

November 19, 2020

October 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 8.0% in October from 6.5% in September
- The U.S. SA unemployment rate decreased to 6.9% in October from 7.9% in September
- Arizona nonfarm employment increased by 43,100 jobs, the private sector gained 43,400 jobs and Government reported a loss of 300 jobs.
- Ten of the eleven major sectors reported job gains
 - The largest gains occurred within Professional and Business Services (13,400 jobs)

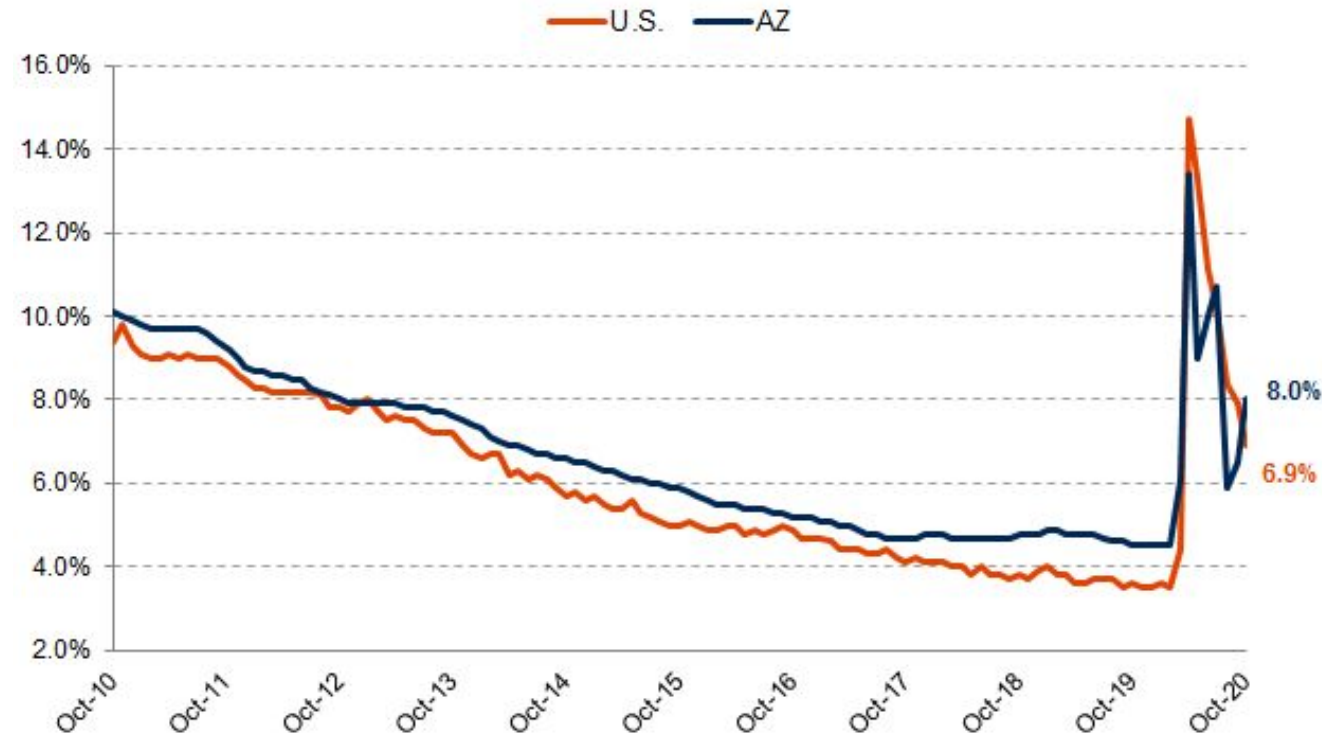
September Revisions:

- September nonfarm employment gains were revised up to 32,900 jobs from 30,200 jobs
- The September SA unemployment rate was revised down to 6.5% from 6.7%

Year-Over-Year (YoY) Highlights

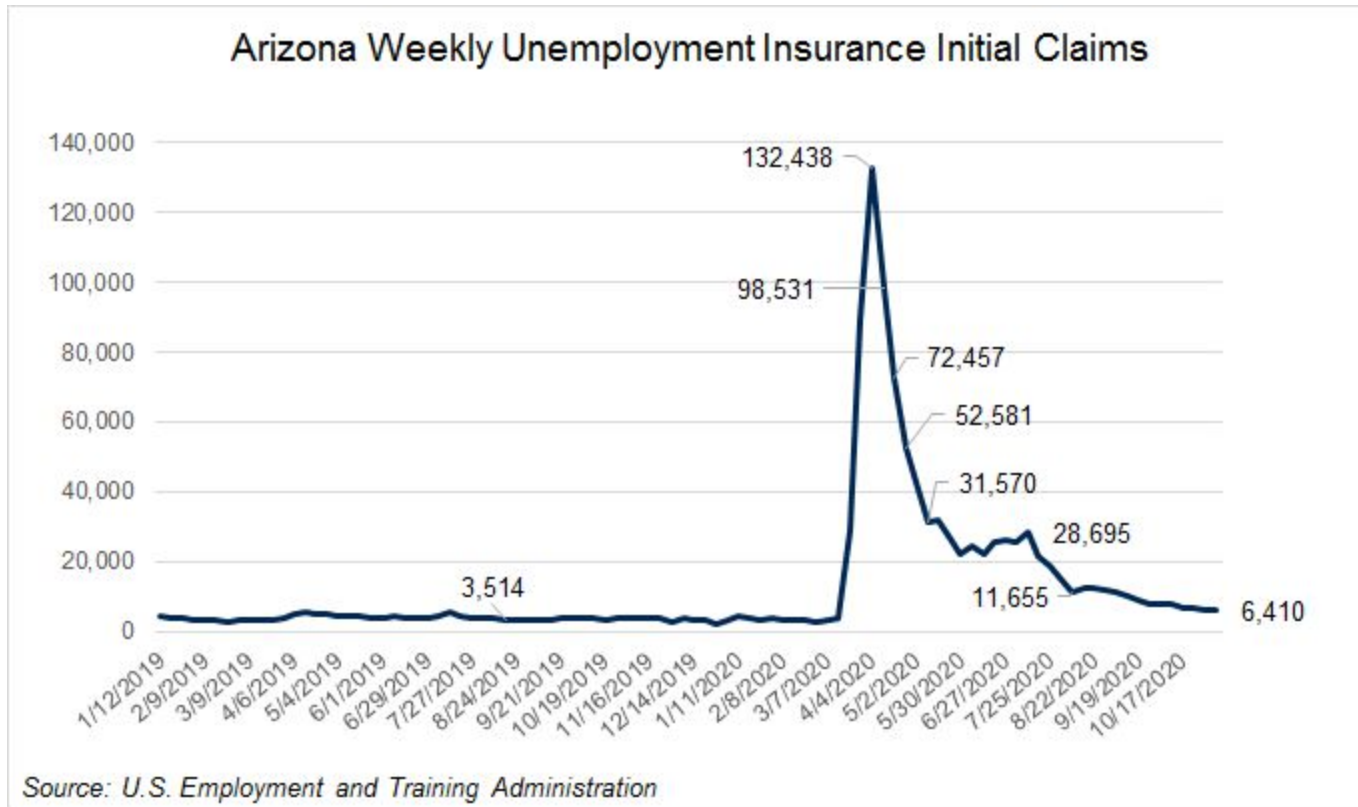
- Arizona nonfarm employment decreased by 73,800 jobs (-2.5%)
- Arizona private sector employment decreased by 65,100 jobs (-2.6%)
- Two of the eleven major sectors gained jobs
 - The largest gains were recorded in Trade, Transportation & Utilities (17,000 jobs) and Other Services (1,700 jobs)
- Nine of the eleven sectors recorded job losses
 - The largest losses were recorded in Leisure and Hospitality (-48,700 jobs) and Professional and Business Services (-16,700 jobs)
- Six of the seven Arizona metro areas (MSAs) lost jobs

Arizona & U.S. Unemployment Rate Seasonally Adjusted



Period	Labor Force Level	Employment Level	Unemployment Level	Percent
Oct-2019	3,595,710	3,432,393	163,317	4.6
Sep-2020	3,576,010	3,342,339	233,671	6.5
Oct-2020	3,587,330	3,298,792	288,538	8.0
OTM Change	11,320	-43,547	54,867	1.5
OTY Change	-8,380	-133,601	125,221	3.4

Unemployment Insurance Claims

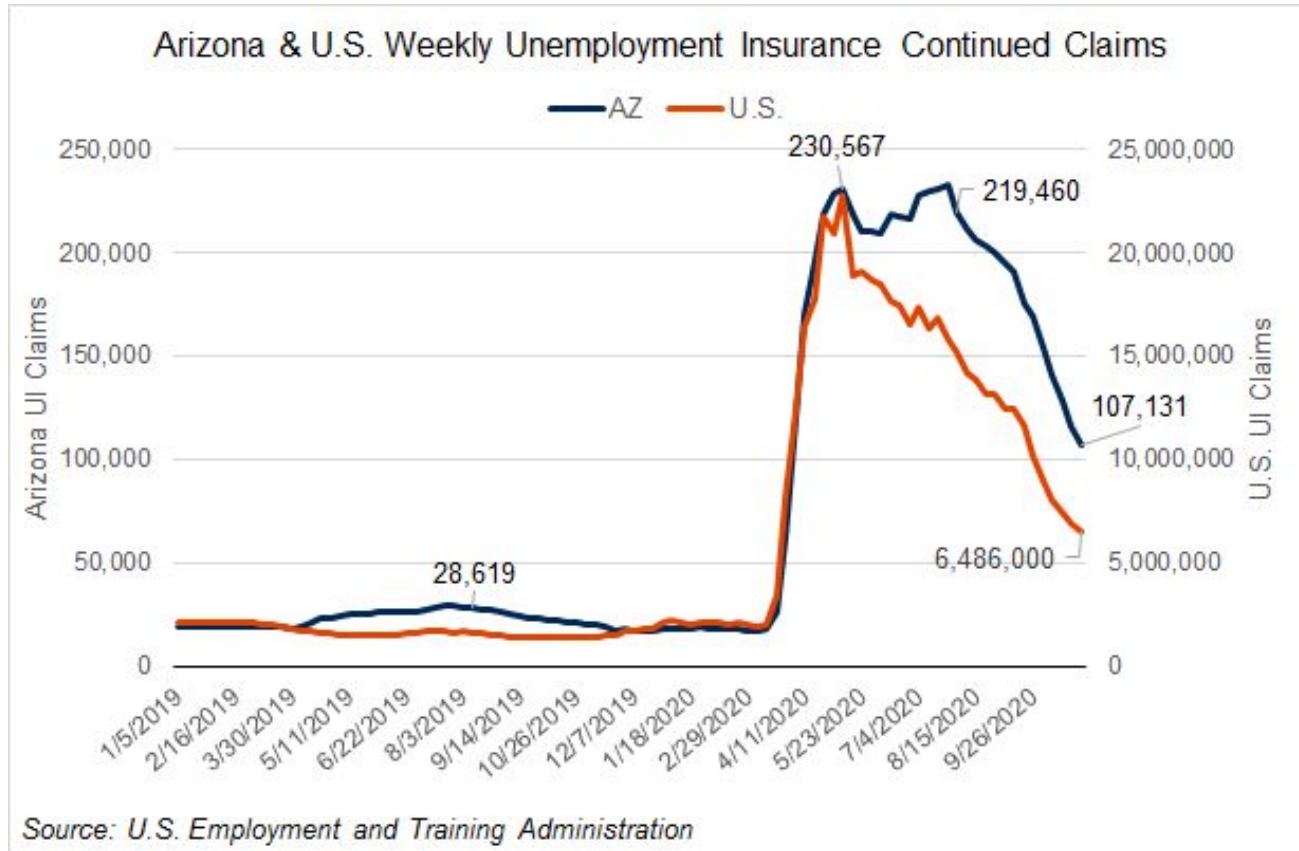


Initial Claims:

- During the week ending October 31, 6,410 initial claims were filed.
- Arizona UI initial claims filed has been declining since the week ending August 15

Note: Graph reflects initial claims through the week ending October 31, 2020

Unemployment Insurance Claims

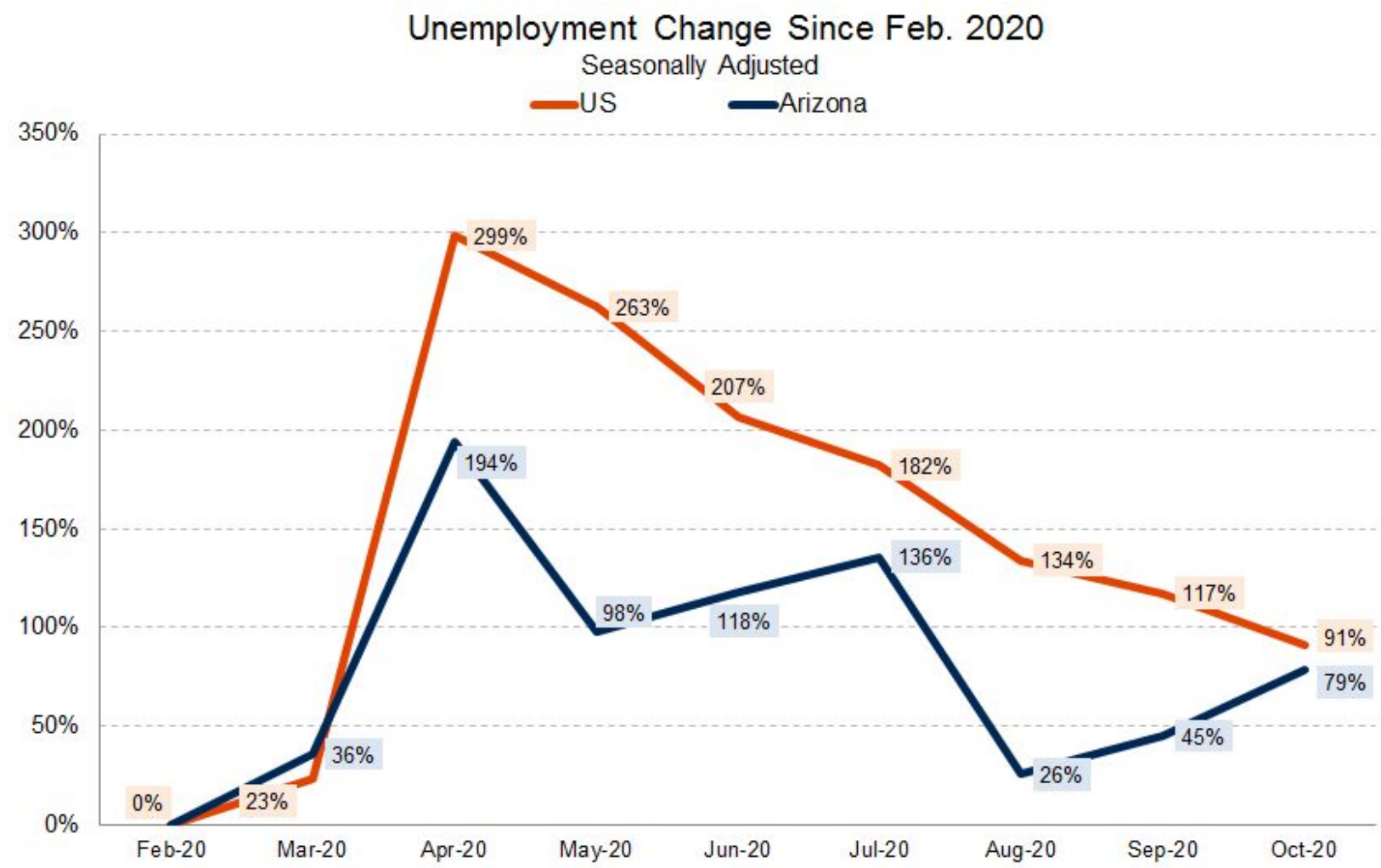


Continued Claims:

- Arizona claims have been declining since the week ending August 1
- U.S. claims have continued to drop since the week ending September 5

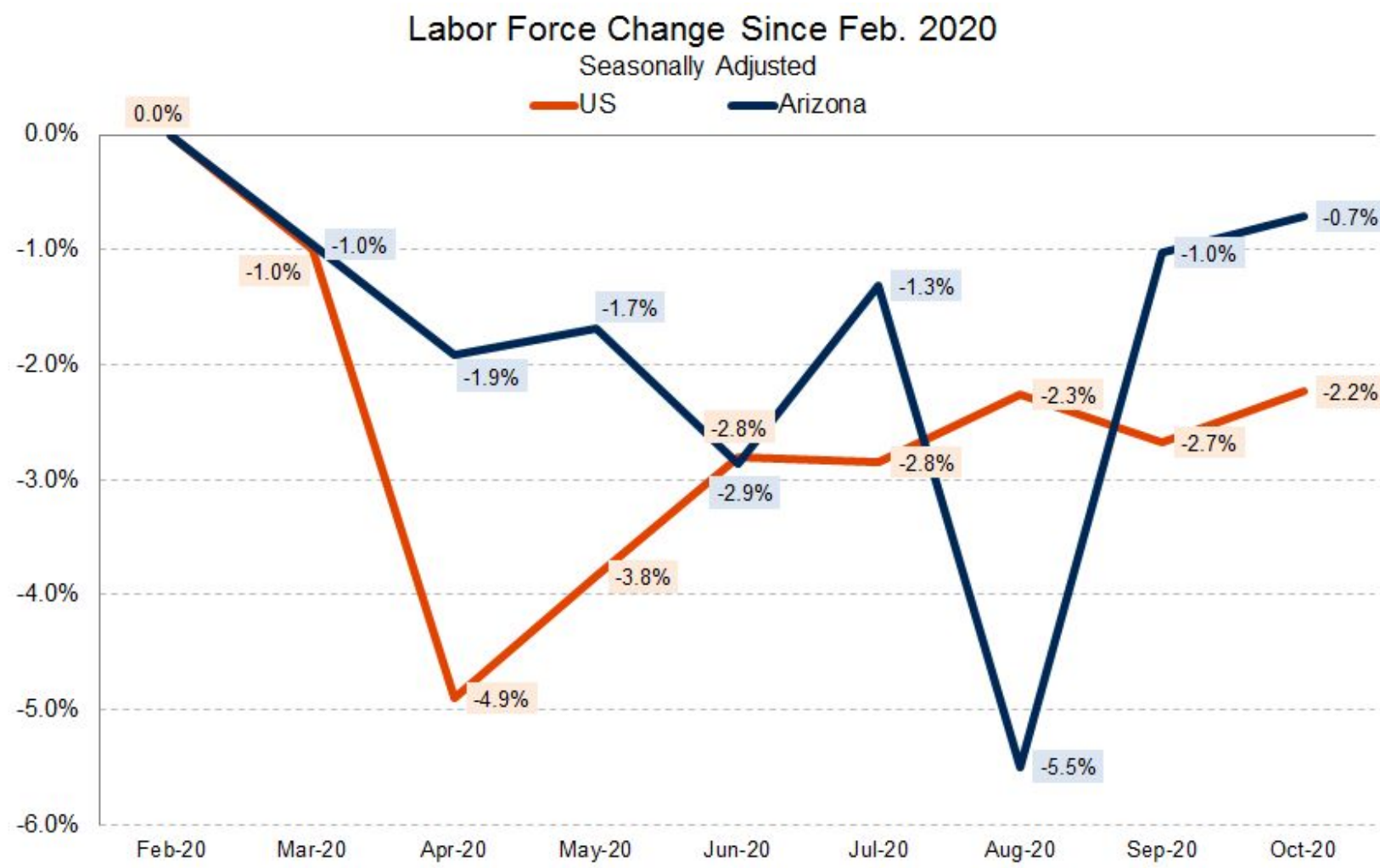
Note: Graph reflects continued claims through the week ending October 31, 2020

Unemployment Comparison



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

Labor Force Comparison

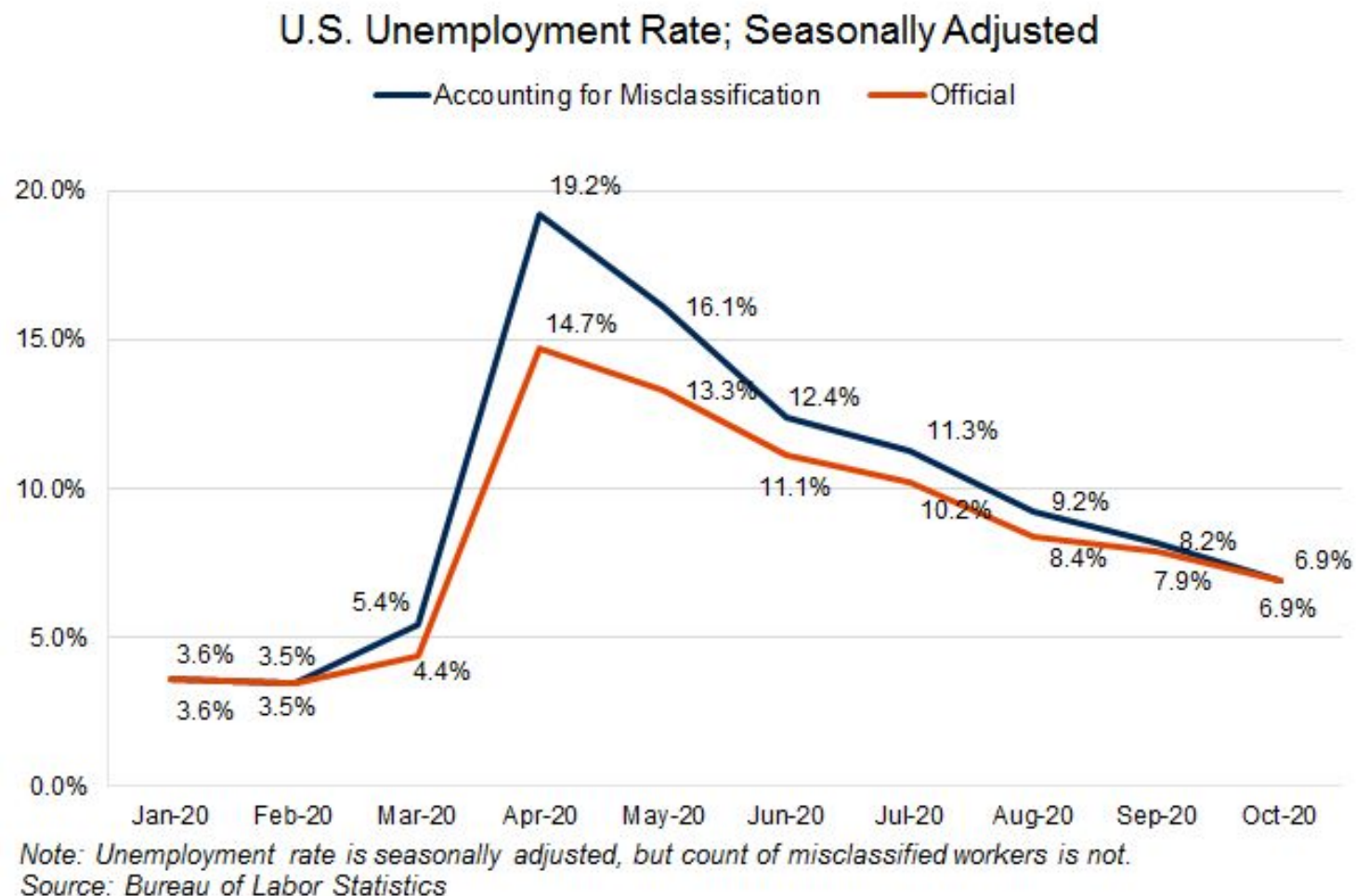


Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. Of Labor, Bureau of Labor Statistics

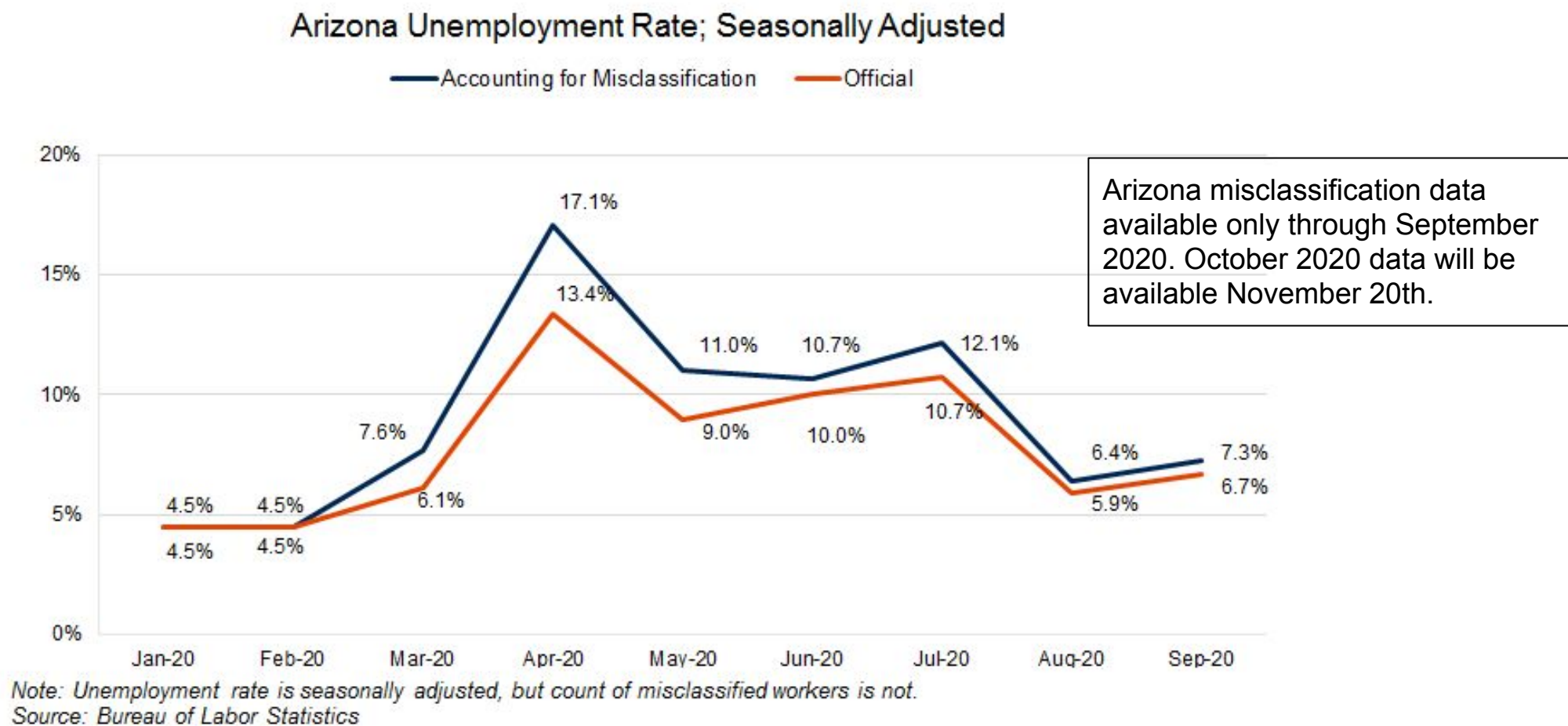
Impacts of COVID-19 on the BLS Household Survey

- 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-September 2020.
- In October 2020, there was no discrepancy between the official unemployment rate and the unemployment rate accounting for misclassification.

Impacts of COVID-19 on the BLS Household Survey



Impacts of COVID-19 on the BLS Household Survey



Impacts of COVID-19 on the BLS Household Survey

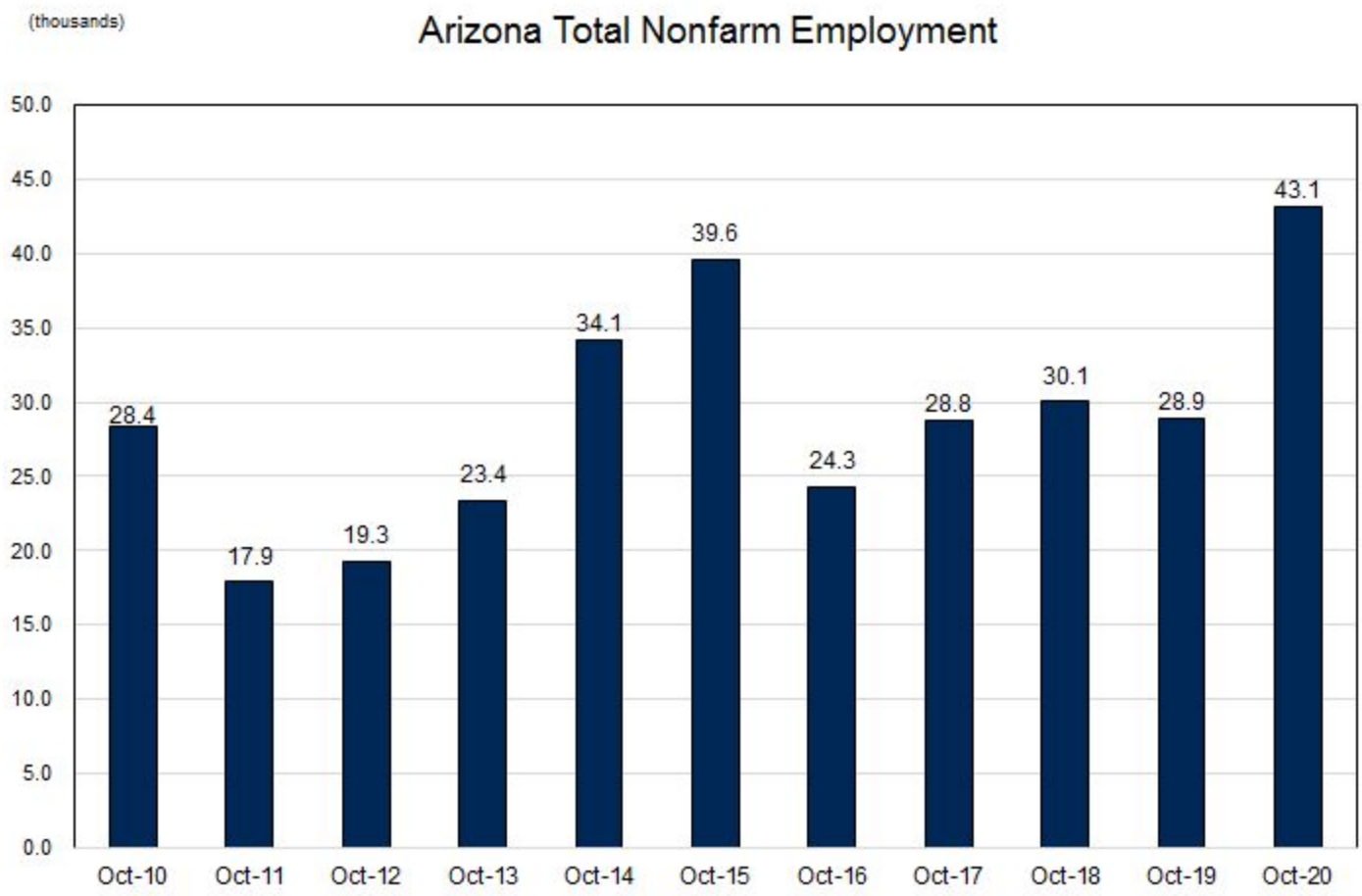
Household Survey Response Rate

Period	United States	Arizona
February 2020	83%	81%
March 2020	73%	68%
April 2020	70%	63%
May 2020	67%	59%
June 2020	65%	58%
July 2020	67%	61%
August 2020	70%	61%
September 2020	79%	76%
October 2020	80%	--

Source: U.S. Bureau of Labor Statistics

Note: October 2020 response rate estimate will be release on November 20

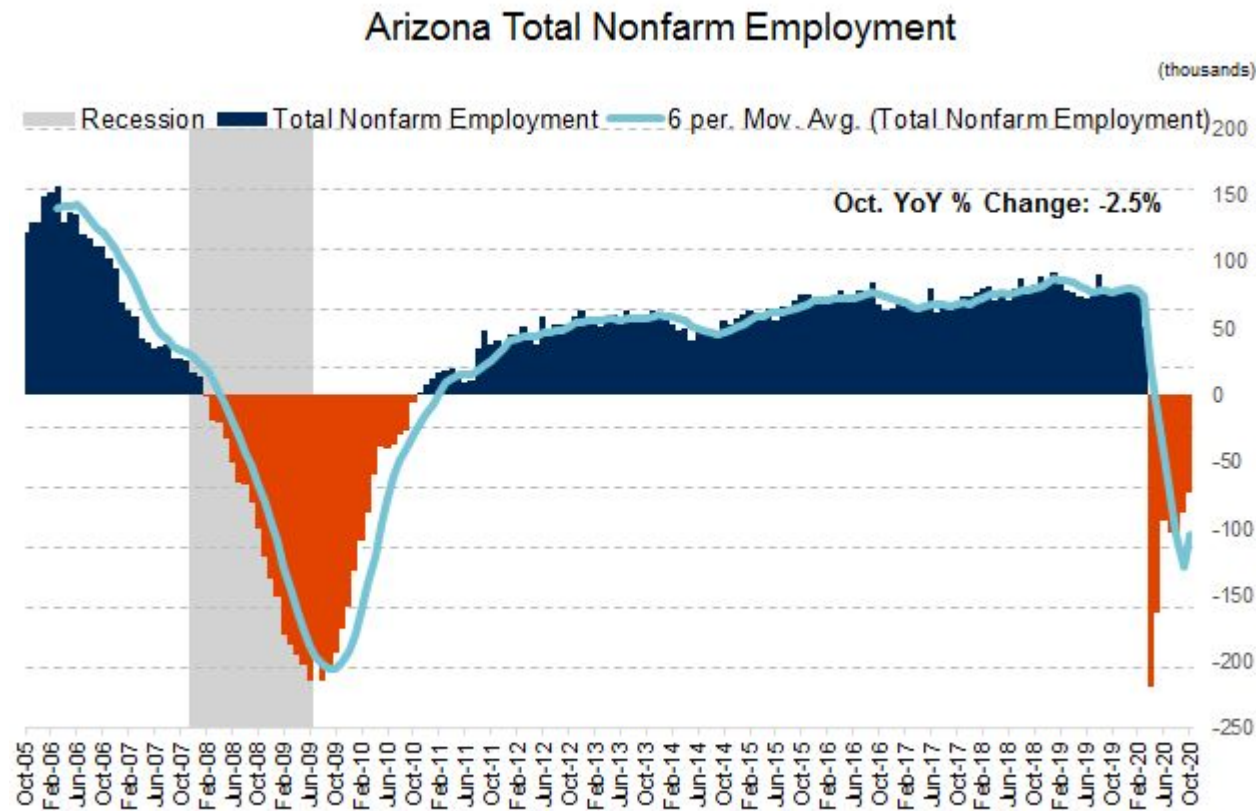
Month-Over-Month Employment Change



Historic 10-Year Average ('10-'19): 27,500 Jobs or 1.0%

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

Year-Over-Year Employment Change

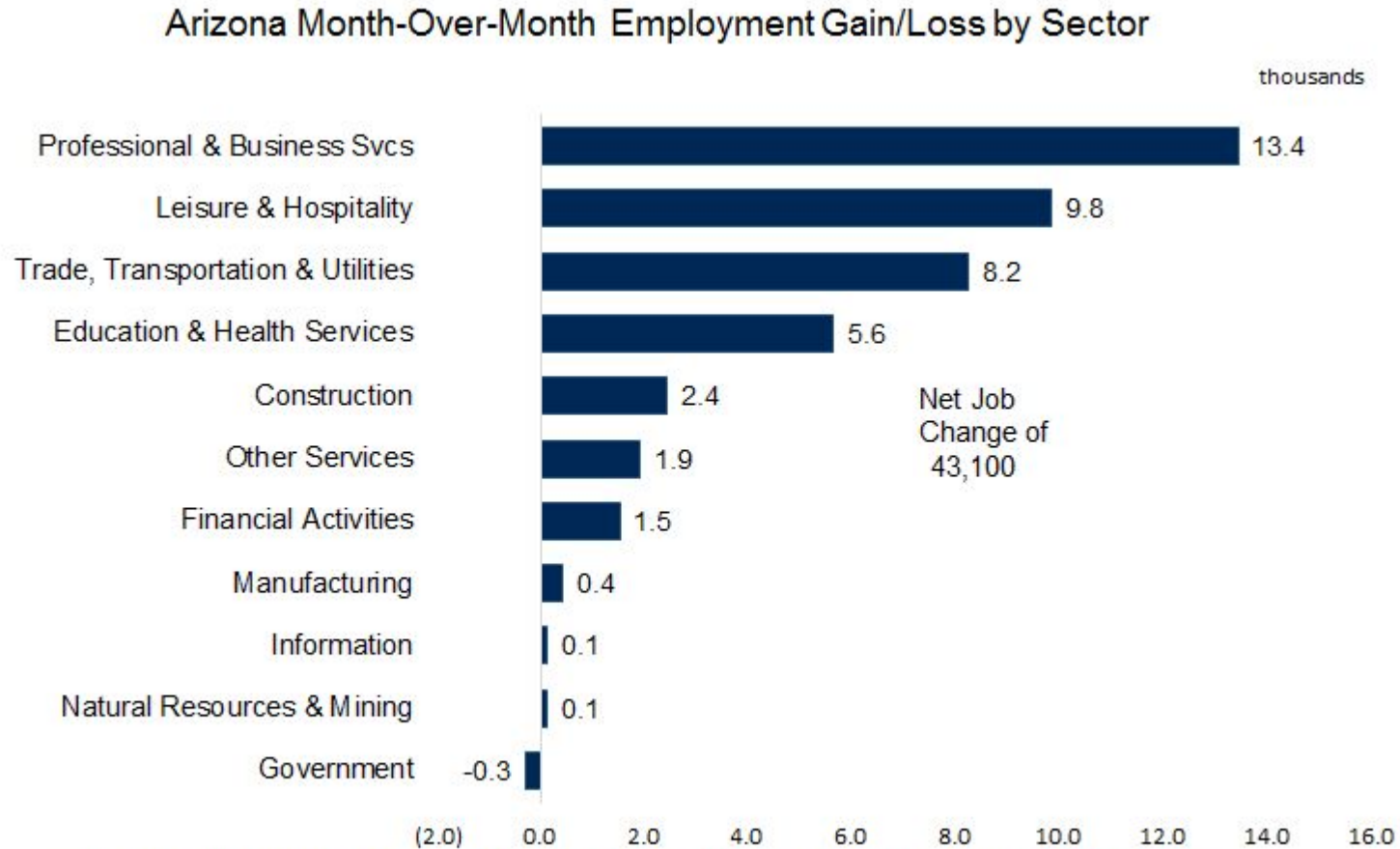


Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS

Notable Changes:

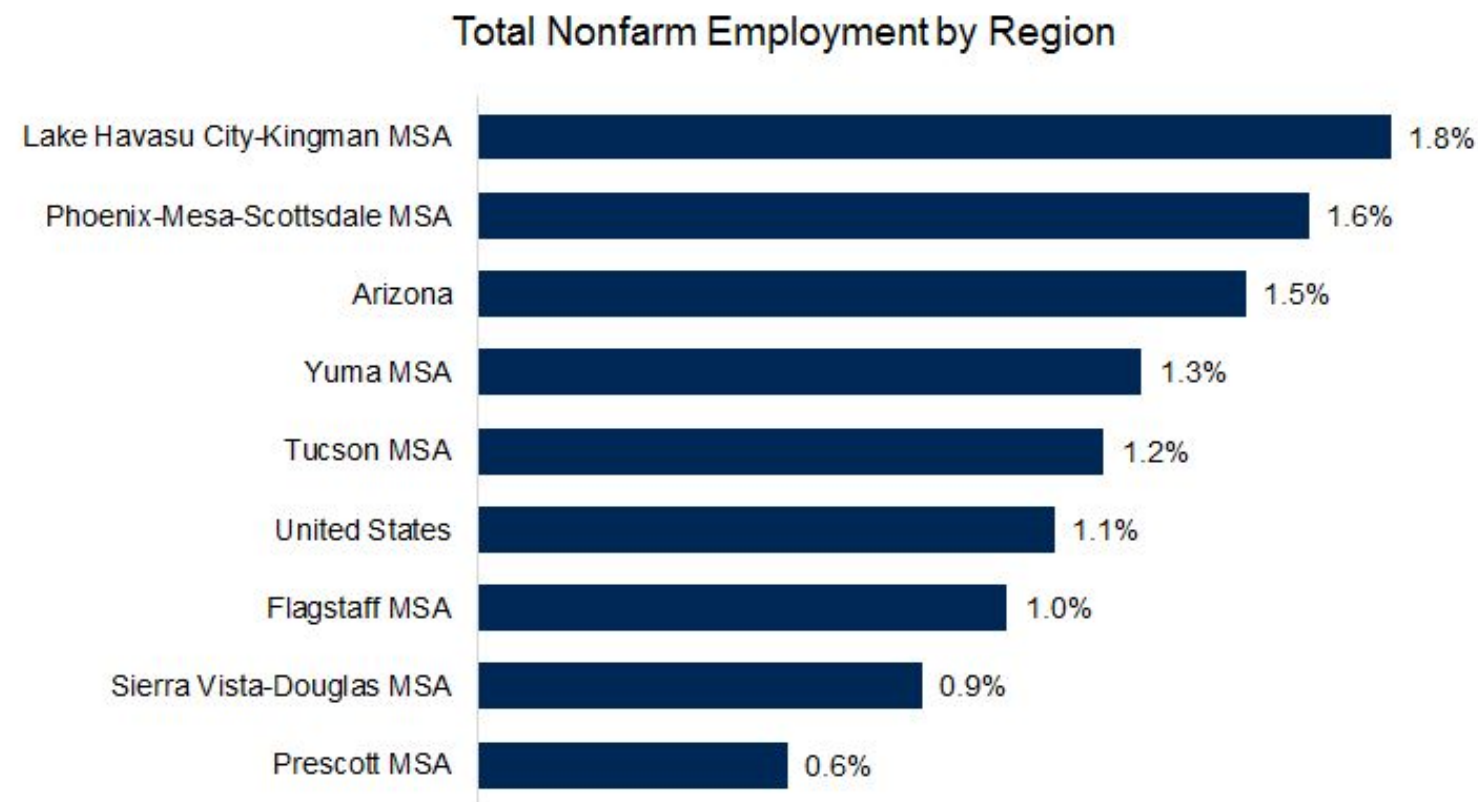
- Arizona nonfarm employment declined 2.5% YoY (-73,800 jobs) in October 2020.
- U.S. nonfarm employment declined 6.0% YoY in October 2020.

Month-Over-Month Employment Change



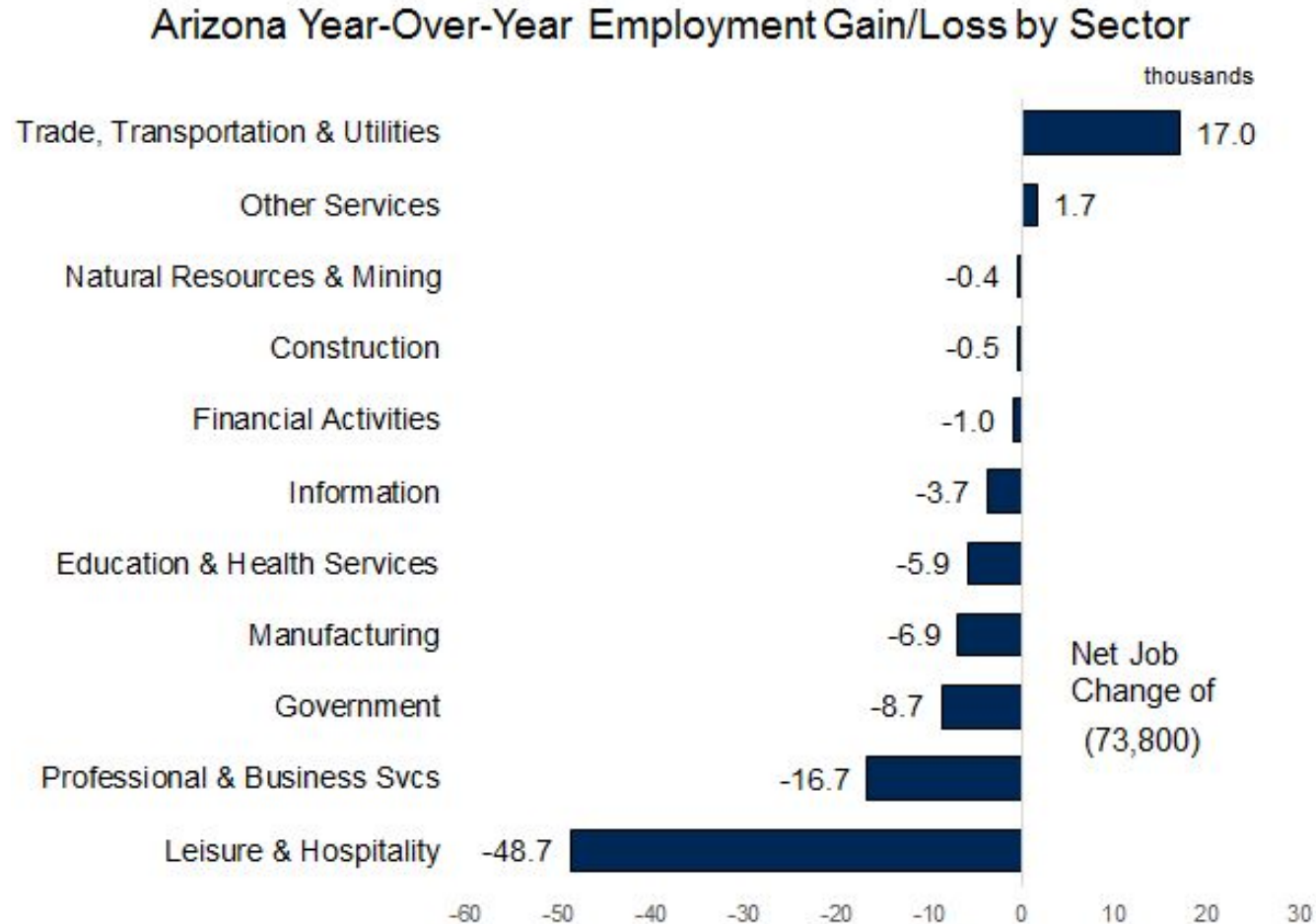
Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics

Month-Over-Month Employment Change



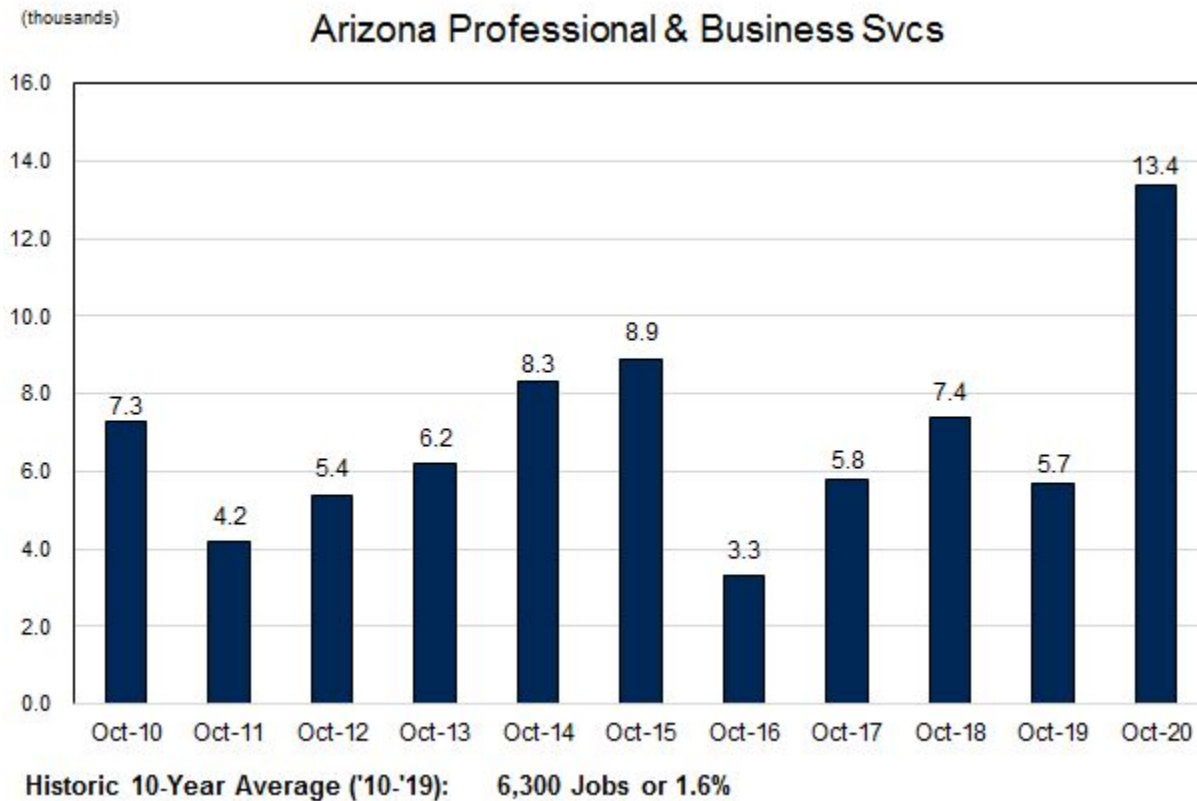
Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS

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

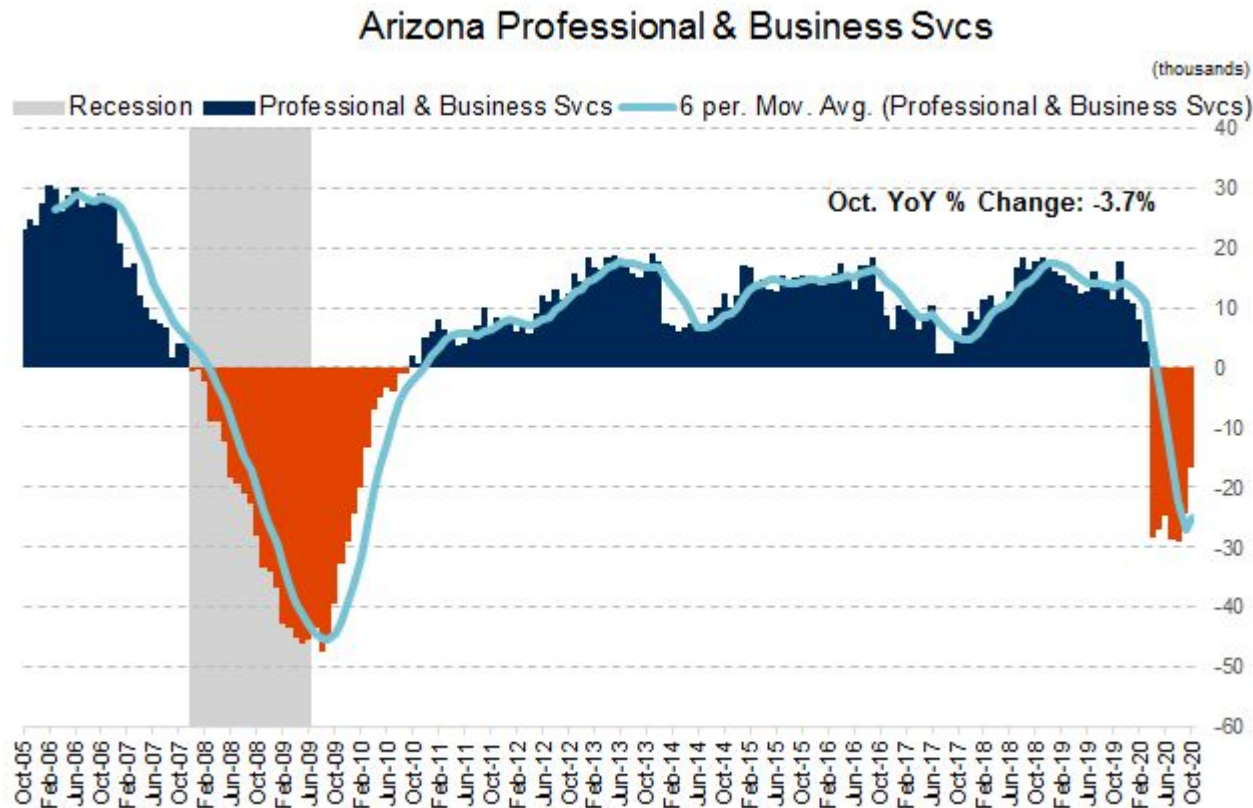


Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS

Highlights:

- Job gains were recorded in Employment Services (8,800 jobs or 9.0%).
 - Gains reported in Temporary Help and Professional Employer Organizations
- Job gains were recorded in Professional, Scientific and Technical Services (3,600 jobs or 3.2%)
 - Gains were reported in public relations, marketing and advertising, among others
- Job gains were recorded in Services to Buildings and Dwellings (2,800 jobs or 6.5%).

Year-Over-Year Employment Change



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

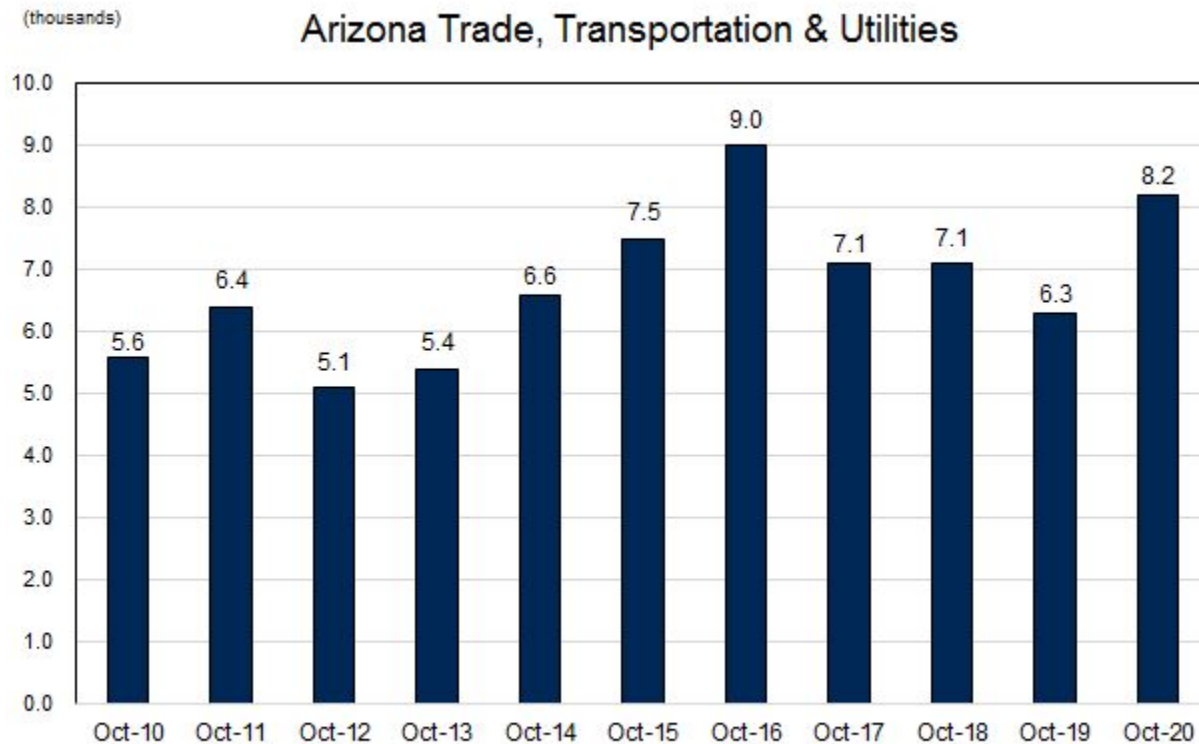
Notable Losses:

- Employment Services lost 5,200 jobs (-4.6%).
- Business Support Services lost 5,100 jobs (-12.8%).

Notable Gains:

- Professional, Scientific and Technical Services gained 2,000 jobs (1.3%).
- Services to Buildings and Dwellings gained 400 jobs (0.9%).

Month-Over-Month Employment Change



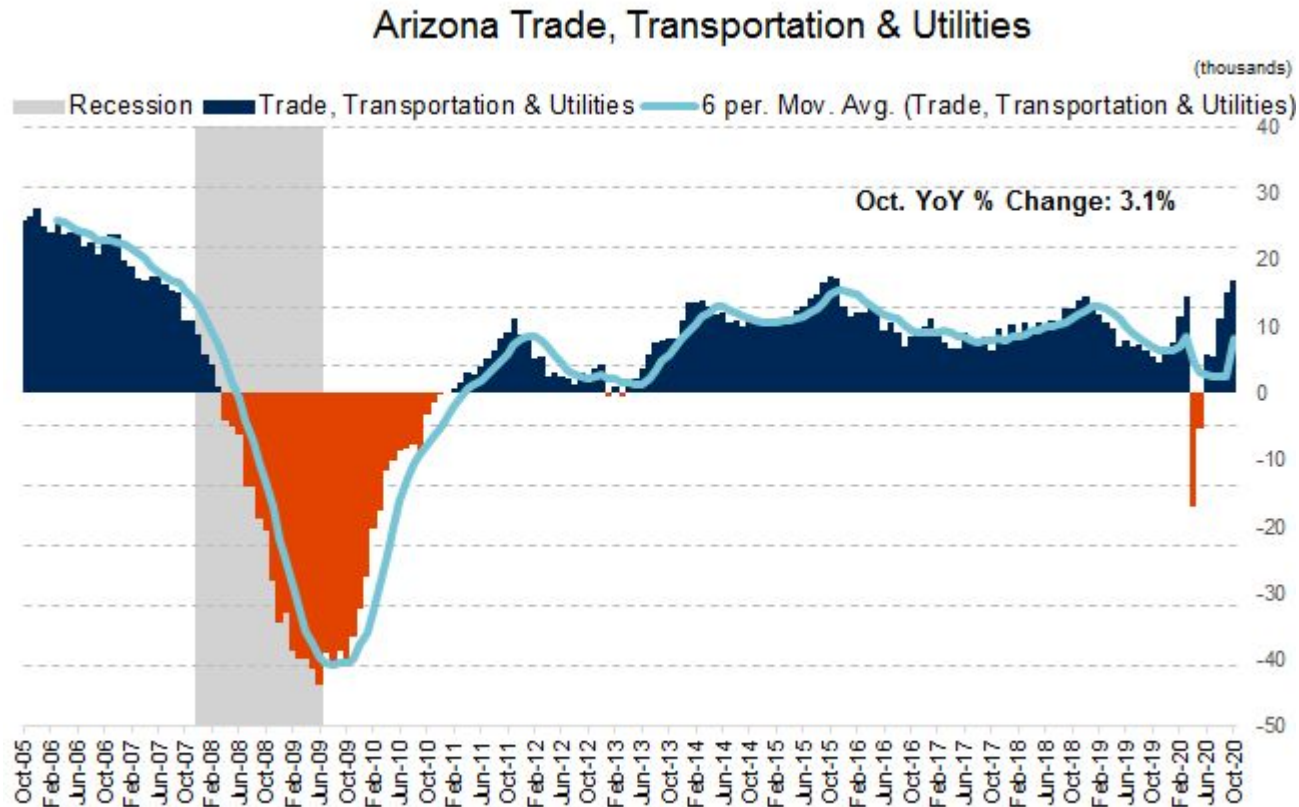
Historic 10-Year Average ('10-'19): 6,600 Jobs or 1.3%

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

Highlights:

- Transportation and Warehousing recorded a gain of 6,300 jobs or 5.6%.
 - Gains reported in Couriers, Express Delivery, and General Warehousing
- Retail Trade recorded a gain of 4,100 jobs or 1.3%.
 - Motor Vehicle and Parts gained 500 jobs
 - Food and Beverage Stores gained 400 jobs
- Wholesale Trade recorded a loss of 2,400 jobs or -2.3%.

Year-Over-Year Employment Change

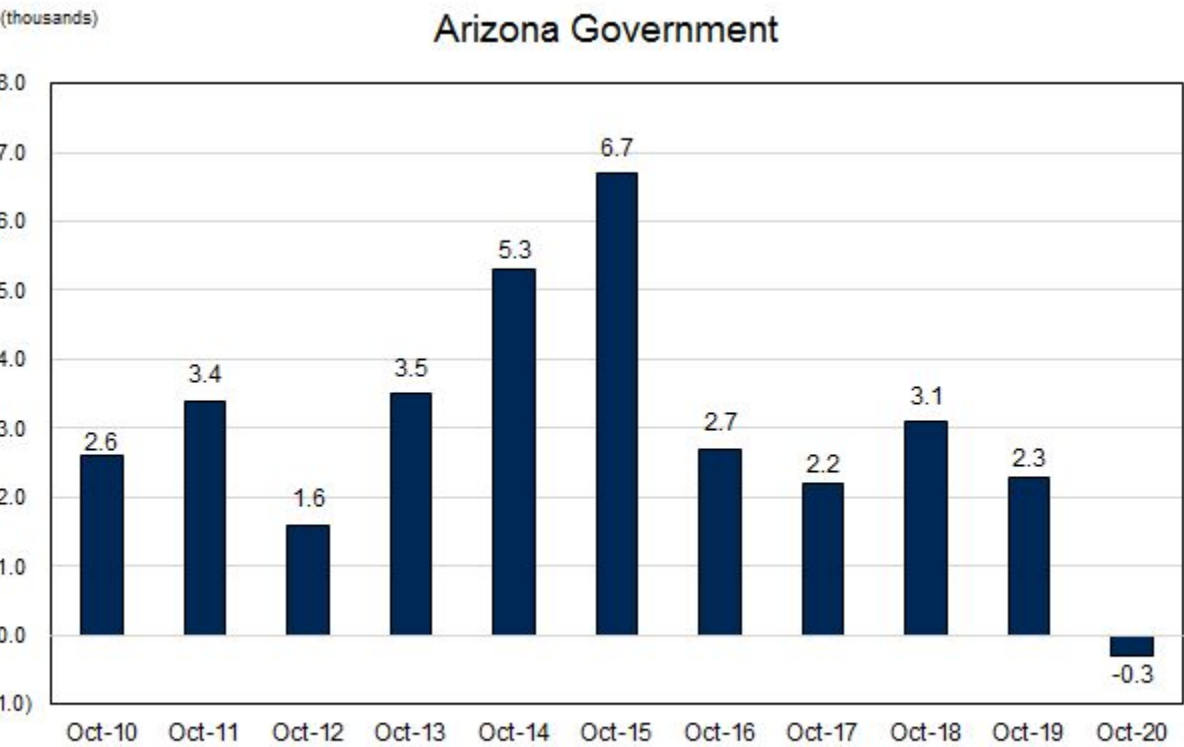


Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS

Notable Gains:

- Transportation and Warehousing recorded a gain of 10,800 jobs (10.1%)
- Retail Trade gained 3,300 jobs (1.0%)
- Wholesale Trade recorded a gain of 2,400 jobs (2.4%)

Month-Over-Month Employment Change



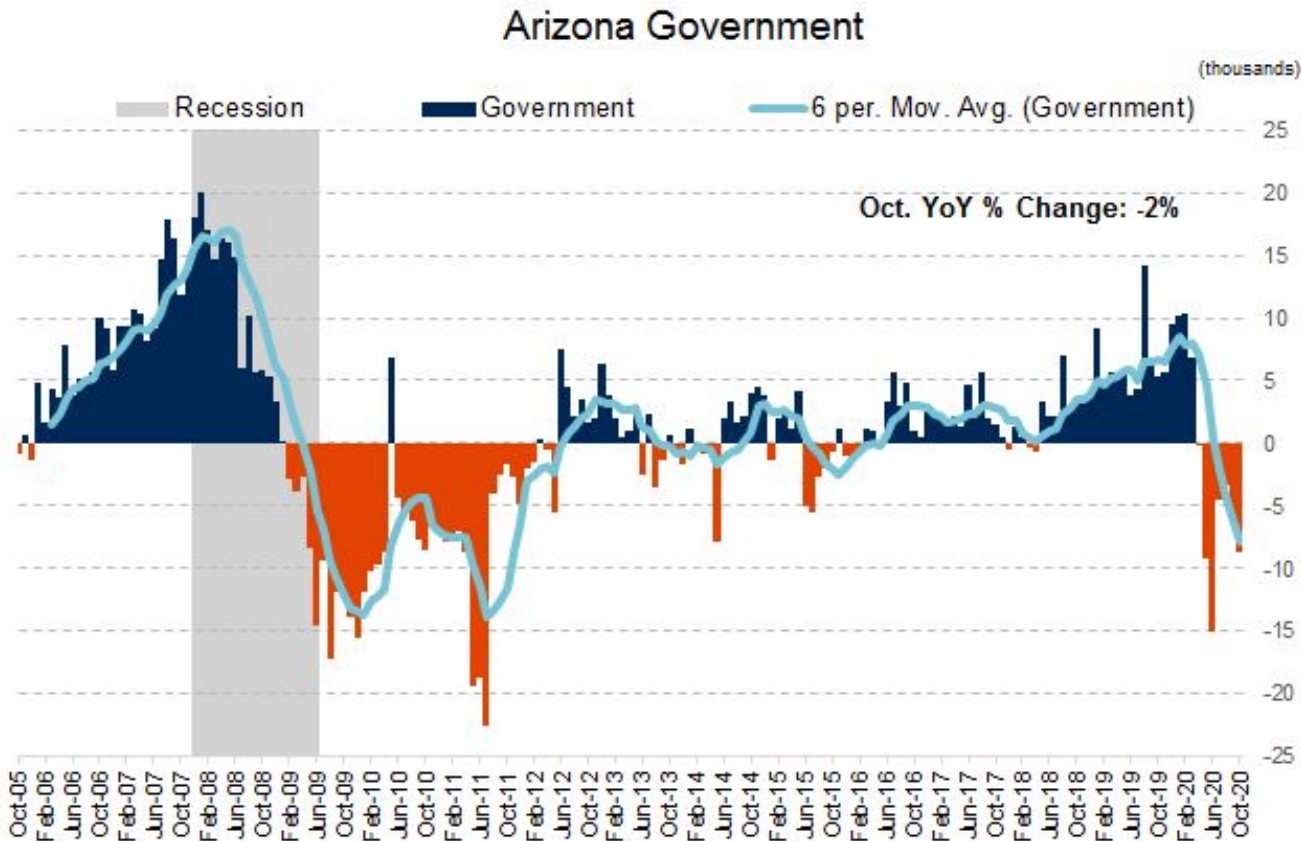
Historic 10-Year Average ('10-'19): 3,300 Jobs or 0.8%

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

Highlights:

- Local Government Education gained 1,500 jobs or 1.1%
- State Government Education gained 700 jobs or 1.2%
- Federal Government recorded a loss of 3,200 jobs or -5.1%

Year-Over-Year Employment Change

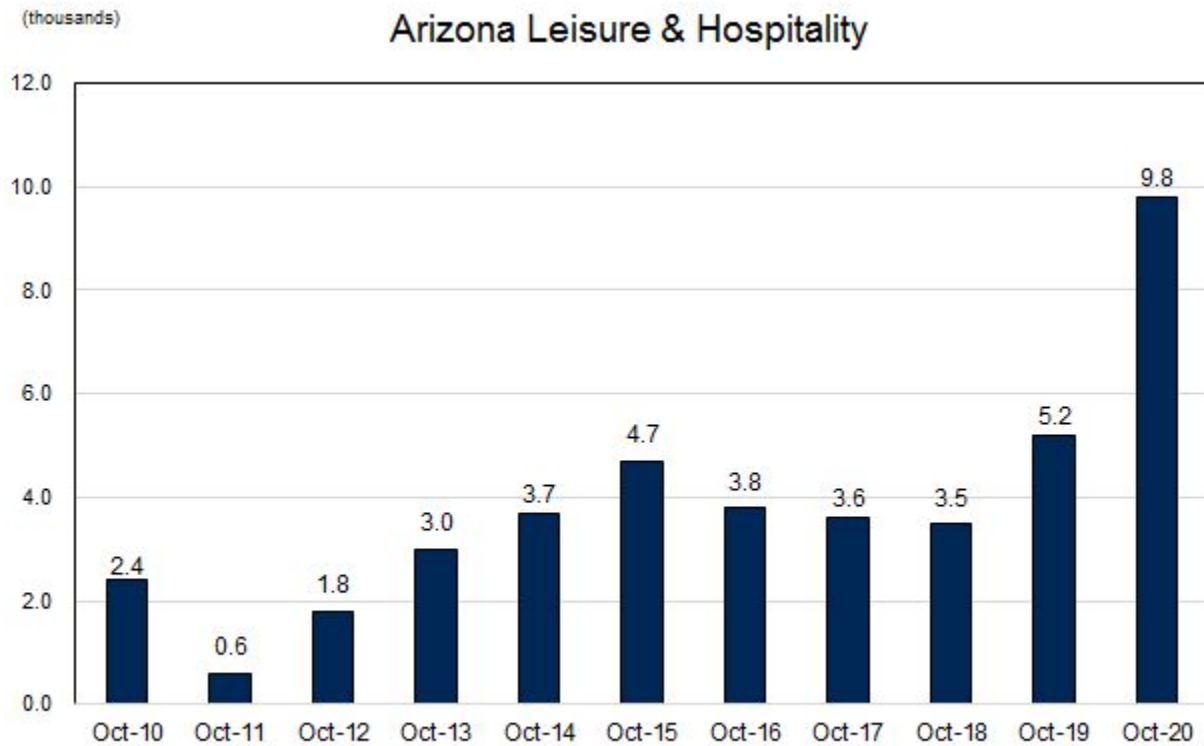


Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS

Notable Losses:

- State Government Education recorded a loss of 1,400 jobs (-2.3%).
- Local Government Education recorded a loss of -6,300 jobs (-4.2%).

Month-Over-Month Employment Change



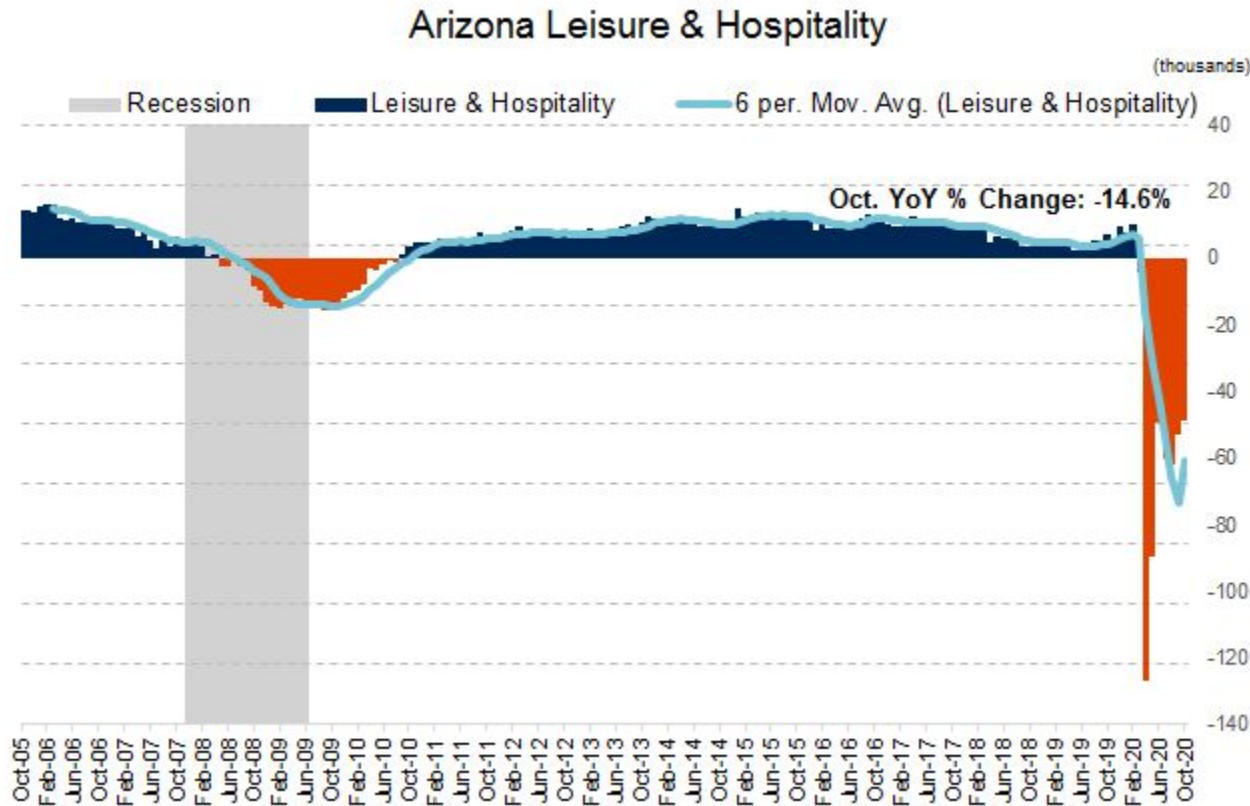
Historic 10-Year Average ('10-'19): 3,200 Jobs or 1.1%

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 gained 6,800 jobs or 3.2%
 - Gains reported in Full Service Restaurants and Caterers
- Arts, Entertainment and Recreation gained 1,800 jobs or 6.0%
 - Gains reported in Fitness and Recreation Sports Centers
- Accommodations gained 1,200 jobs or 3.9%

Year-Over-Year Employment Change



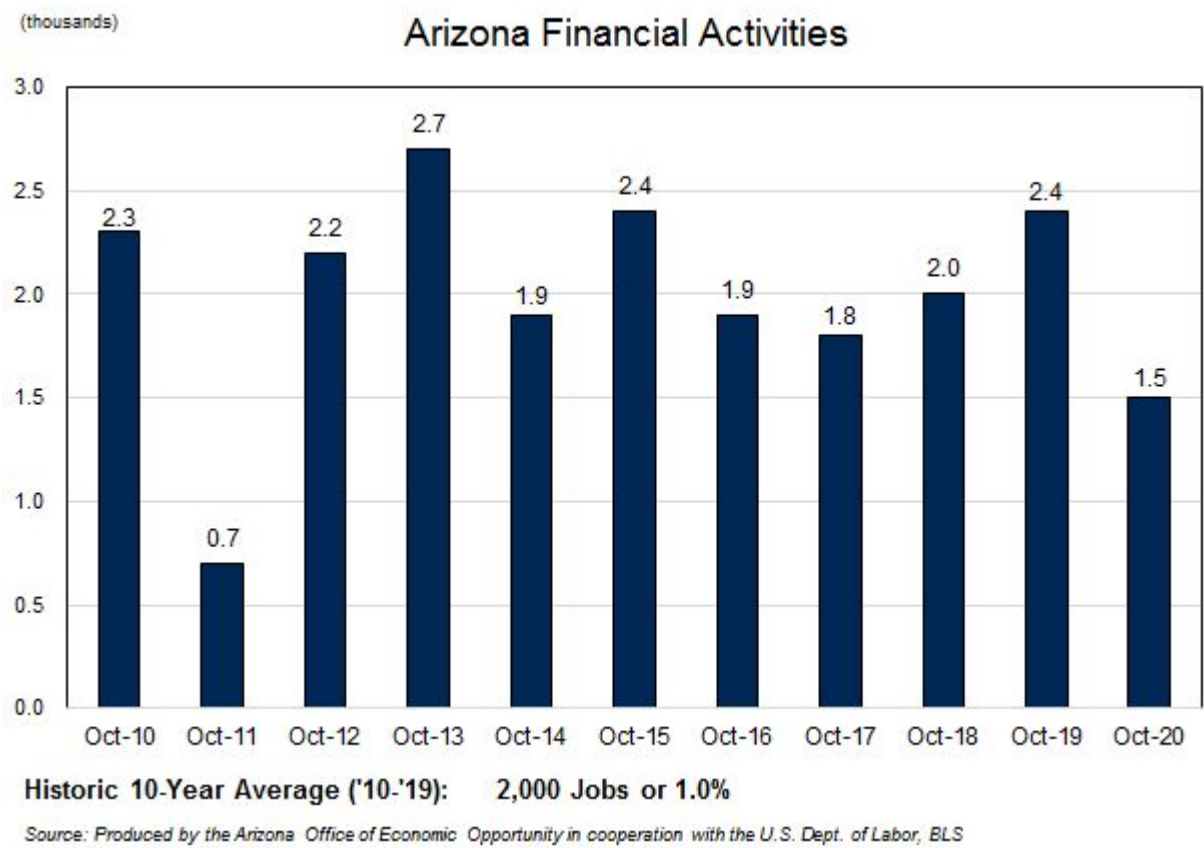
Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS

Notable Losses:

- Food Services and Drinking Places recorded a loss of 20,200 jobs (-8.4%)
- Arts, Entertainment, and Recreation experienced losses of 14,600 jobs (-31.5%)
- Accommodations recorded a loss of 13,900 jobs (-30.5%)

U.S. Leisure and Hospitality employment declined by 19.7% YoY in October 2020.

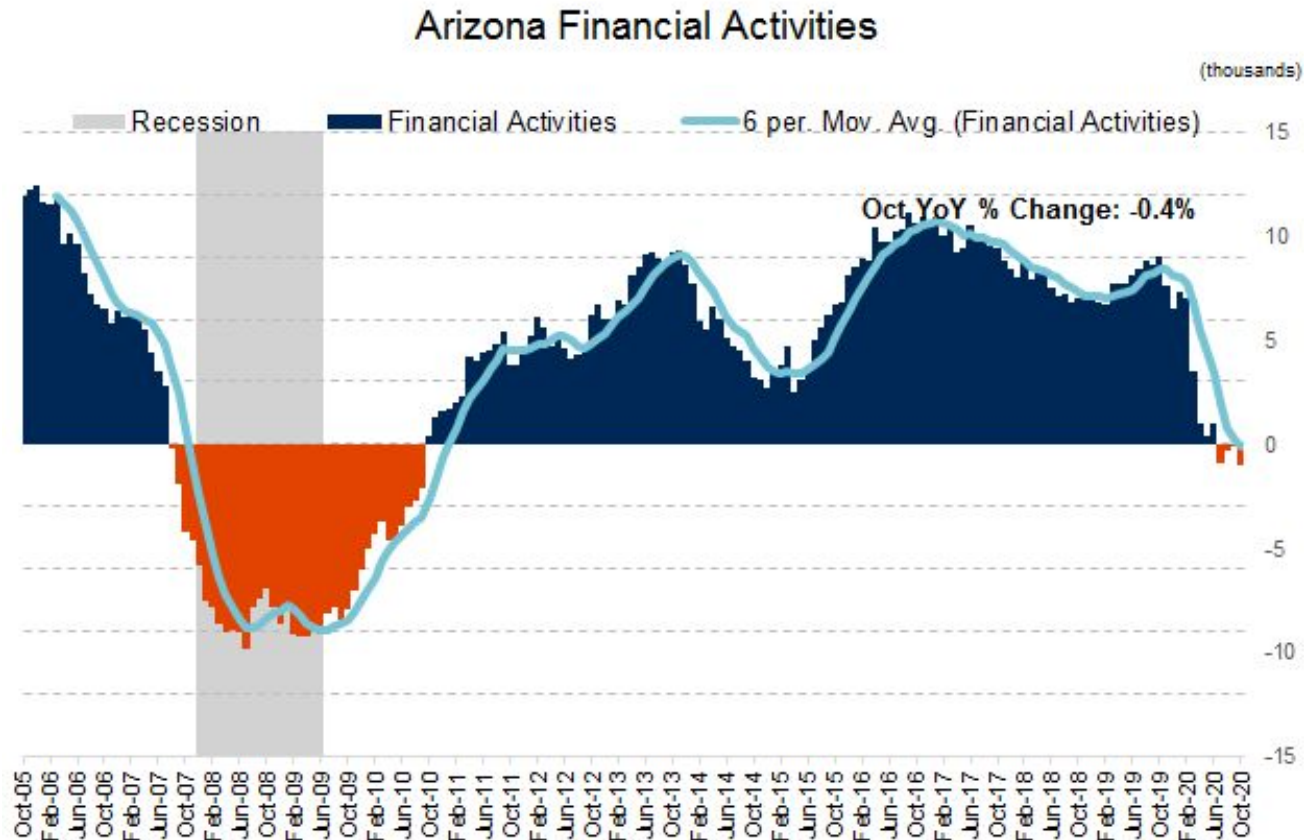
Month-Over-Month Employment Change



Highlights:

- Insurance Carriers recorded a gain of 600 jobs.
- Credit Intermediaries recorded a gain of 200 jobs.
- Real Estate, Rental, and Leasing recorded a gain of 600 jobs or 1.1%.

Year-Over-Year Employment Change



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

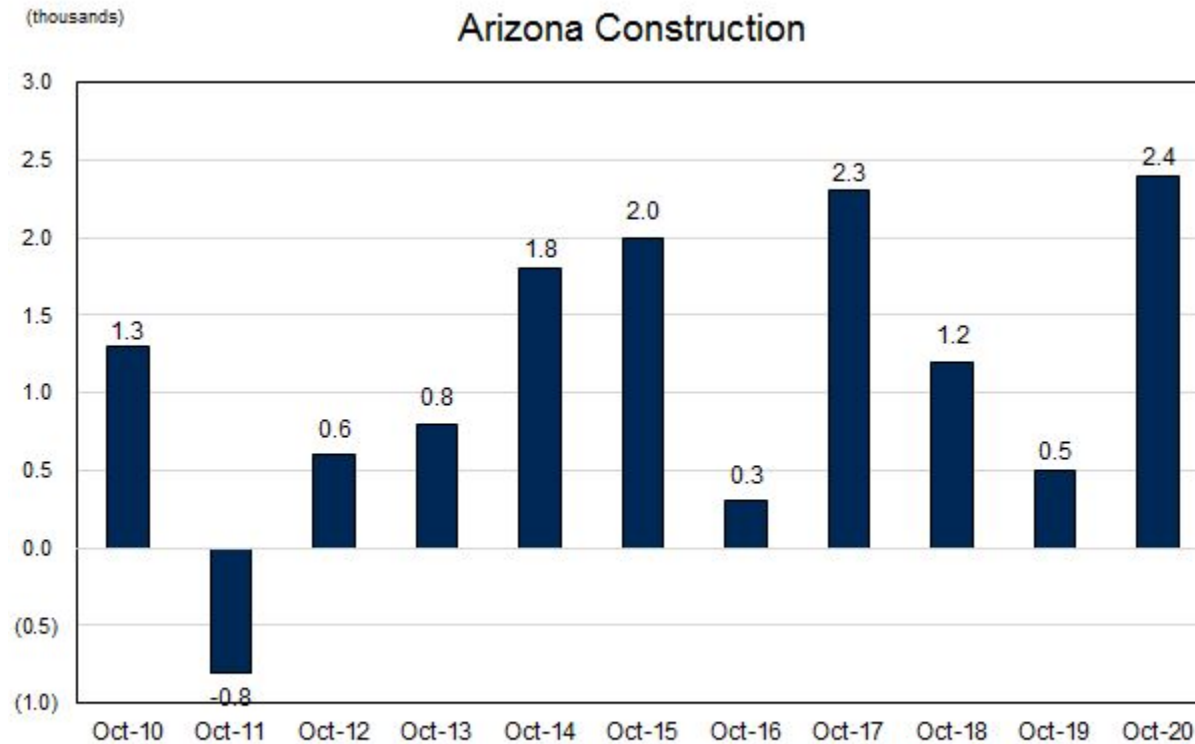
Notable Losses:

- Real Estate and Rental and Leasing recorded a loss of 1,300 jobs (-2.3%)
- Insurance Carriers recorded a loss of 1,400 jobs (-2.1%)

Notable Gain:

- Credit Intermediaries recorded a gain of 1,300 jobs (1.4%)

Month-Over-Month Employment Change



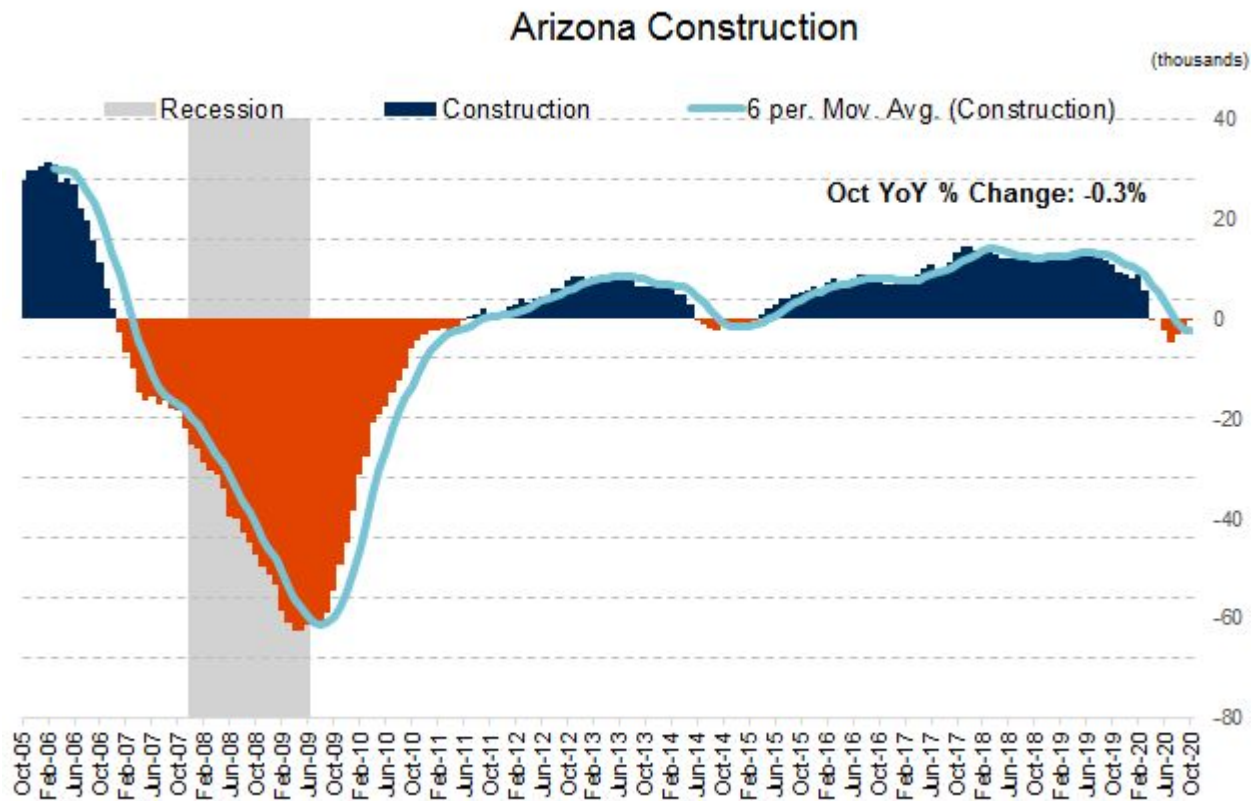
Historic 10-Year Average ('10-'19): 1,000 Jobs or 0.7%

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

Highlights:

- Specialty Trade Construction gained 1,300 jobs or 1.1%
- Heavy and Civil Engineering recorded a gain of 200 jobs or 1.0%
- Construction of Buildings recorded a gain of 900 jobs or 2.5%

Year-Over-Year Employment Change



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

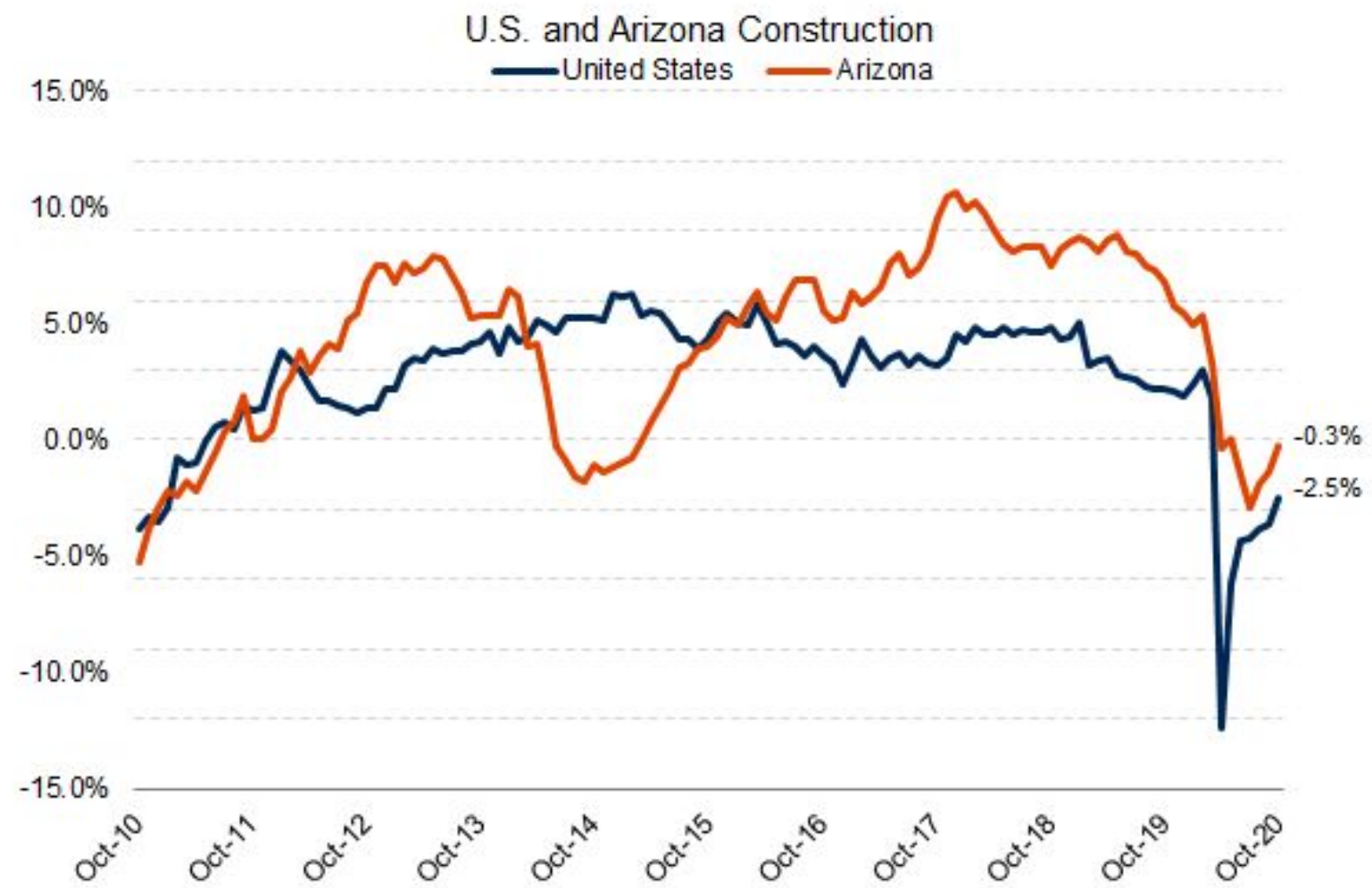
Notable Gains:

- Specialty Trades gained 700 jobs (0.6%)
- Construction of Buildings gained 300 jobs (0.8%)

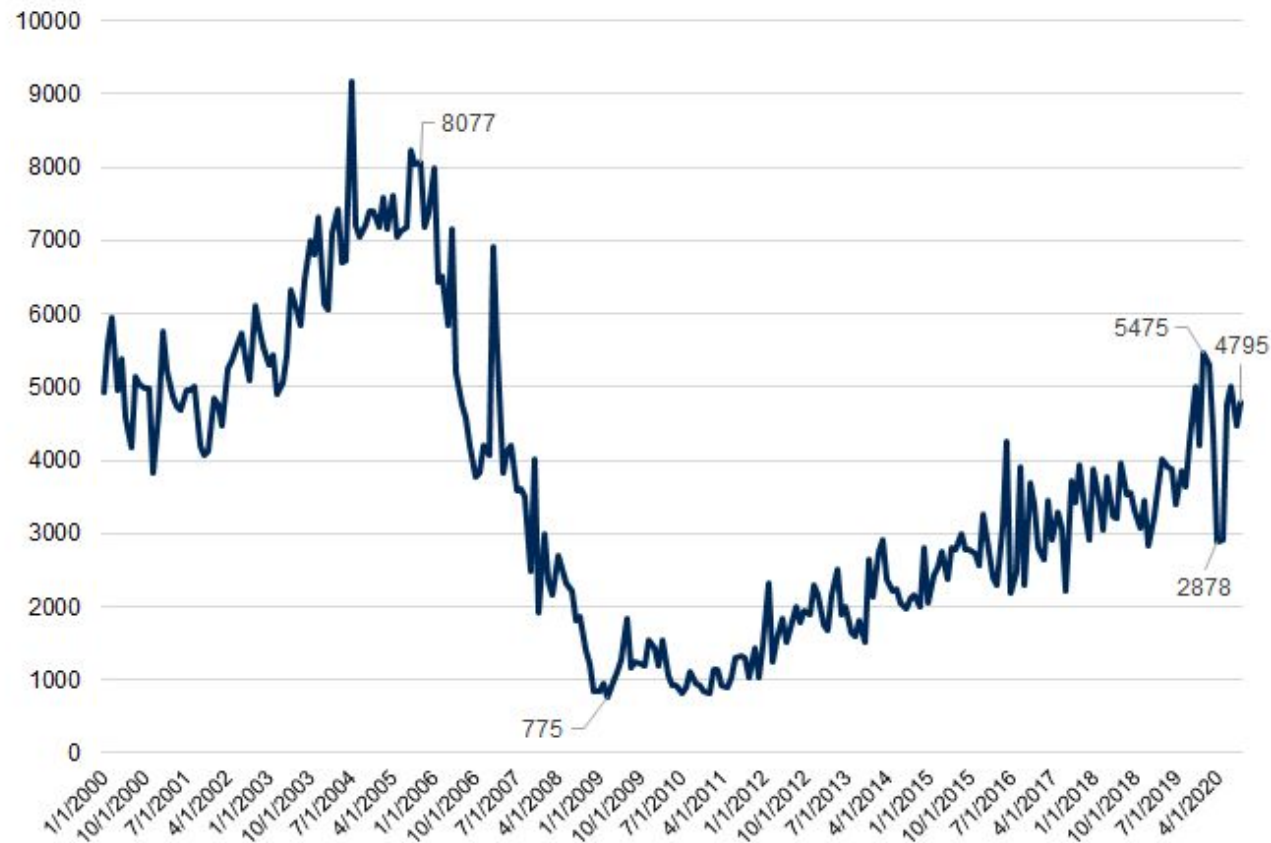
Notable Losses

- Heavy and Civil Construction lost 1,500 jobs (-7.0%)

Year-Over-Year Employment Change



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

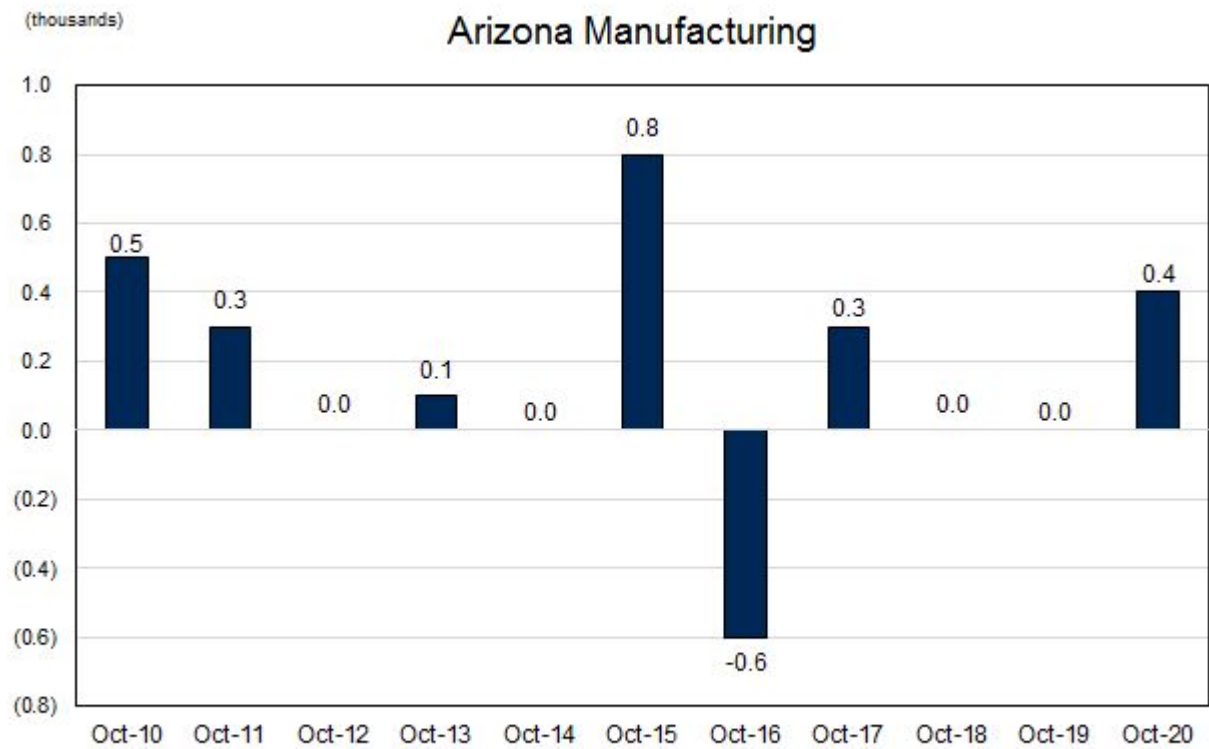


Source: U.S. Census Bureau

Notable Changes:

- 4,795 building permits were authorized in September 2020, up 1,158 (31.8%) permit authorizations from September 2019, and up 311 (6.9%) permit authorizations from August 2020.

Month-Over-Month Employment Change



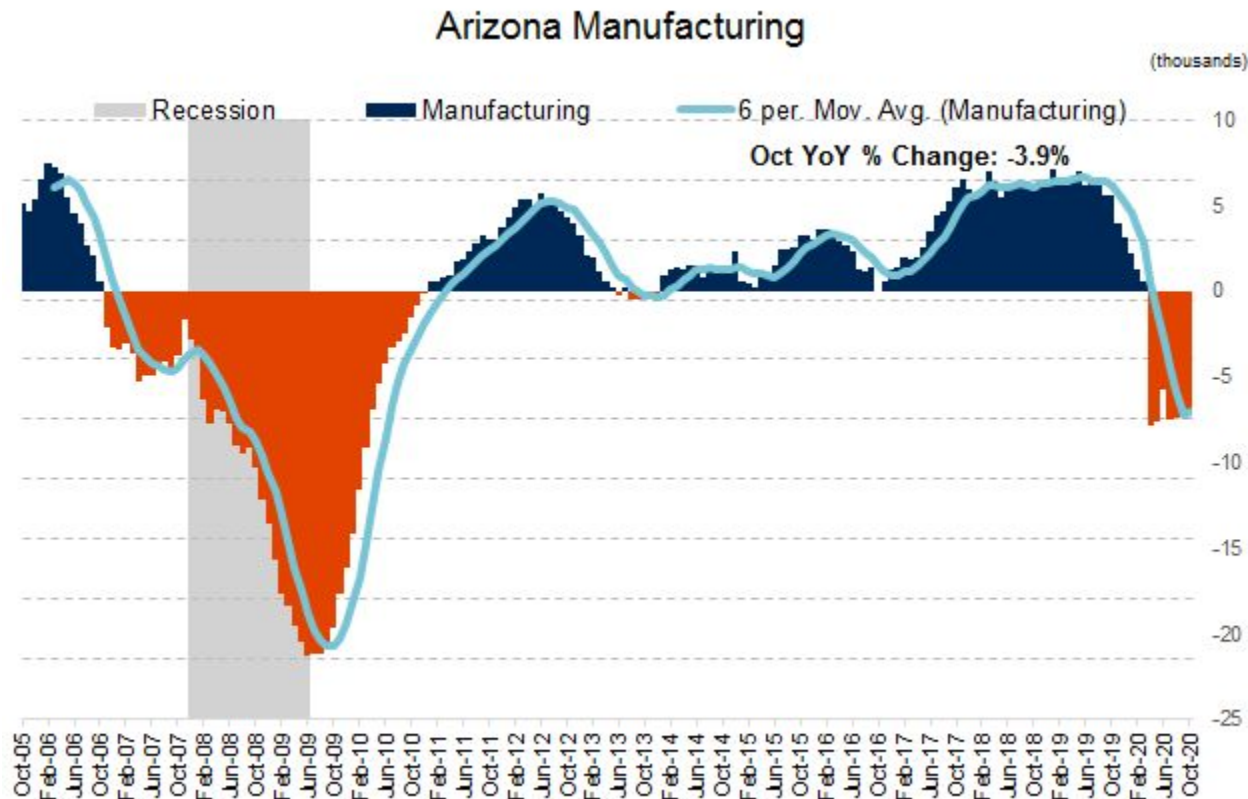
Historic 10-Year Average ('10-'19): 100 Jobs or 0.1%

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

Highlights:

- Gains recorded in Nondurable Goods (700 jobs)
- Losses were recorded in Durable Goods (-300 jobs)

Year-Over-Year Employment Change



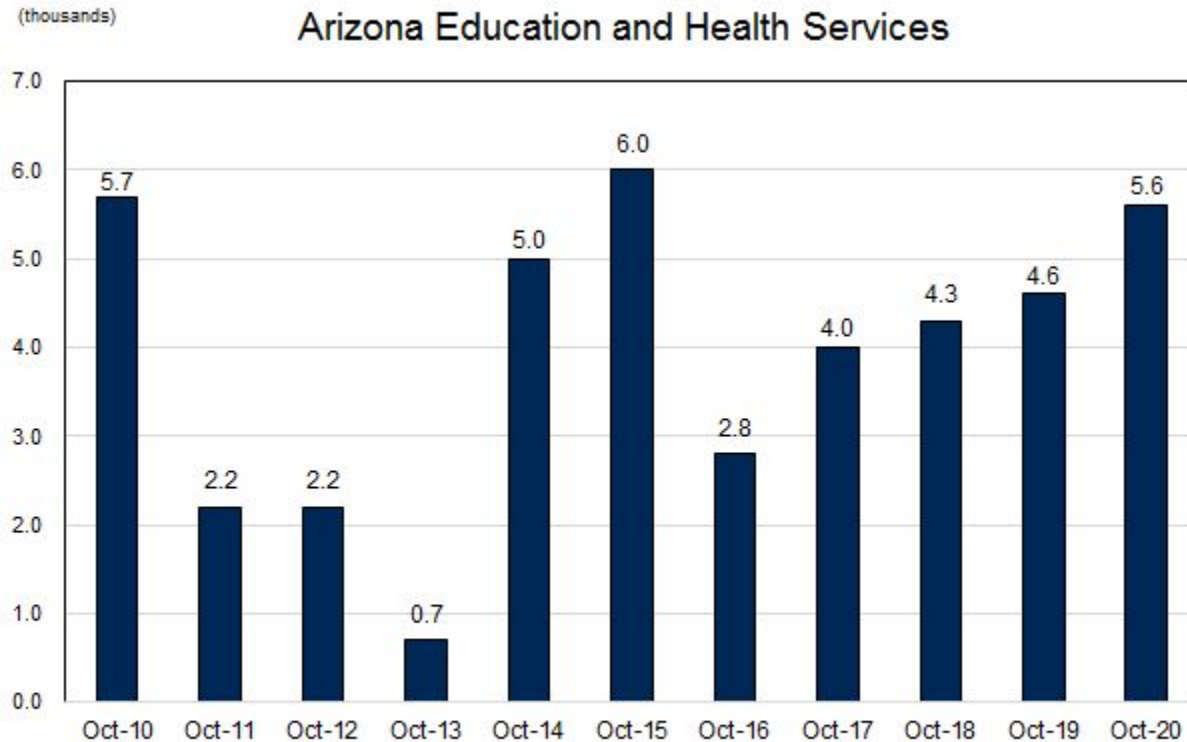
Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS

Notable Losses:

- Nondurable Goods lost 1,700 jobs (-3.9%)
- Durable Goods lost 5,200 jobs (-3.9%)
 - Fabricated Metals lost 1,500 jobs (-7.2%)
 - Computer and Electronic Parts gained 1,700 jobs (5.1%)
 - Aerospace Products and Parts lost 100 jobs (-0.3%)

U.S. Manufacturing declined by 4.6% YoY in October 2020

Month-Over-Month Employment Change



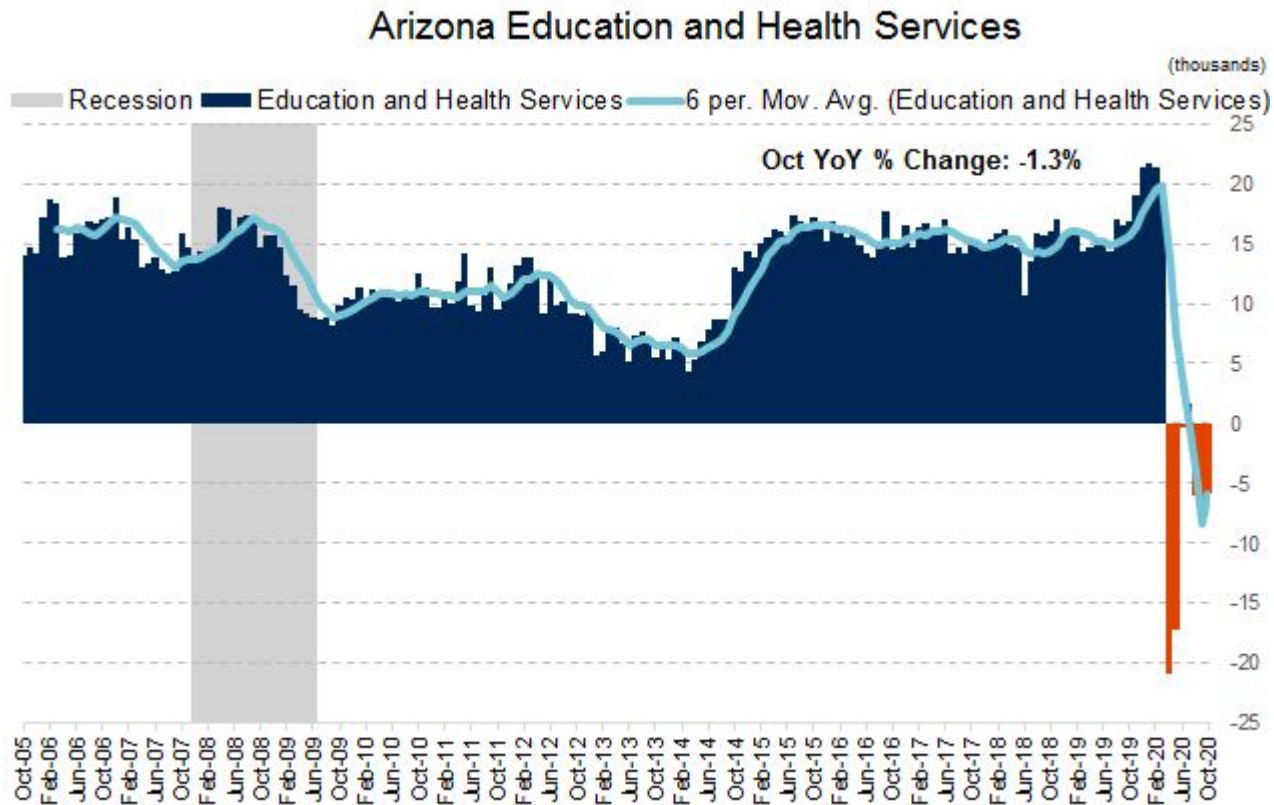
Historic 10-Year Average ('10-'19): 3,800 Jobs or 0.9%

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

Highlights:

- Healthcare and Social Assistance gained 3,000 jobs (0.8%)
 - Ambulatory Healthcare Services gained 1,700 jobs (1.0%)
 - Nursing and Residential Care Facilities gained 900 jobs (1.6%)
 - Social Assistance gained 300 jobs (0.5%)

Year-Over-Year Employment Change



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

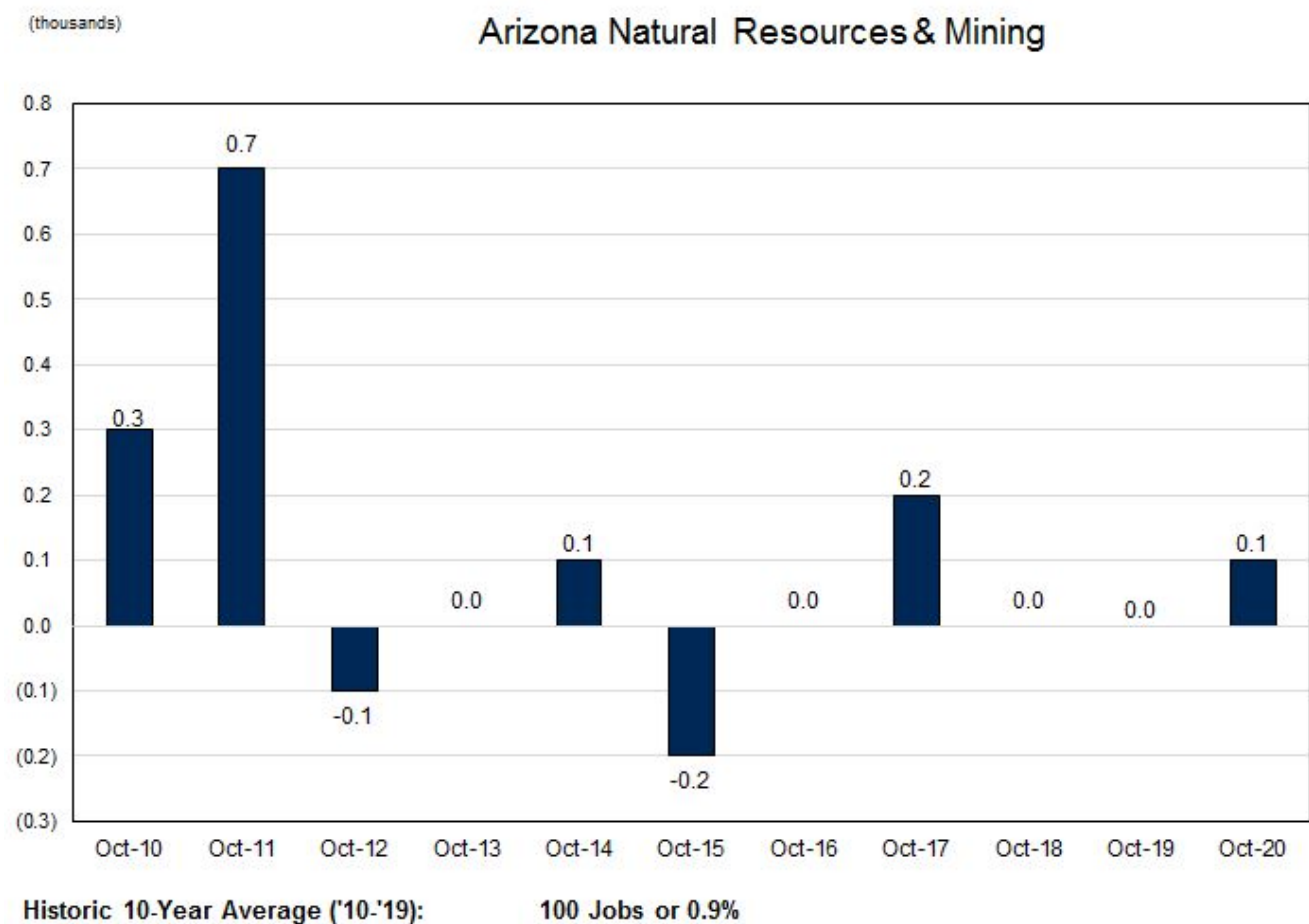
Notable Losses:

- Social Assistance lost 3,200 jobs (-5.0%)
- Nursing and Residential Care Facilities lost 2,300 jobs (-3.8%).
- Hospitals lost 700 jobs (-0.7%).
- Educational Services lost 1,800 jobs (-2.5%)

Notable Gains:

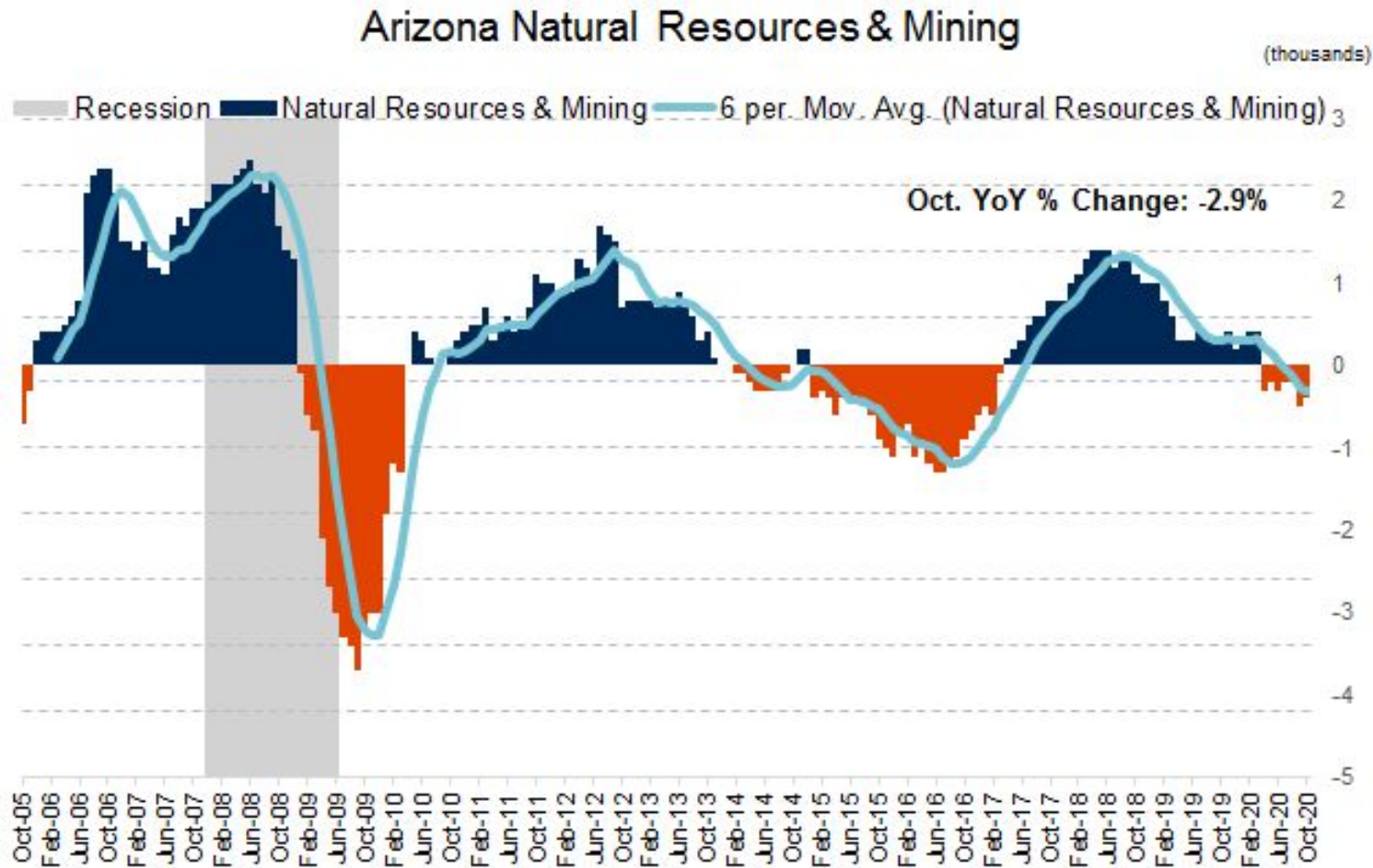
- Ambulatory Health Care Services gained 2,100 jobs (1.2%).

Month-Over-Month Employment Change



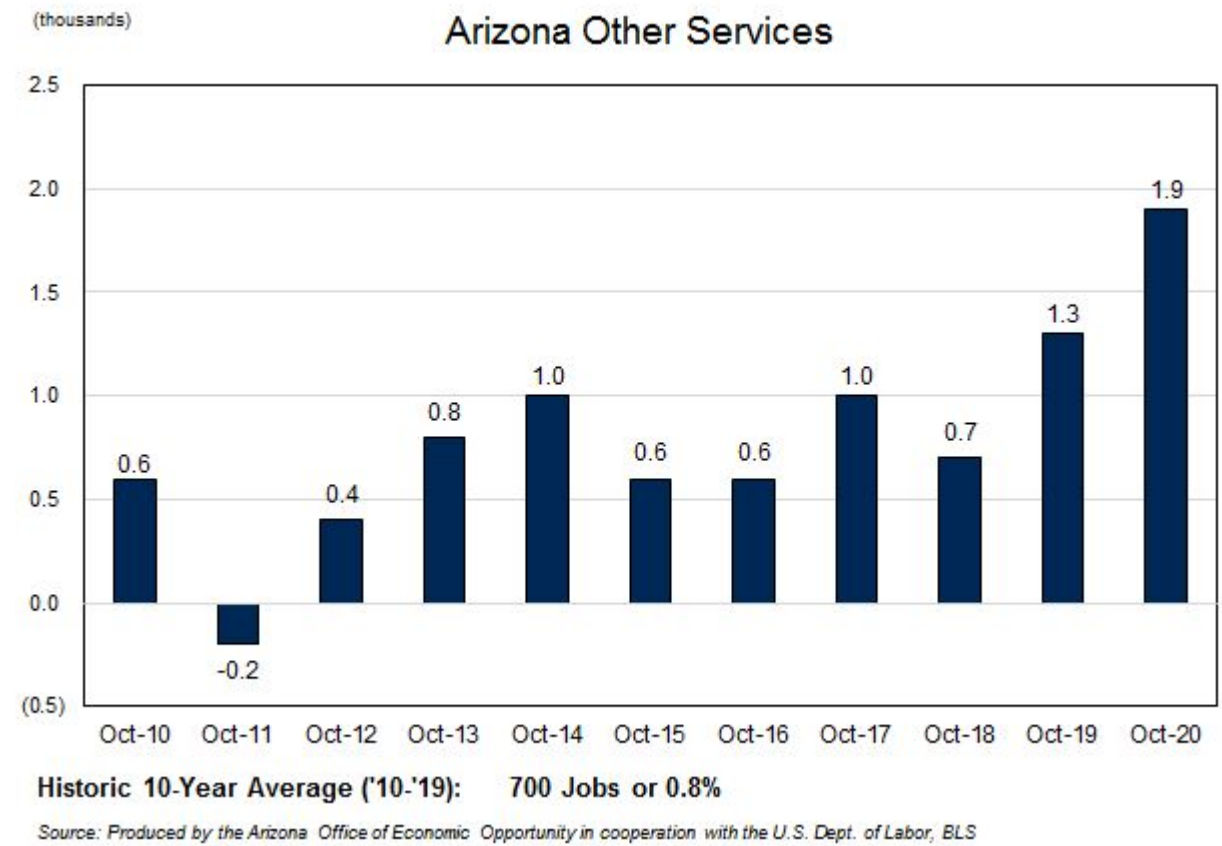
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Year-Over-Year Employment Change



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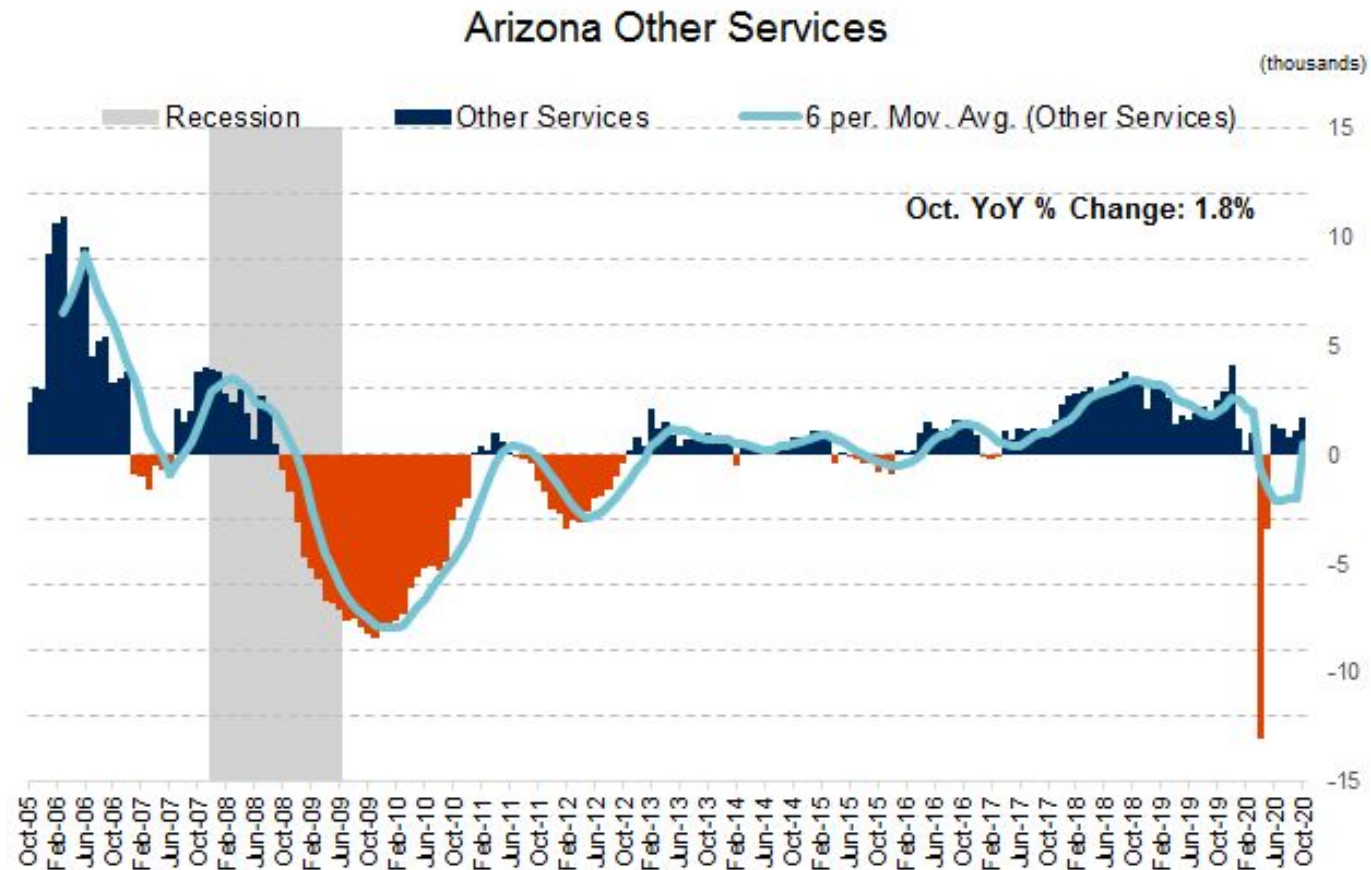
Month-Over-Month Employment Change



Highlights:

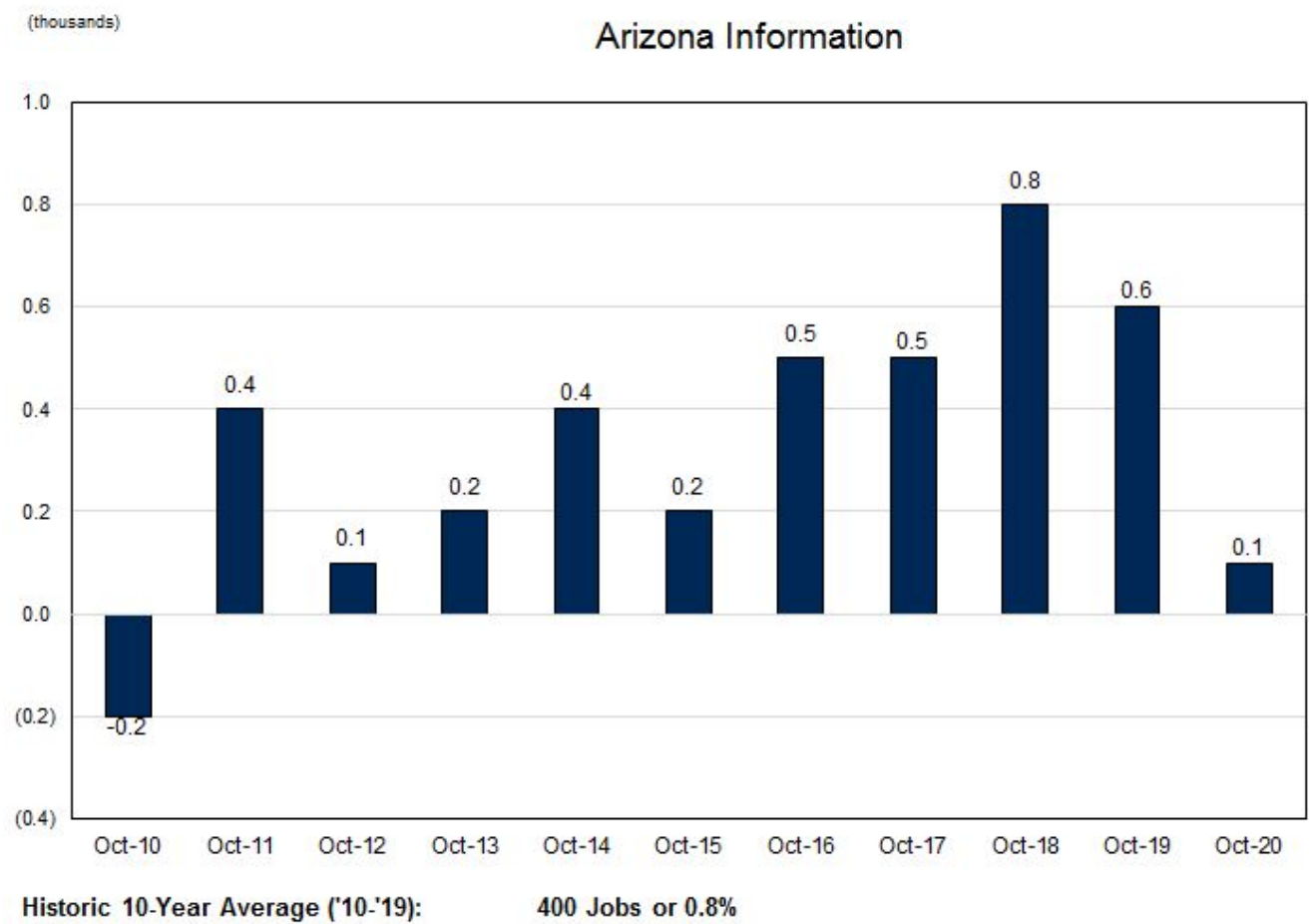
- Gains occurred within Automotive Repair, Personal Care, Electronic Equipment Repair, and Funeral Homes

Year-Over-Year Employment Change



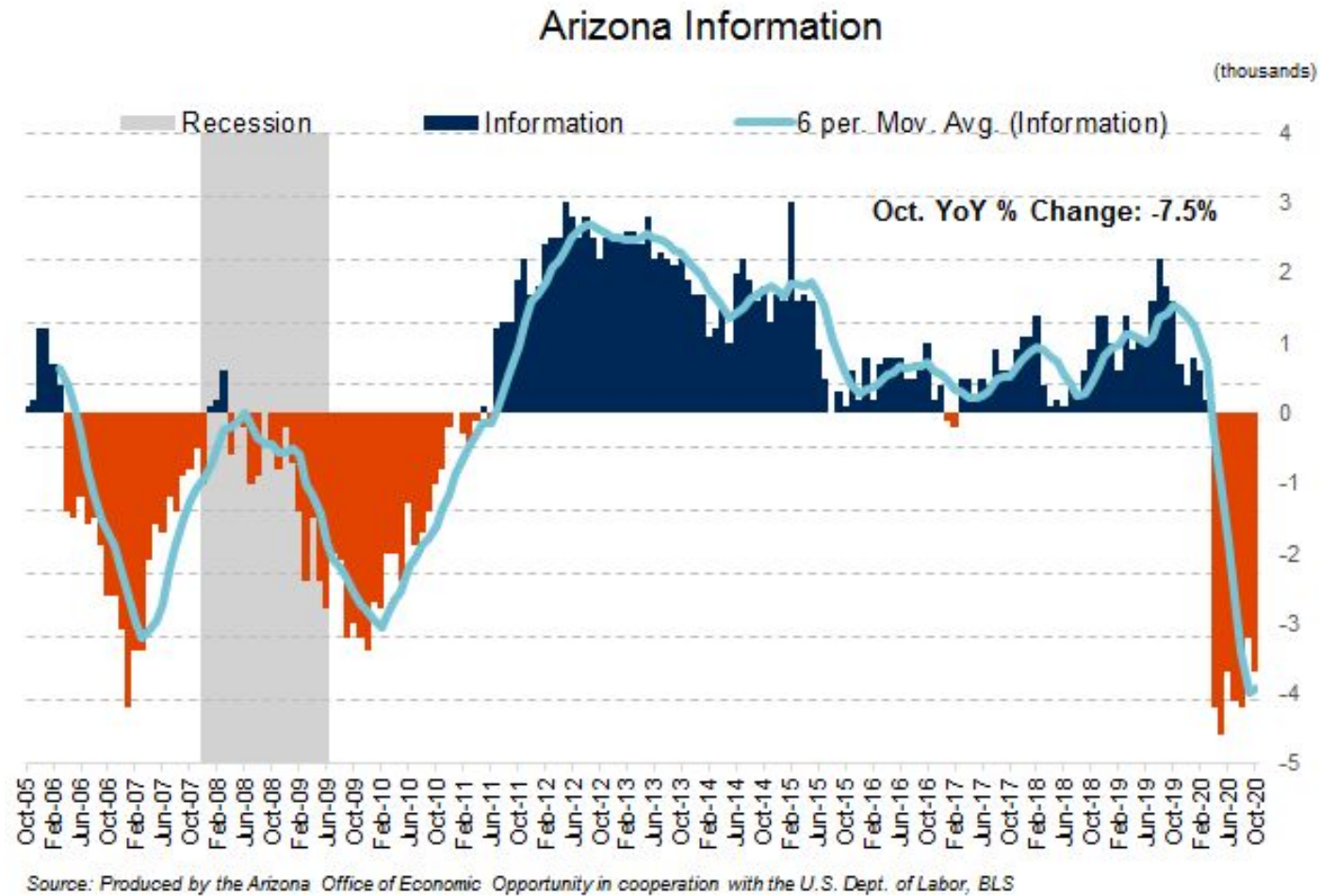
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Month-Over-Month Employment Change

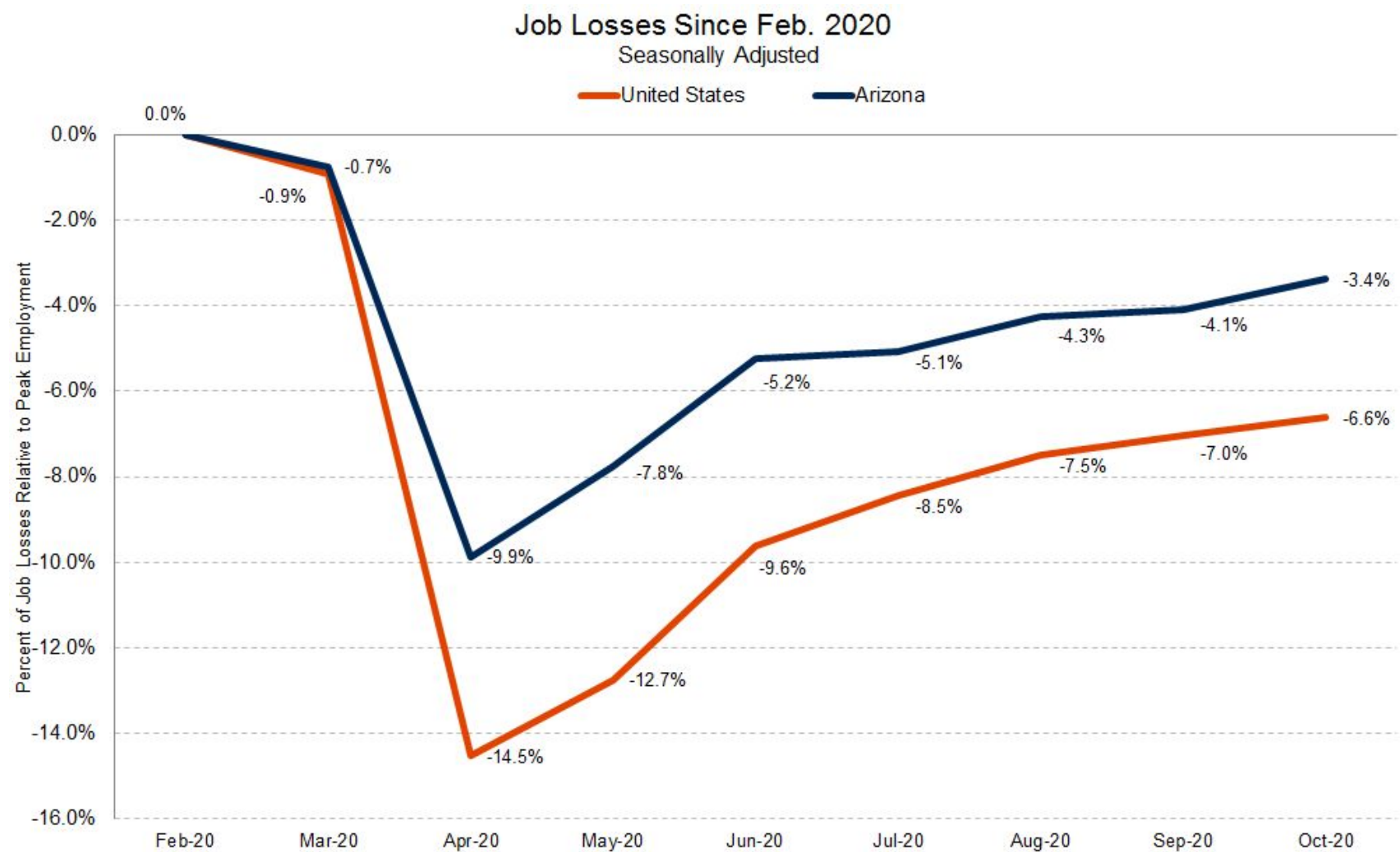


Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS

Year-Over-Year Employment Change



Nonfarm Employment Comparison



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

Arizona Job Gains and Losses from Feb. '20 to Oct. '20

Seasonally-Adjusted; In Thousands

Sector	Jobs Lost	Jobs Recovered	Percent Recovered
Natural Resources & Mining	0.9	0.1	11%
Manufacturing	8.0	1.7	21%
Government	19.5	7.5	38%
Information	5.9	2.9	49%
Professional & Business Svcs	38.5	20.4	53%
Leisure & Hospitality	137.2	82.7	60%
Construction	5.8	3.6	62%
Education and Health Services	41.6	26.9	65%
Private Sector	282.9	194.2	69%
Financial Activities	2.8	2.2	79%
Other Services	13.9	16.6	119%
Trade, Transportation & Utilities	29.8	38.6	130%
Total Nonfarm Employment	294.6	193.9	66%

Source: Arizona Office of Economic Opportunity in cooperation with the U.S. DOL BLS

U.S. Job Gains and Losses from Feb. '20 to Oct. '20

Seasonally-Adjusted; In Thousands

Sector	Jobs Lost	Jobs Recovered	Percent Recovered
Natural Resources & Mining	95.0	3.0	3%
Government	1,480.0	264.0	18%
Information	329.0	67.0	20%
Professional & Business Svcs	2,296.0	1,147.0	50%
Education and Health Services	2,781.0	1,455.0	52%
Financial Activities	279.0	150.0	54%
Manufacturing	1,363.0	742.0	54%
Leisure & Hospitality	8,318.0	4,832.0	58%
Private Sector	21,191.0	12,317.0	58%
Trade, Transportation & Utilities	3,355.0	2,276.0	68%
Other Services	1,370.0	934.0	68%
Construction	1,083.0	789.0	73%
Total Nonfarm Employment	22,160.0	12,070.0	54%

Source: Arizona Office of Economic Opportunity in cooperation with the U.S. DOL BLS

Report Summary

- Month-over-month, Arizona nonfarm employment increased by 43,100 jobs.
 - Ten of the eleven major sectors gained jobs.
- Year-over-year, nine major sectors lost jobs; two major sectors gained jobs.
- Year-over-year, Arizona nonfarm employment declined by 2.5%, while U.S. nonfarm employment declined by 6.0% YoY.
- The Arizona unemployment rate increased to 8.0% in October, up from 6.5% in September.
- Month-over-month, the Arizona labor force increased by 11,320 individuals (0.3%).

Thank You Any Questions?

Upcoming Release:
November Employment Report on December 17th