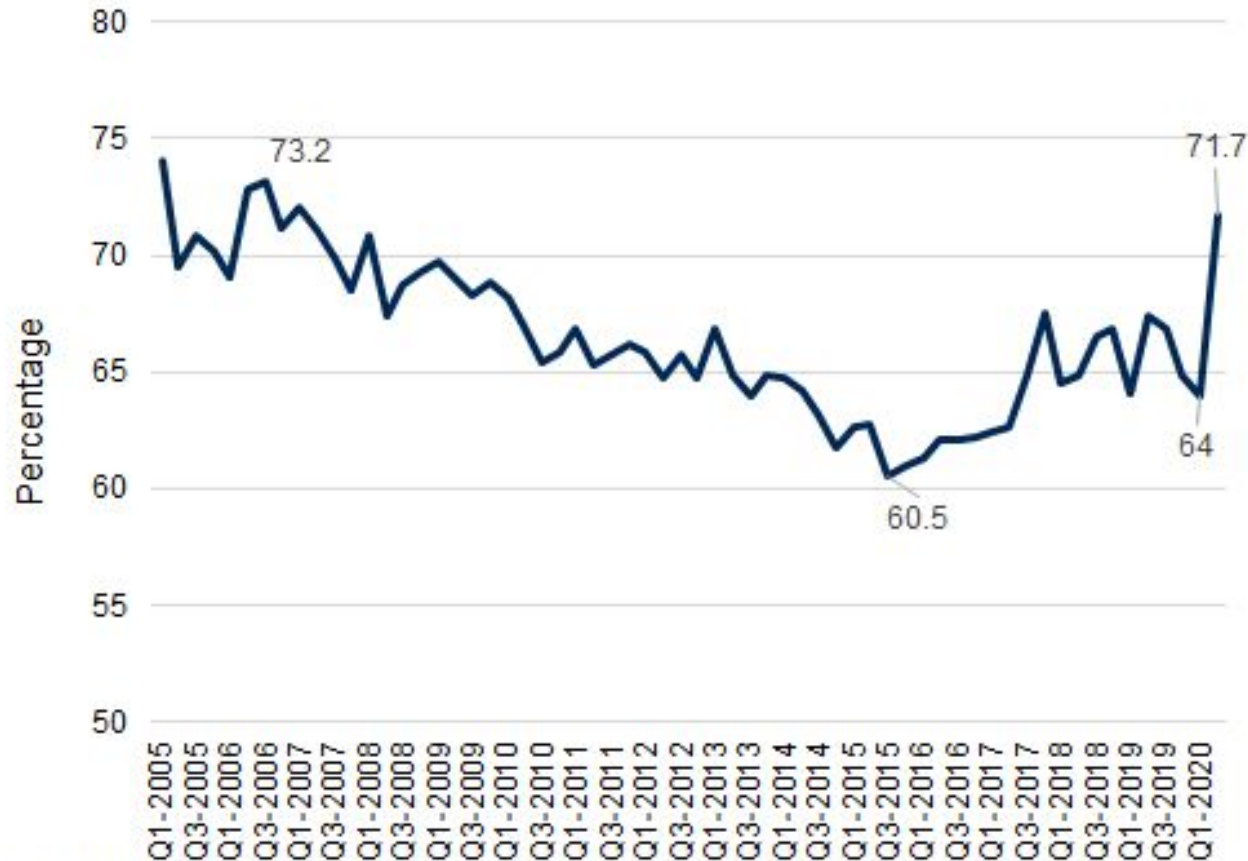


Source: U.S. Census Bureau

## Notable Changes:

- 4,834 building permits were authorized in June 2020, 59.2% more than in May 2020.

# Arizona Homeownership Rate; Not Seasonally Adjusted

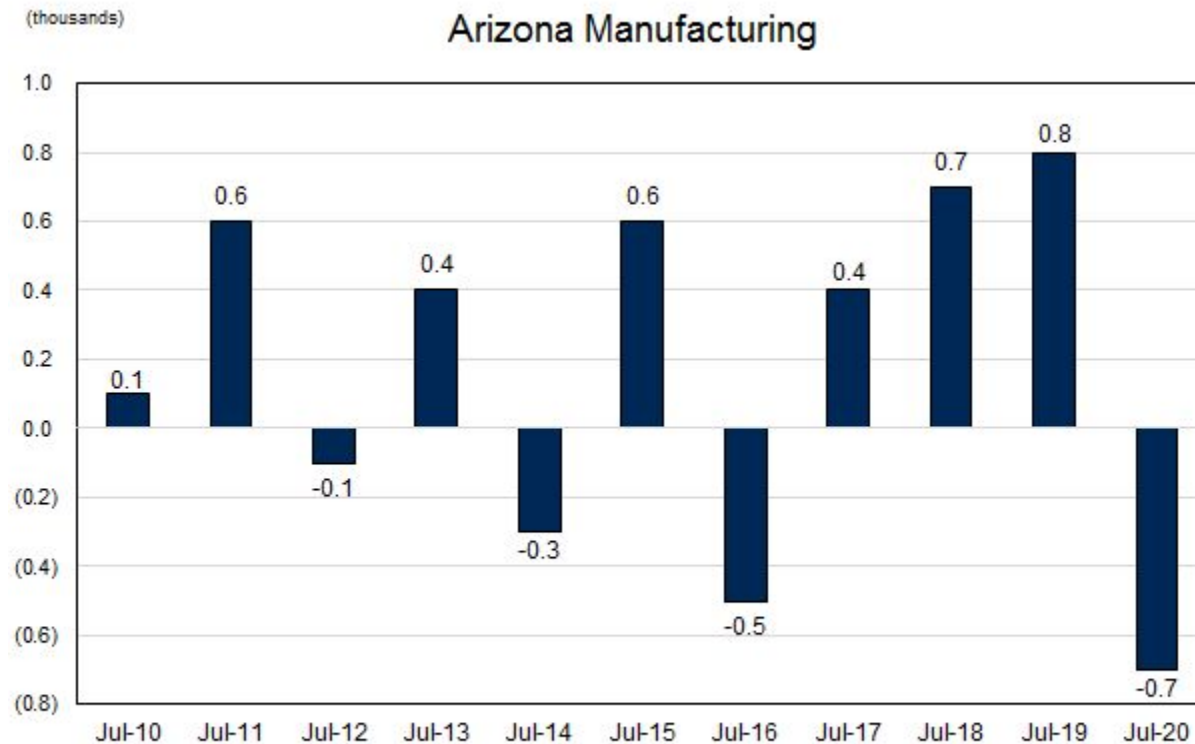


Source: U.S. Census Bureau

## Notable Changes:

- The Arizona homeownership rate increased to 71.7% in Q2-2020, the highest level since Q2-2007
- Homeownership rates increased in 47 of 50 U.S. states from Q1-2020 to Q2-2020
  - Only New Jersey, Illinois and Hawaii recorded declines

# Month-Over-Month Employment Change



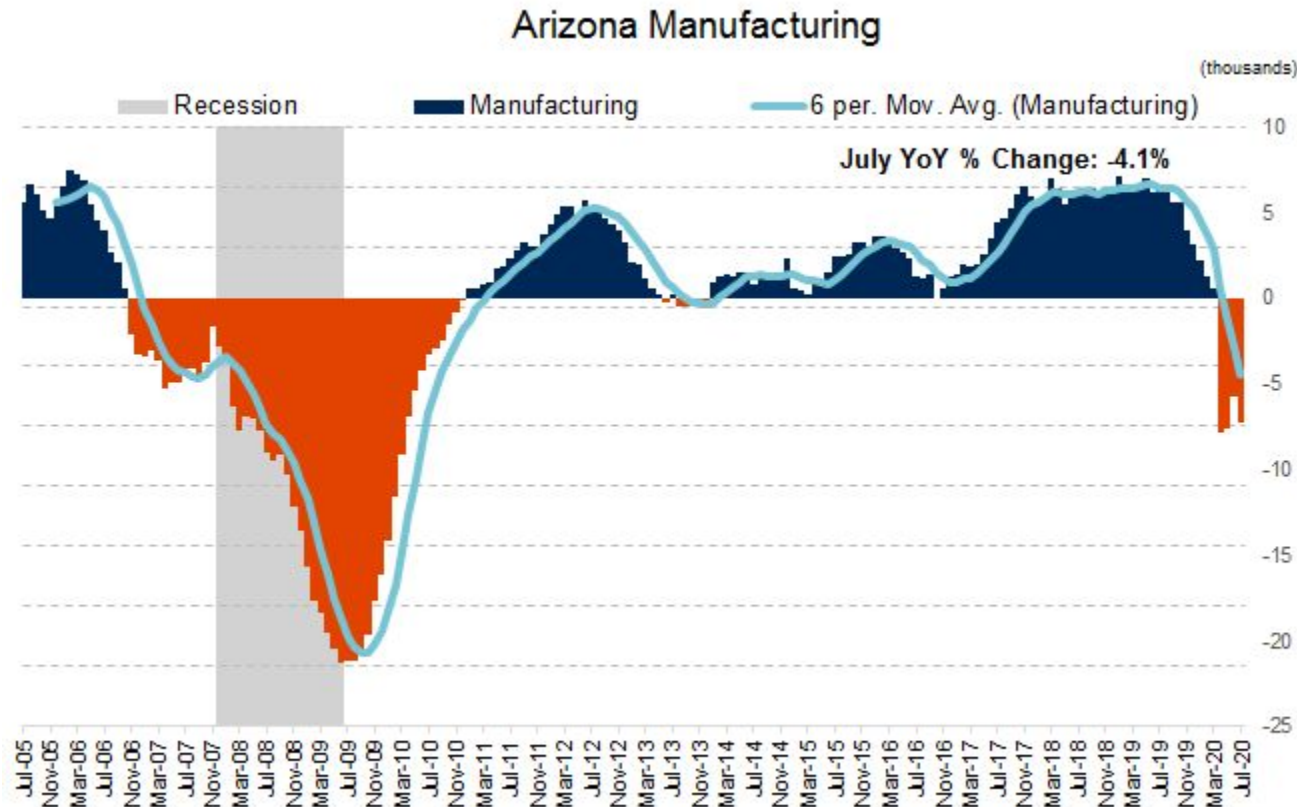
**Historic 10-Year Average ('10-'19): 300 Jobs or 0.2%**

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

## Highlights:

- Durable Goods (-1,000 jobs) was responsible for the majority job losses in Manufacturing.
- Aerospace Products and Parts gained 1,900 jobs and Computer and Electronic Parts gained 100 jobs.
- Job gains were offset by losses in Fabricated Metals (-1,100 jobs).

# Year-Over-Year Employment Change



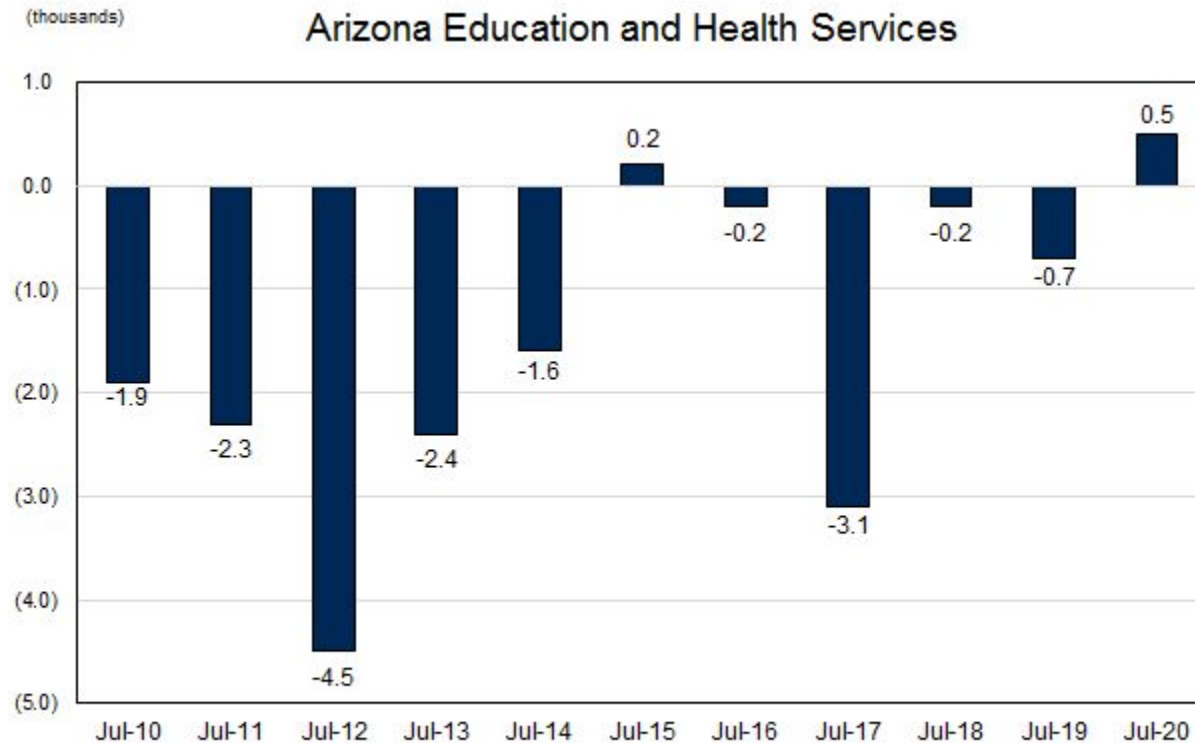
Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS

## Notable Losses:

- Nondurable Goods lost 1,700 jobs (-3.9%)
- Durable Goods lost 5,600 jobs (-4.1%)
  - Fabricated Metals lost 1,400 jobs (-6.7%)
  - Computer and Electronic Parts gained 1,800 jobs (5.4%)
  - Aerospace Products and Parts gained 1,800 jobs (5.8%)



# Month-Over-Month Employment Change



**Historic 10-Year Average ('10-'19): -1,700 Jobs or -0.4%**

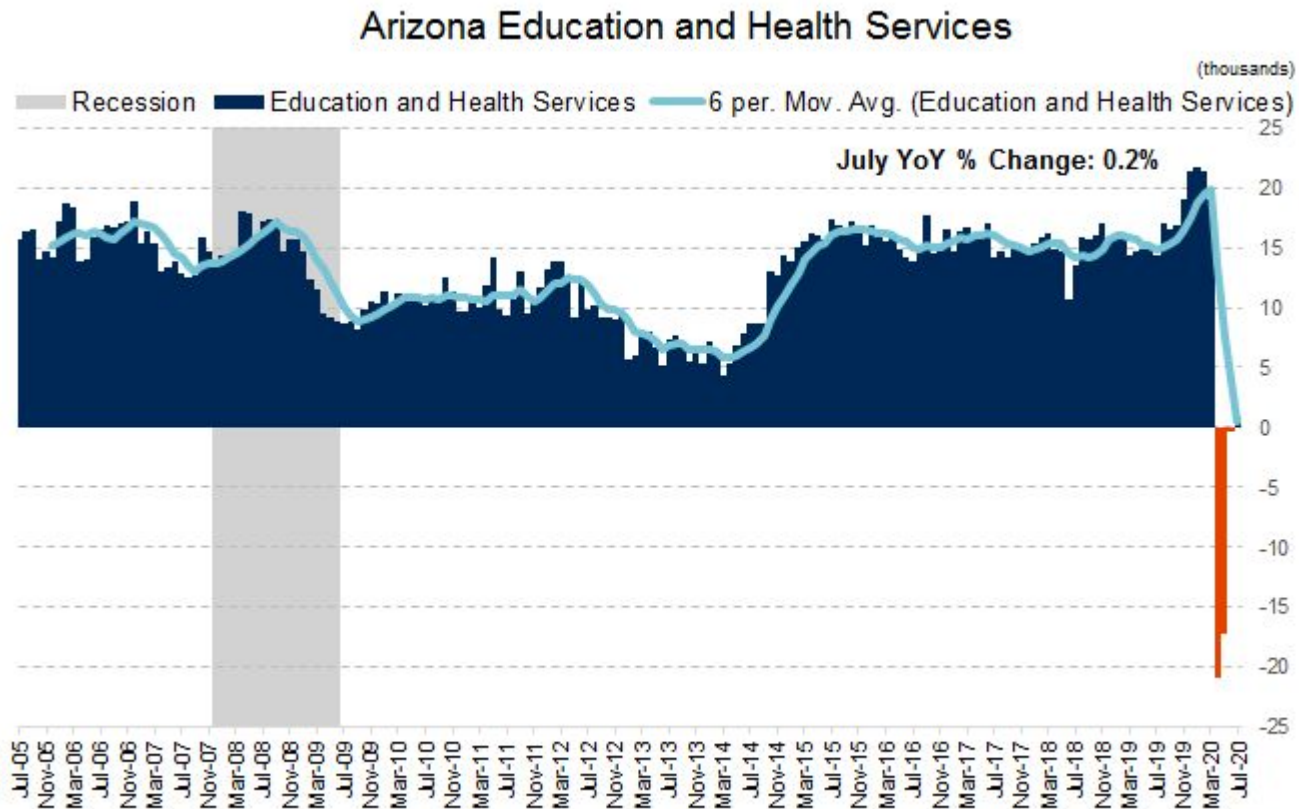
*Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS*

## Highlights:

- Educational Services gained 1,400 jobs
- Healthcare and Social Assistance lost 900 jobs
  - Ambulatory Healthcare Services gained 600 jobs
  - Social Assistance lost 500 jobs
  - Nursing and Residential Care Facilities lost 1,400 jobs



# Year-Over-Year Employment Change



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

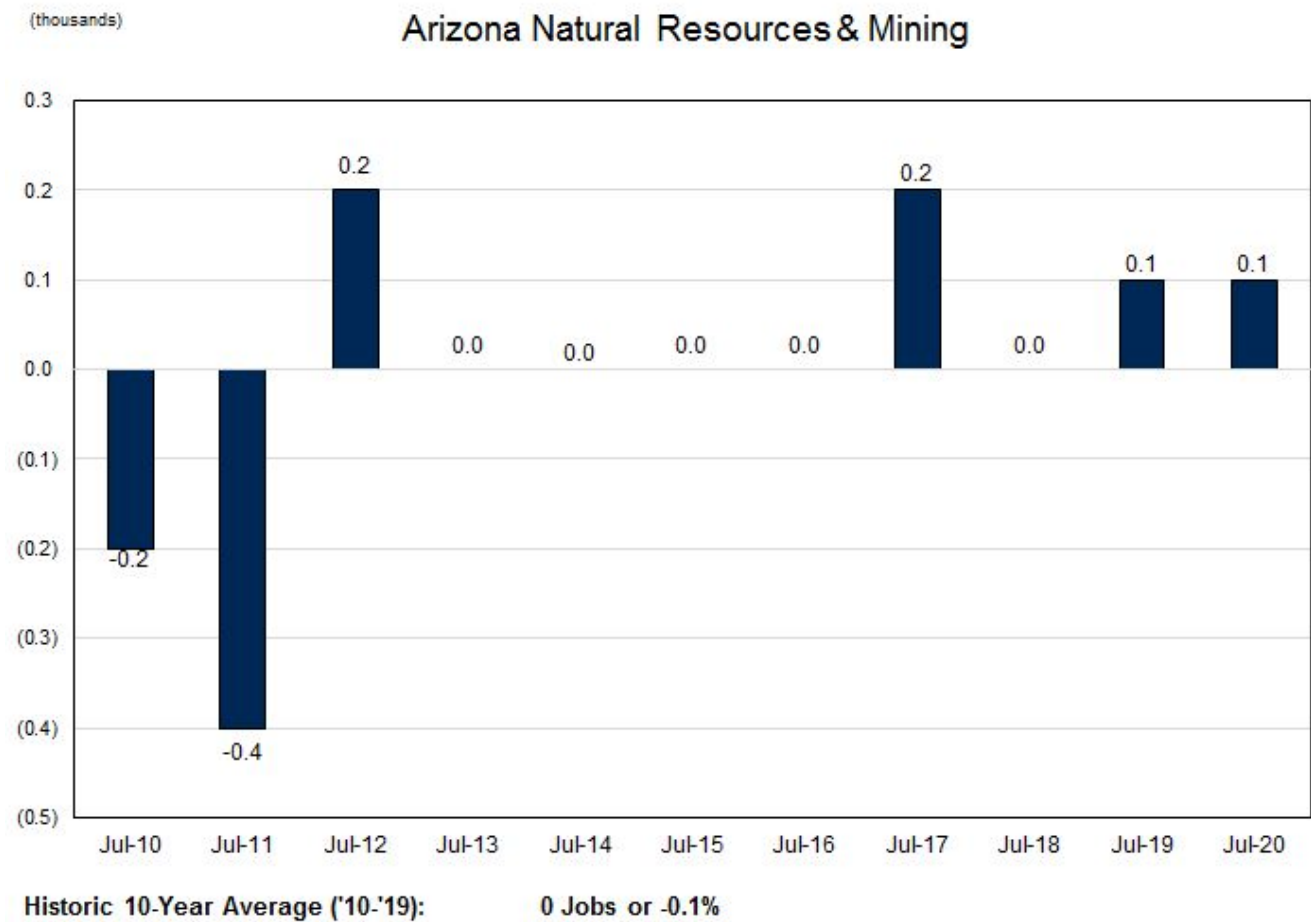
## Notable Losses:

- Social Assistance lost 4,400 jobs (-7.0%)
- Nursing and Residential Care Facilities lost 3,800 jobs (-6.5%)

## Notable Gain:

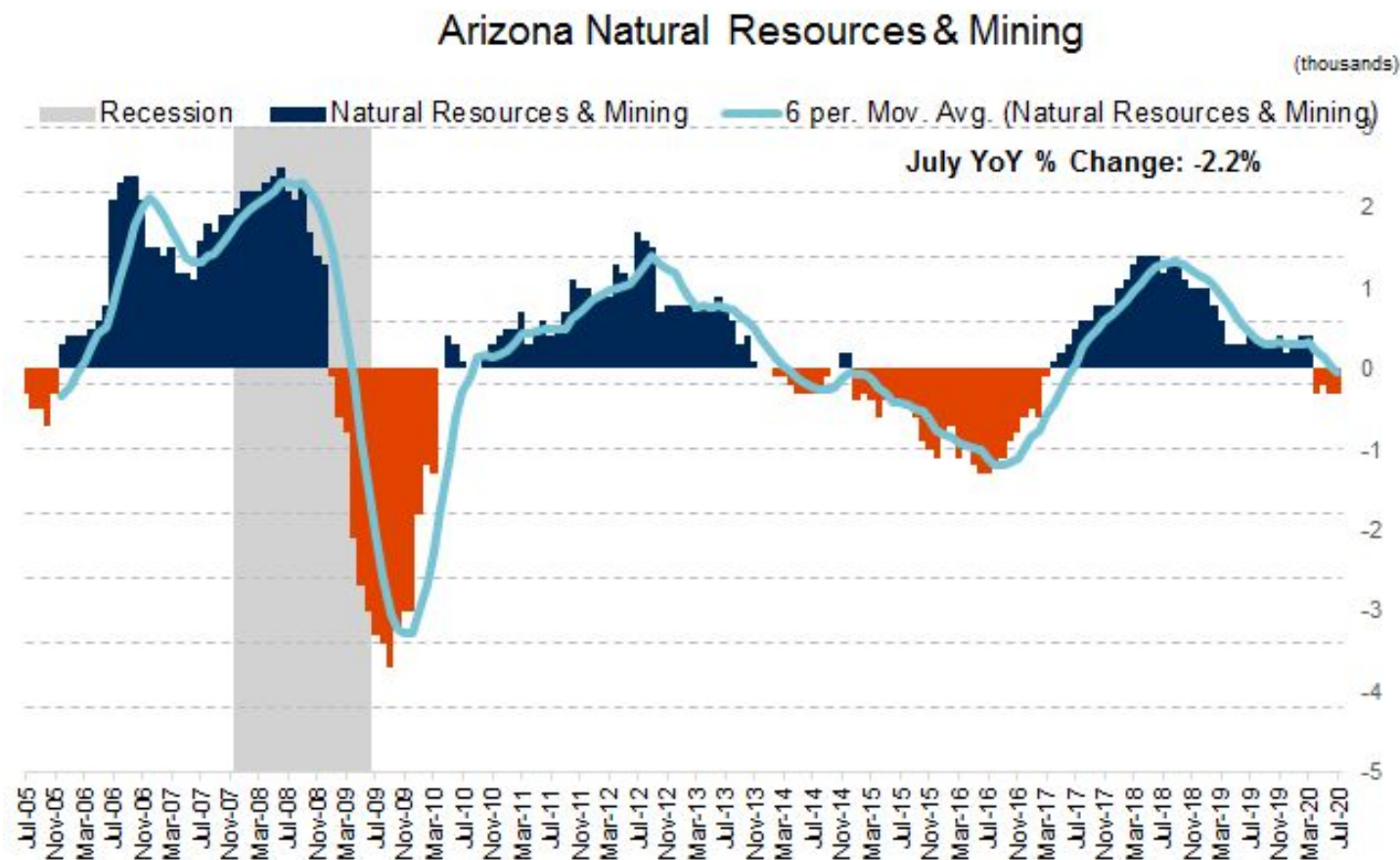
- Hospitals gained 300 jobs (0.3%)

# Month-Over-Month Employment Change



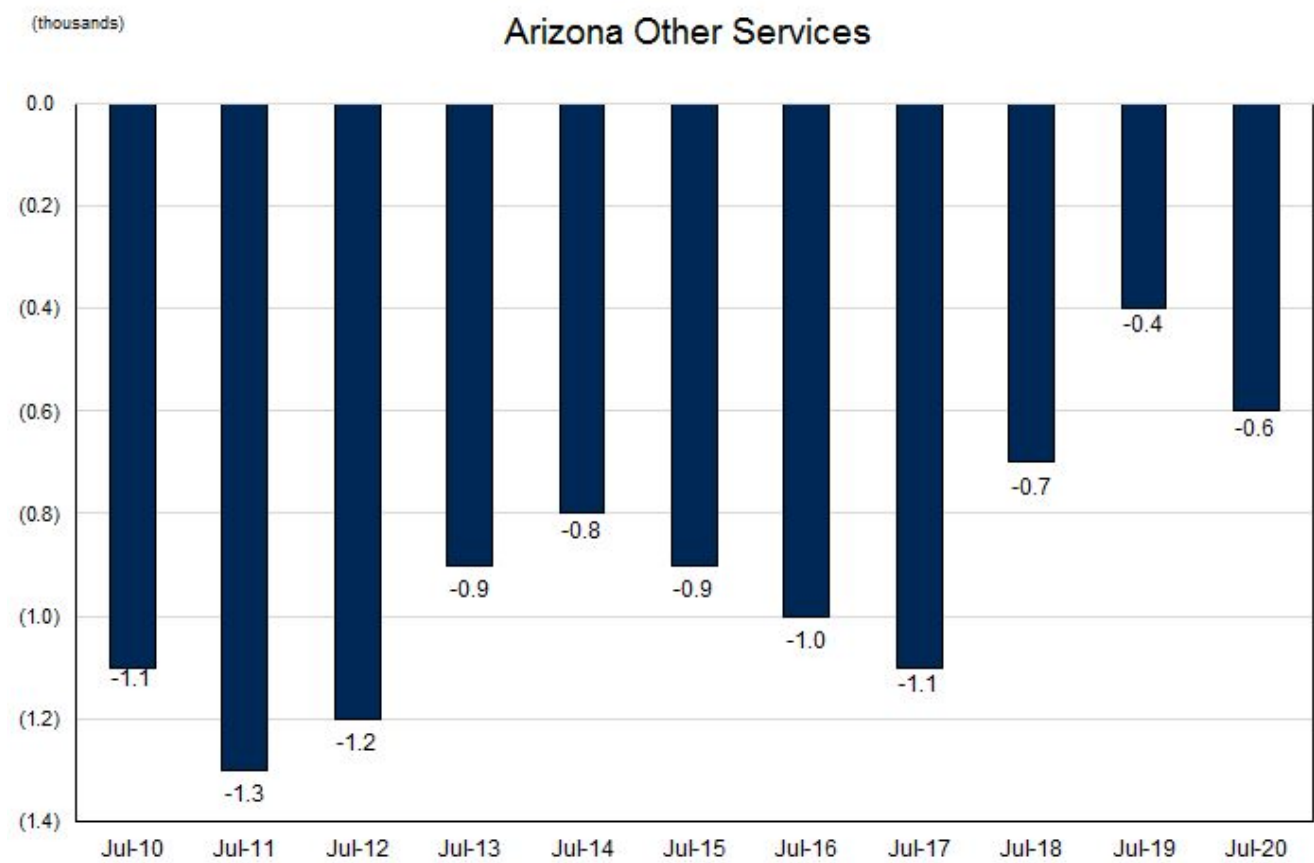
Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS

# Year-Over-Year Employment Change



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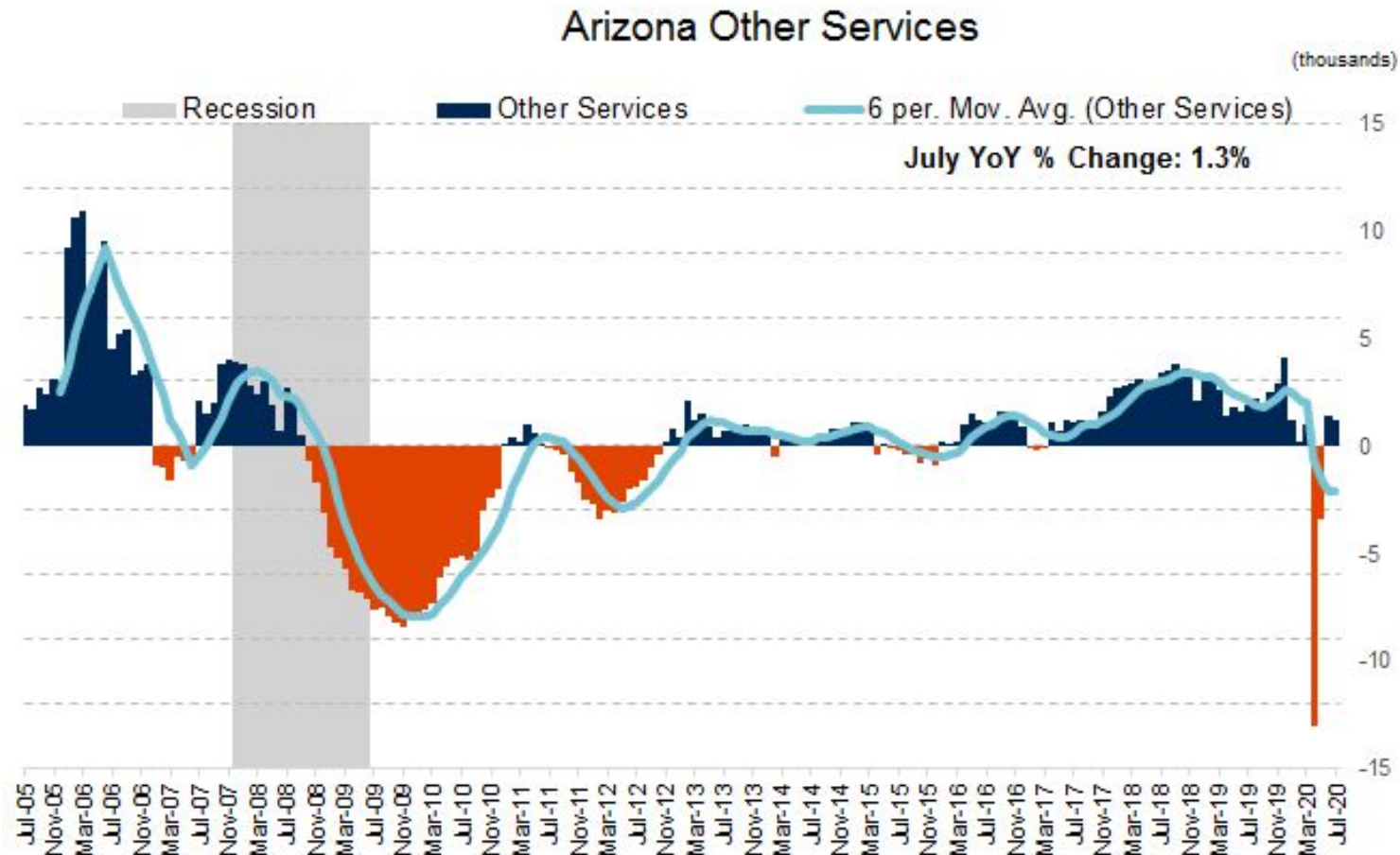
# Month-Over-Month Employment Change



Historic 10-Year Average ('10-'19): -900 Jobs or -1.1%

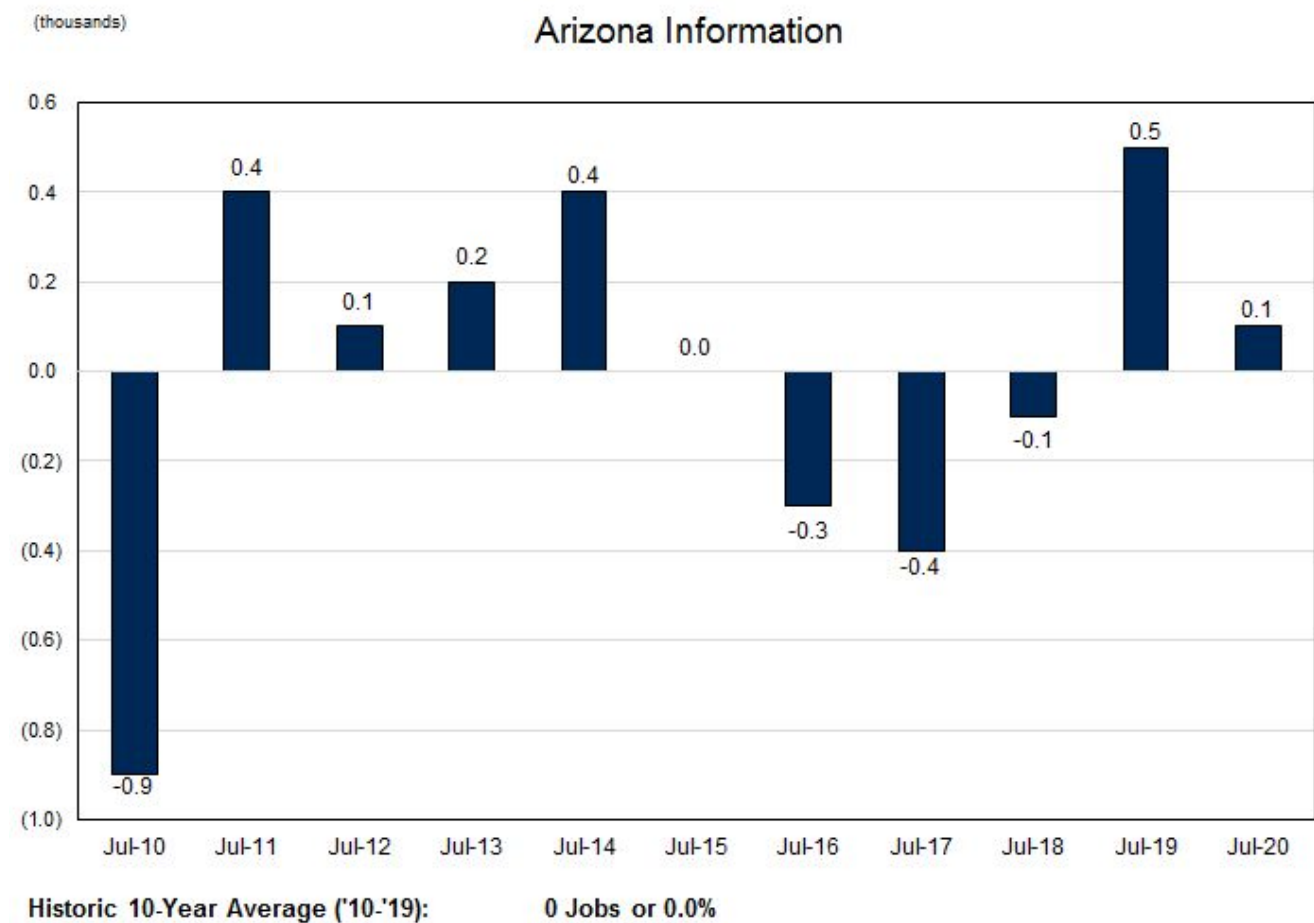
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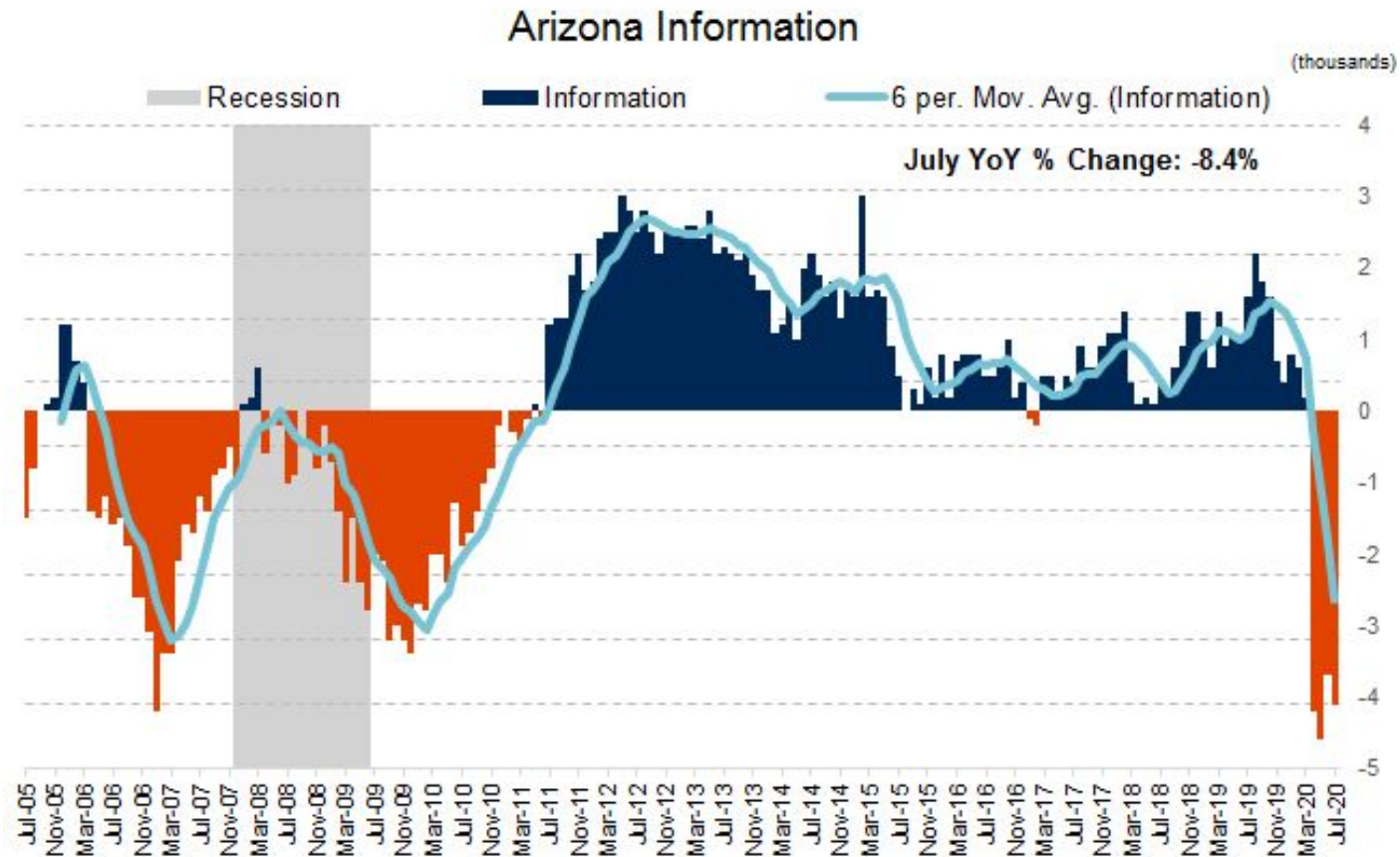
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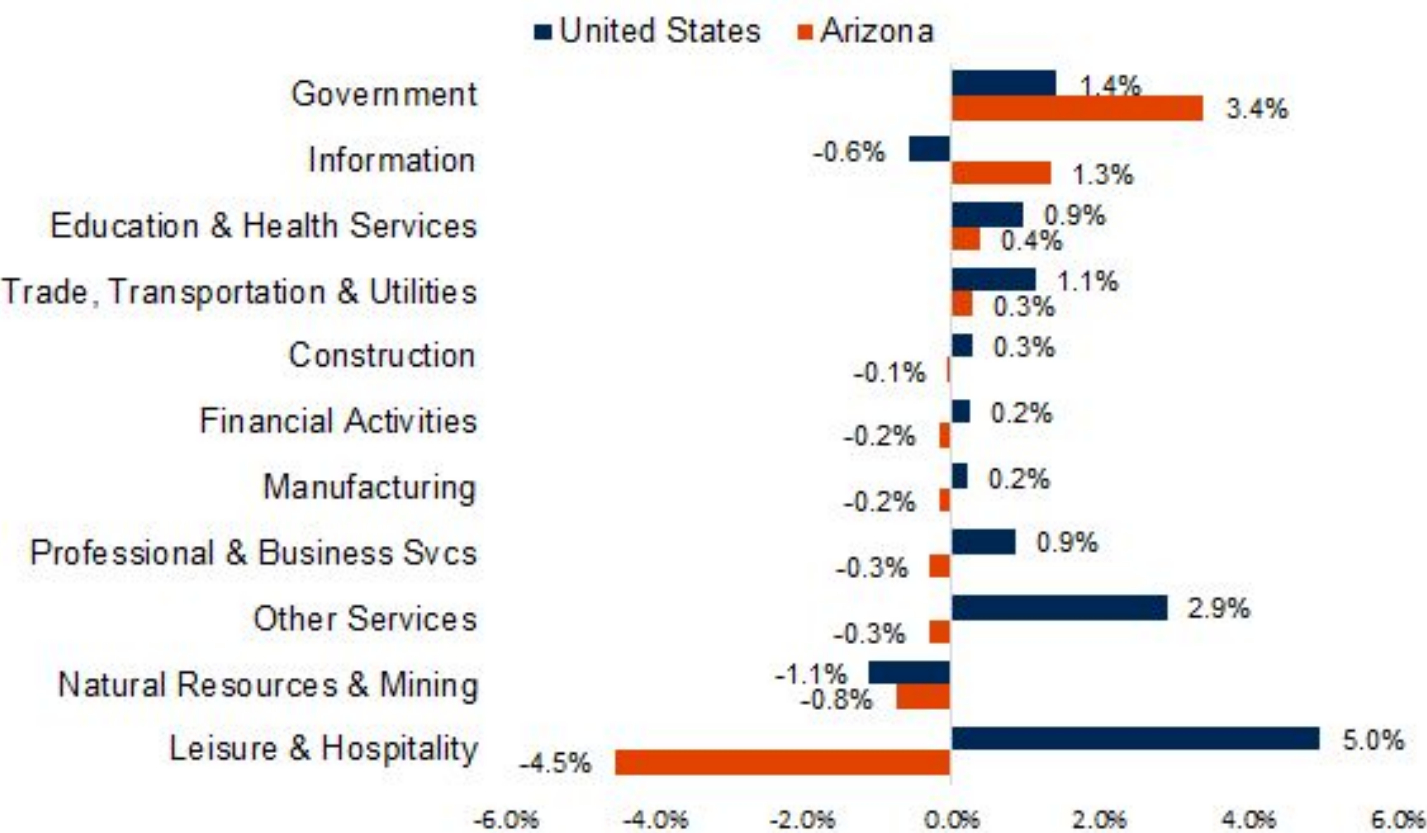
# Year-Over-Year Employment Change



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



# Seasonally-Adjusted Month-Over-Month Employment Gain/Loss by Sector



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

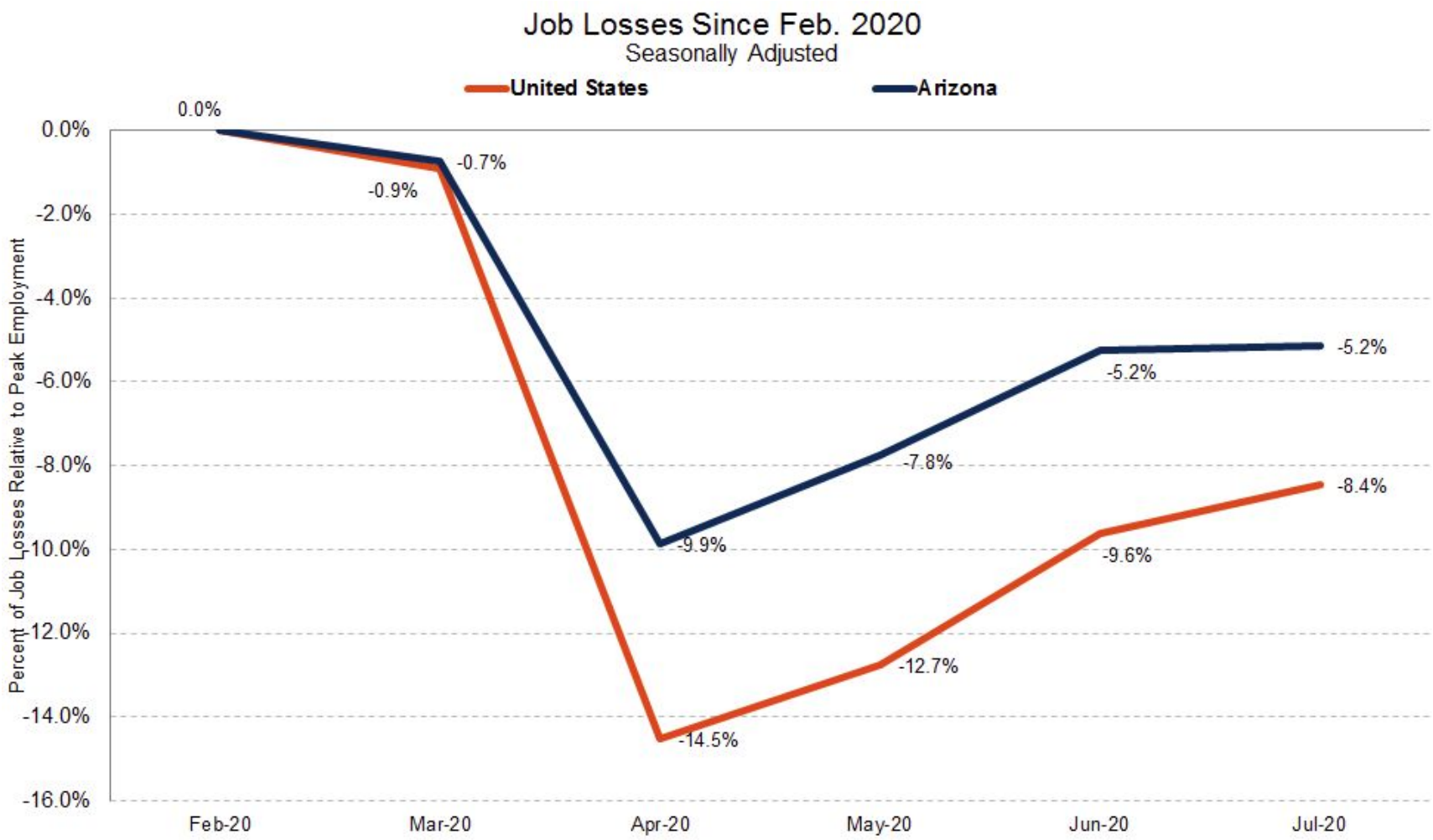
## Feb.-Jul. 2020 Job Change

Seasonally Adjusted; in thousands

	Arizona Employment			United States Employment		
Sectors	Feb. 2020	Jul. 2020	Job Change (%)	Feb. 2020	Jul. 2020	Job Change (%)
Leisure & Hospitality	338	267	-21.2%	16,867	12,527	-25.7%
Other Services	95	96	0.6%	5,941	5,314	-10.6%
Information	49	45	-7.4%	2,894	2,564	-11.4%
Education & Health Services	477	457	-4.2%	24,586	22,975	-6.6%
Construction	175	169	-3.4%	7,639	7,195	-5.8%
Trade, Transportation & Utilities	552	548	-0.9%	27,830	26,123	-6.1%
Natural Resources & Mining	14	13	-5.8%	714	621	-13.0%
Professional & Business Svcs	449	416	-7.3%	21,550	19,902	-7.6%
Financial Activities	232	230	-1.0%	8,845	8,629	-2.4%
Government	427	421	-1.3%	22,745	21,620	-4.9%
Manufacturing	178	171	-3.7%	12,852	12,112	-5.8%
<b>Nonfarm</b>	<b>2,986</b>	<b>2,833</b>	<b>-5.2%</b>	<b>152,463</b>	<b>139,582</b>	<b>-8.4%</b>

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

# Employment Comparison



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

# Report Summary

- Month-over-month, Arizona nonfarm employment decreased by 19,500 jobs
  - Six major sectors lost jobs; five major sectors gained jobs
- Year-over-year, Arizona nonfarm employment declined by 3.6%, while U.S. nonfarm employment declined by 7.7% YoY
- The Arizona SA unemployment rate increased to 10.6% in July from 10.0% in June
- Month-over-month, Arizona SA labor force increased by 52,526 individuals (1.5%)

# Thank You Any Questions?

Upcoming Release:  
August Employment Report on September 17th