

**December 17, 2020**

# November 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 decreased to 7.8% in November from 7.9% in October
- The U.S. SA unemployment rate decreased to 6.7% in November from 6.9% in October
- Arizona nonfarm employment increased by 27,700 jobs
  - The private sector gained 27,500 jobs and Government reported a gain of 200 jobs
- Seven of the eleven major sectors reported job gains
  - The largest gains occurred within Trade, Transportation & Utilities, (19,000 jobs)

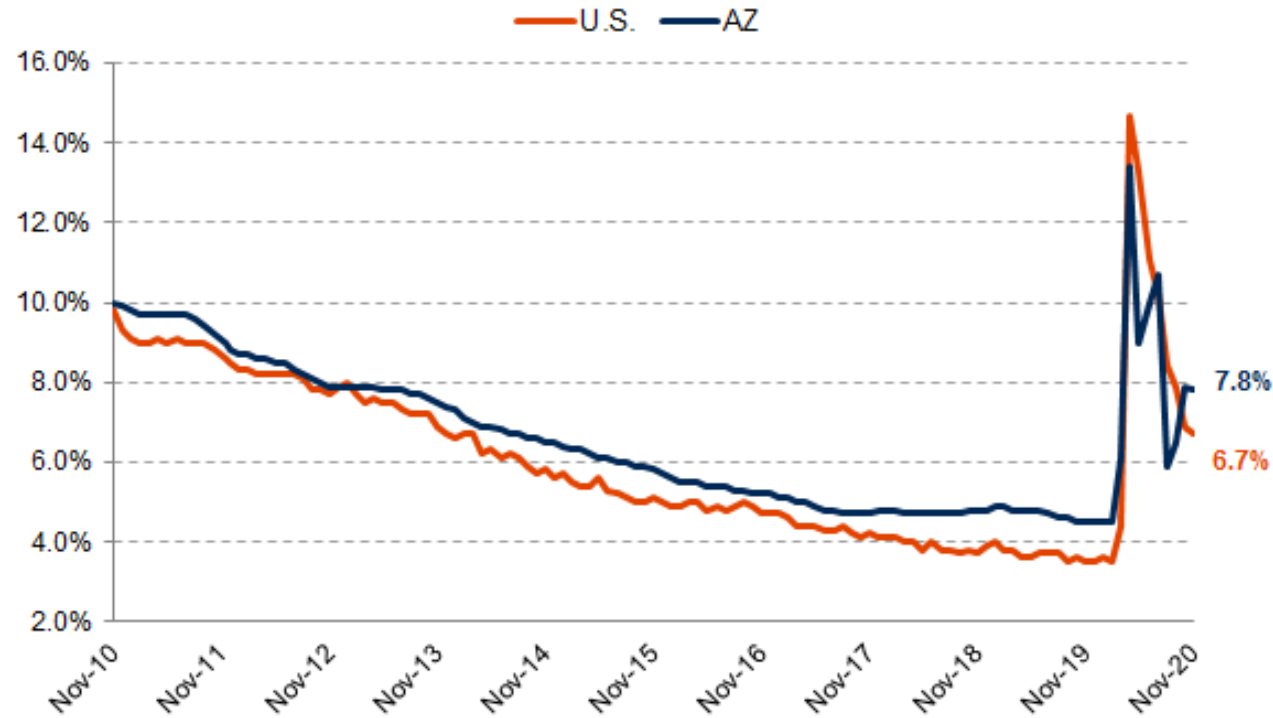
## October revisions:

- The October nonfarm employment gains were revised down from 43,100 jobs to 42,300 jobs
- The October SA unemployment rate was revised down to 7.9% from 8.0%

# Year-Over-Year (YoY) Highlights

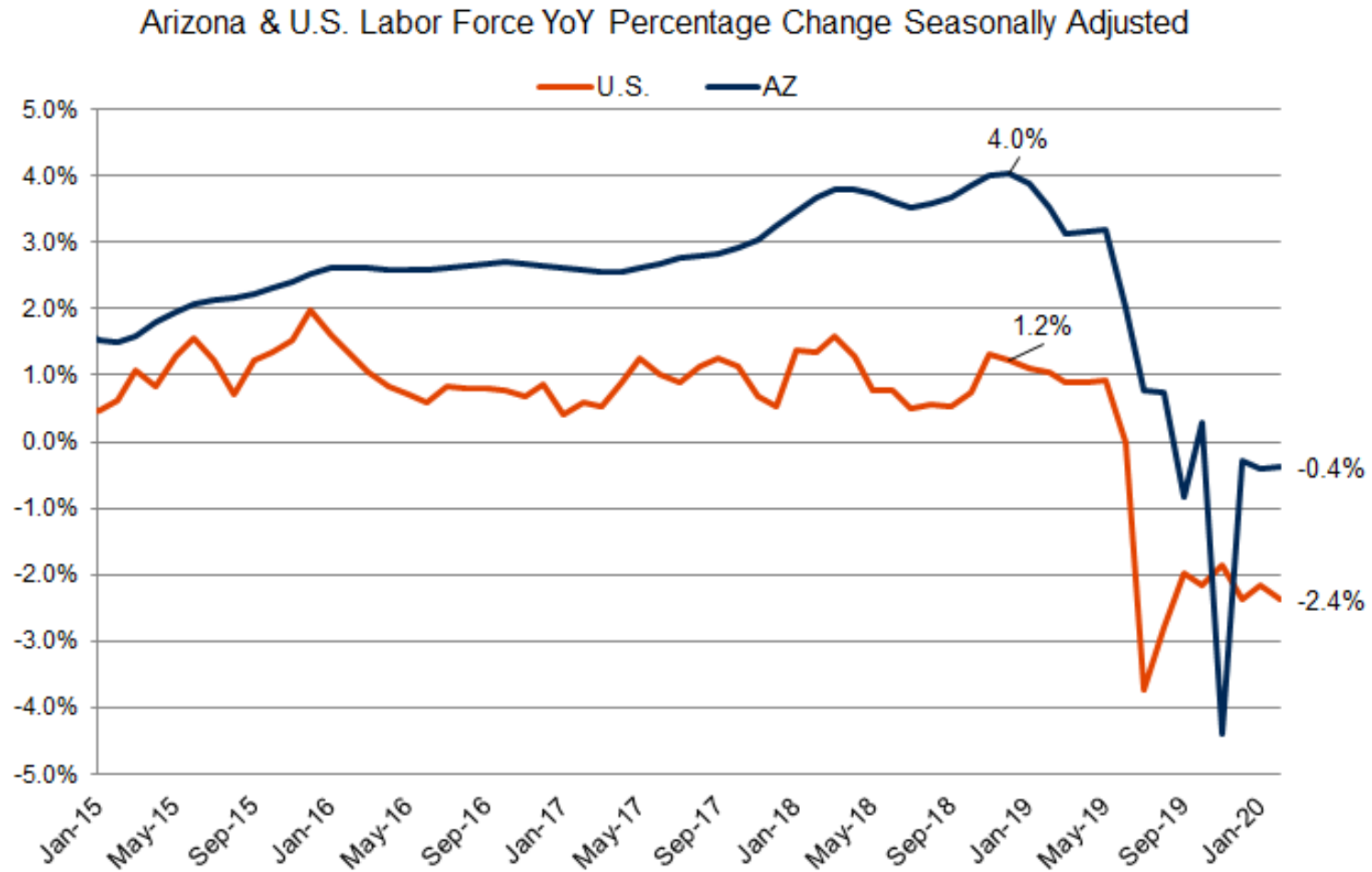
- Arizona nonfarm employment decreased by 83,900 jobs (-2.8%)
- Arizona private sector employment decreased by 73,900 jobs (-2.9%)
- Three of the eleven major sectors gained jobs
  - The largest gains were recorded in Trade, Transportation & Utilities (17,700 jobs) and Construction (2,300 jobs)
- Eight of the eleven sectors recorded job losses
  - The largest losses were recorded in Leisure and Hospitality (-43,800 jobs) and Professional and Business Services (-30,900 jobs)
- All seven Arizona metro areas (MSAs) lost jobs
  - The largest losses were recorded in Flagstaff MSA (-16.9%) and Yuma MSA (-5.8%)

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



| Period     | Labor Force Level | Employment Level | Unemployment Level | Rate |
|------------|-------------------|------------------|--------------------|------|
| Nov-2019   | 3,596,303         | 3,433,191        | 163,112            | 4.5  |
| Oct-2020   | 3,581,246         | 3,298,603        | 282,643            | 7.9  |
| Nov-2020   | 3,582,721         | 3,302,180        | 280,541            | 7.8  |
| OTM Change | 1,475             | 3,577            | -2,102             | -0.1 |
| OTY Change | -13,582           | -131,011         | 117,429            | 3.3  |

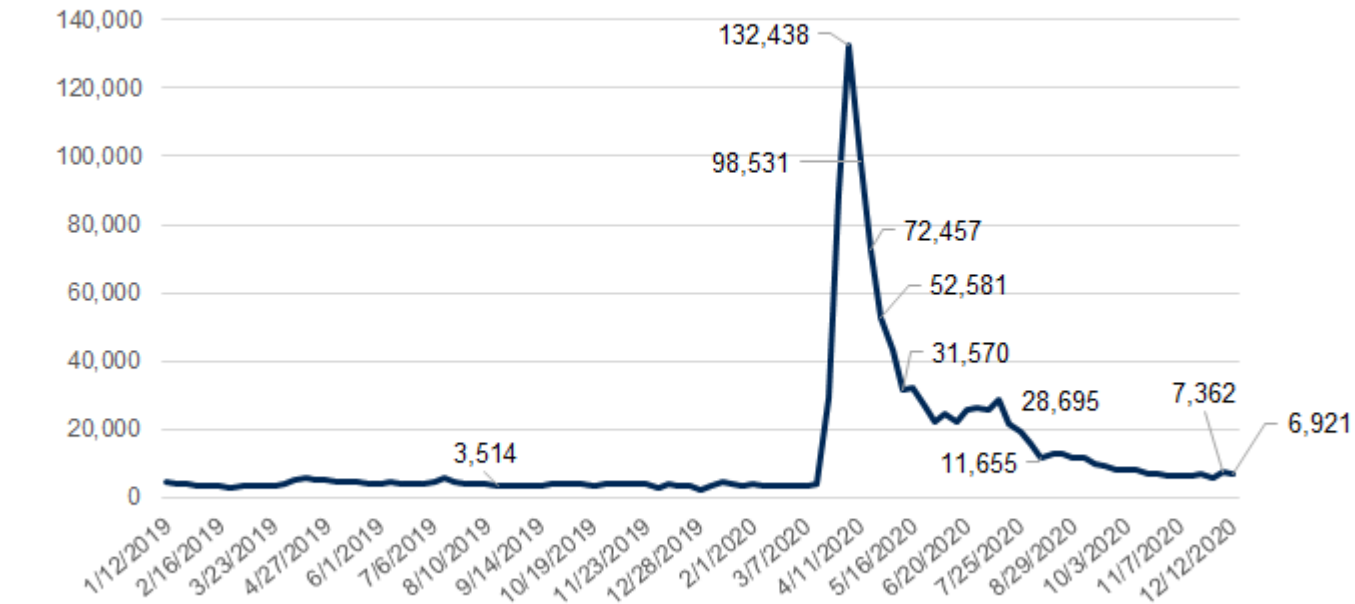
# Labor Force Change



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

# Unemployment Insurance Claims

Arizona Weekly Unemployment Insurance Initial Claims



Source: U.S. Employment and Training Administration

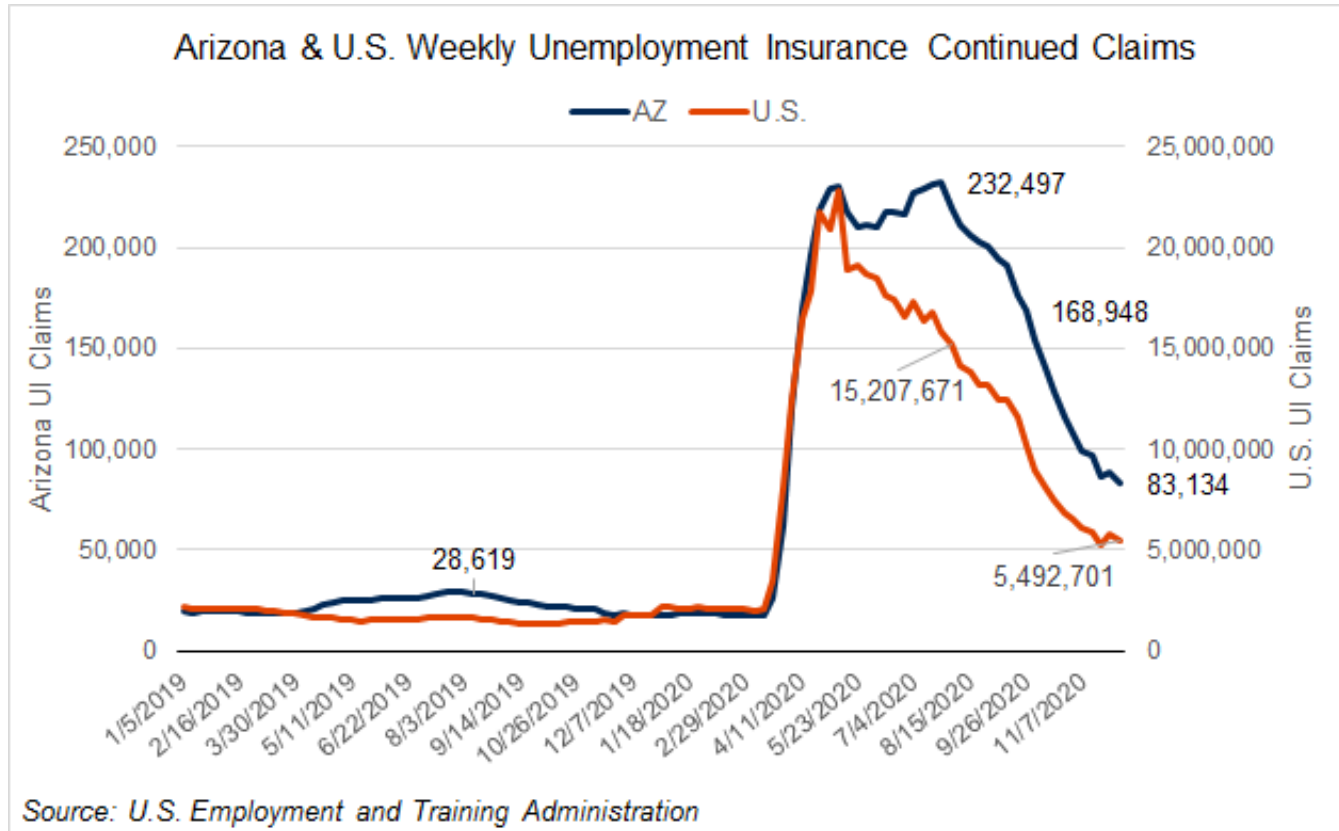
## Initial Claims:

- During the week ending Dec. 5, initial claims decreased 6.0% or 441 claims from the week prior.

Note: Graph reflects initial claims through the week ending December 5, 2020



# Unemployment Insurance Claims



## Continued Claims:

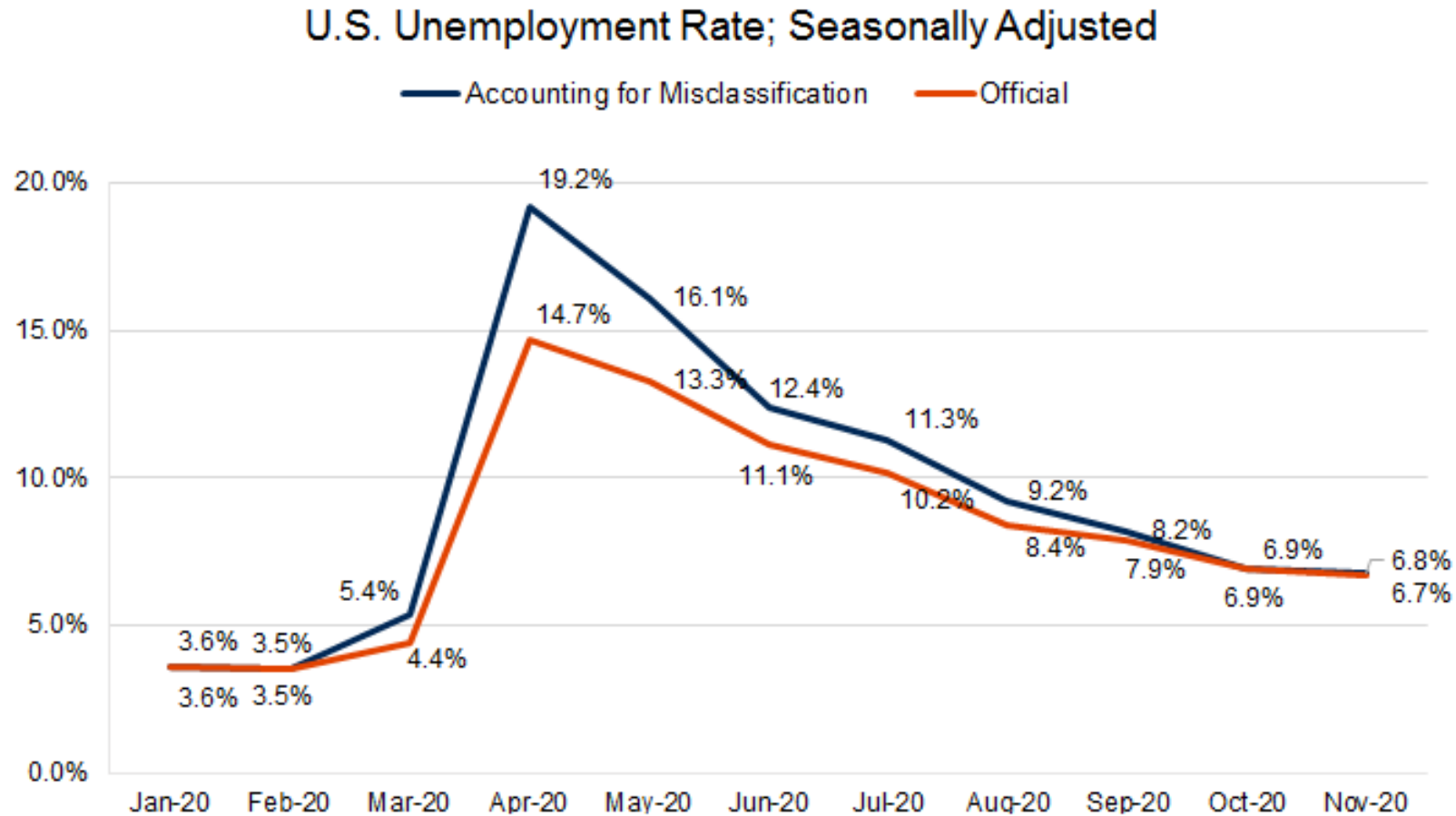
- Arizona claims decreased by 6.6% or 5,876 claims during the week ending Dec. 5
- U.S. claims decreased by 4.7% or 273,000 claims during the week ending Dec. 5

*Note: Graph reflects continued claims through the week ending December 5, 2020*

# Impacts of COVID-19 on the BLS Household Survey

- Beginning with 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-November 2020

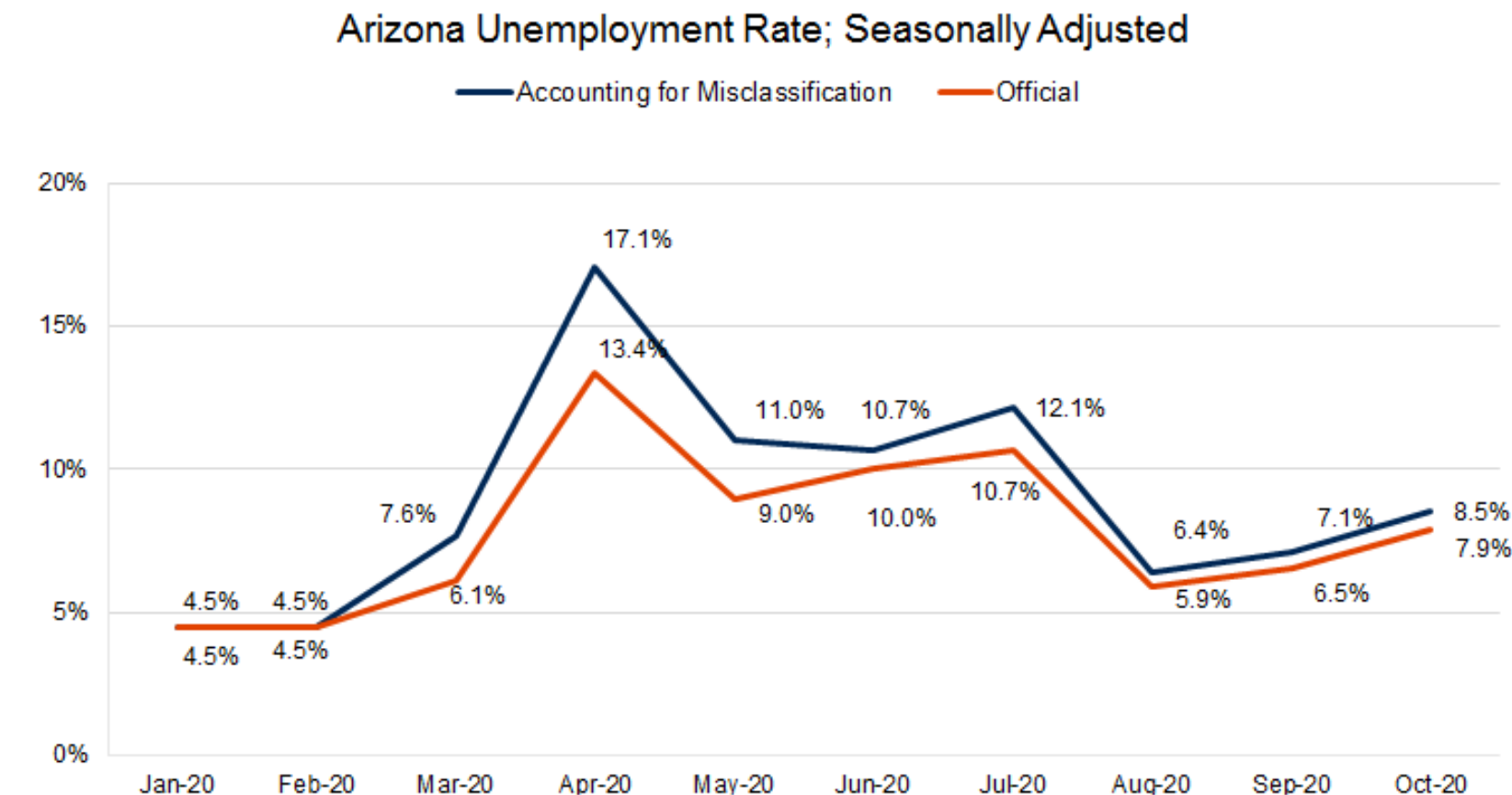
# Impacts of COVID-19 on the BLS Household Survey



Note: Unemployment rate is seasonally adjusted, but count of misclassified workers is not.

Source: Bureau of Labor Statistics

# Impacts of COVID-19 on the BLS Household Survey



Arizona misclassification data available only through Oct. '20. Nov. '20 data will be available Dec. 18, '20

Note: Unemployment rate is seasonally adjusted, but count of misclassified workers is not.  
Source: Bureau of Labor Statistics

# Impacts of COVID-19 on the BLS Household Survey

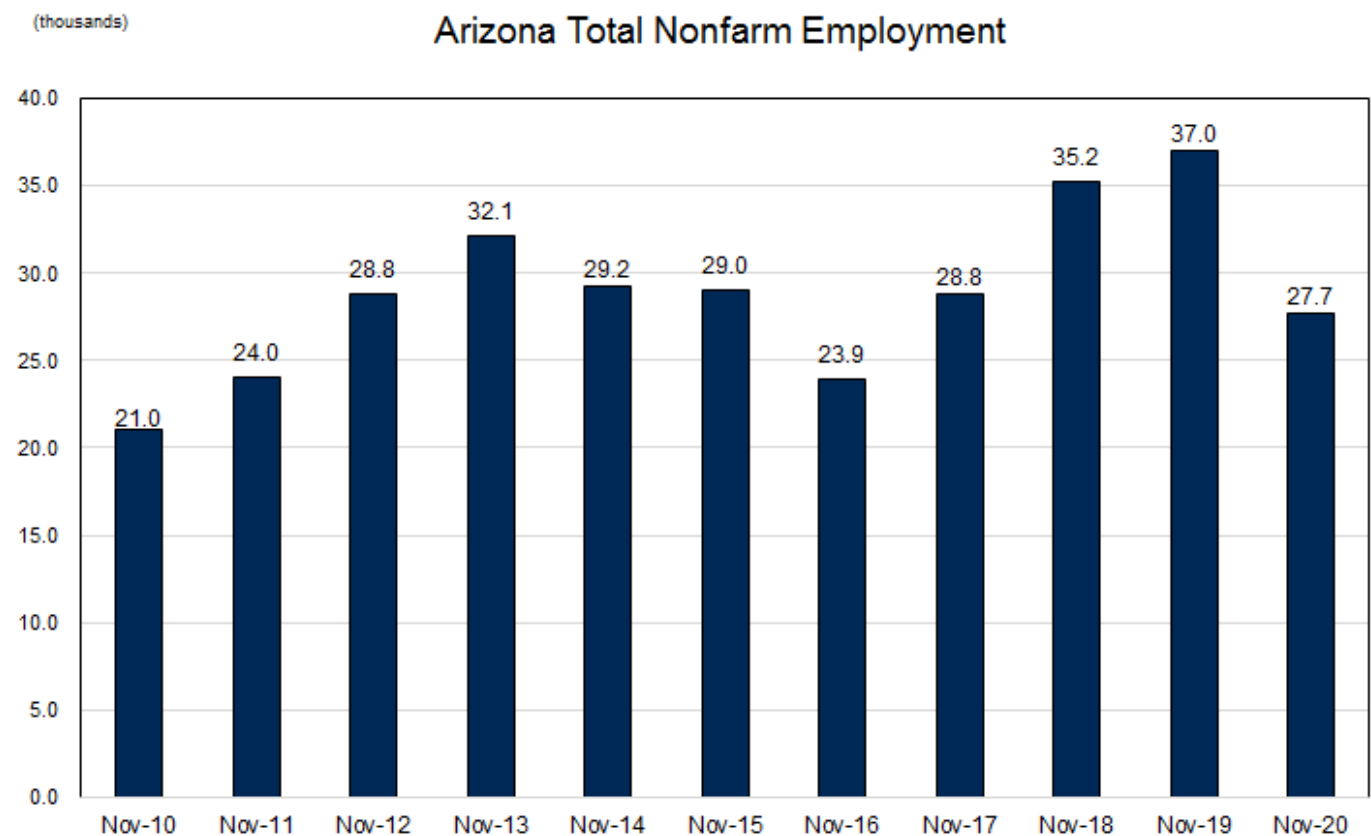
## Household Survey Response Rate

| 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%           | 75%     |
| November 2020  | 79%           | --      |

Source: U.S. Bureau of Labor Statistics

*Note: The Arizona Nov. '20 response rate will be release on Dec. 18, '20*

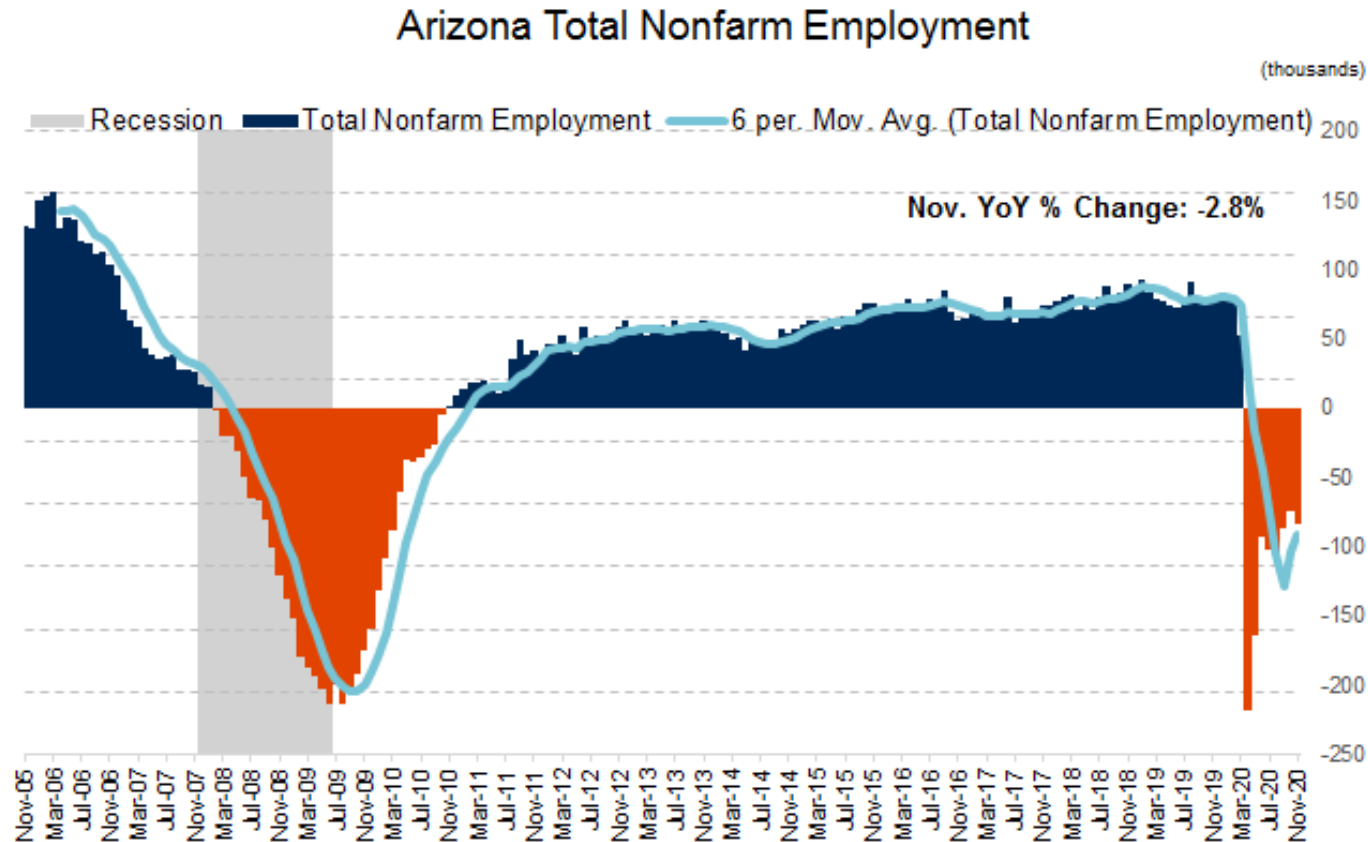
# Month-Over-Month Employment Change



Historic 10-Year Average ('10-'19): 28,900 Jobs or 1.1%

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

# Year-Over-Year Employment Change

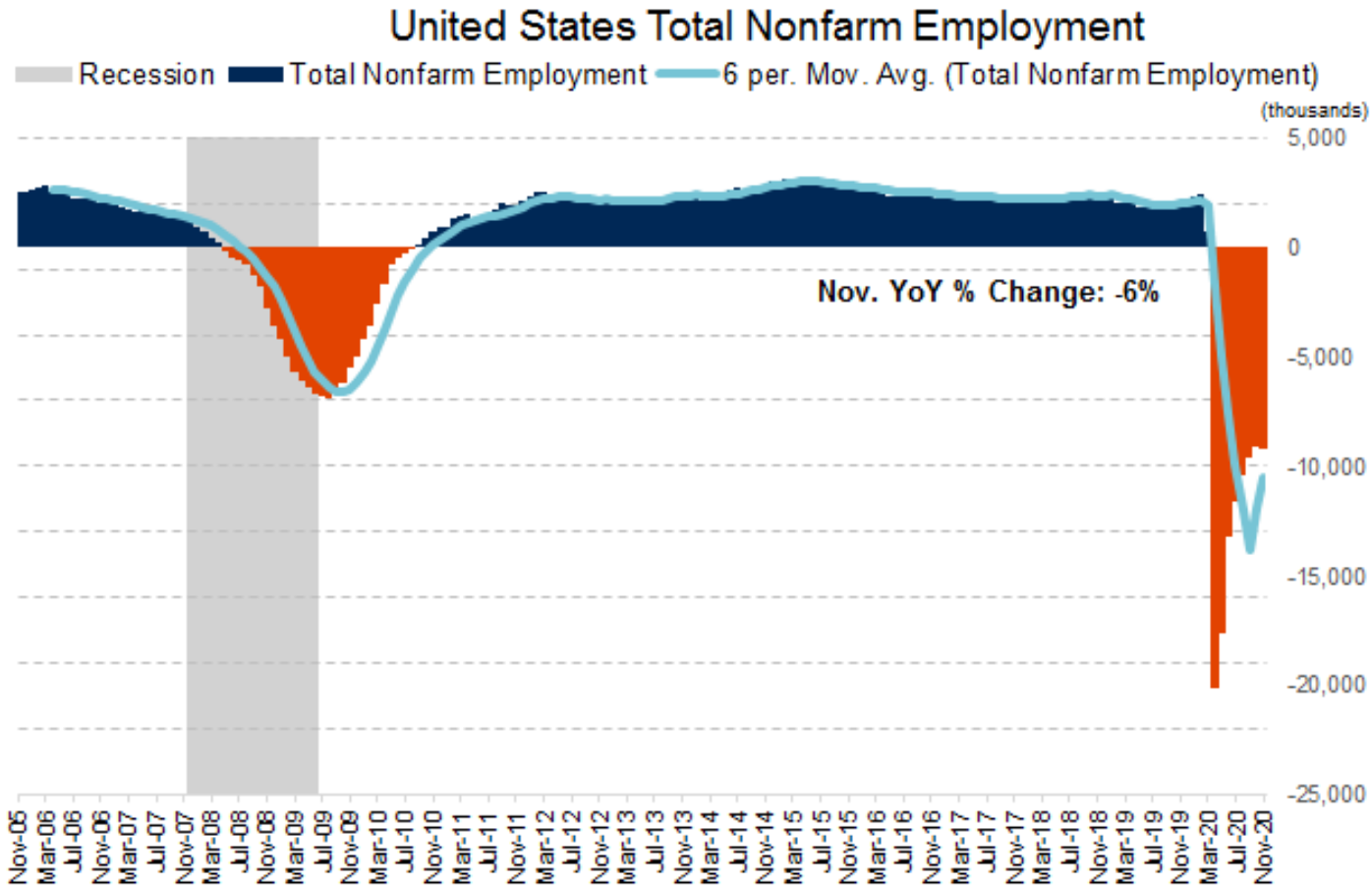


Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS

## Notable Changes:

- Arizona nonfarm employment declined 2.8% YoY (83,900 jobs)

# Year-Over-Year Employment Change



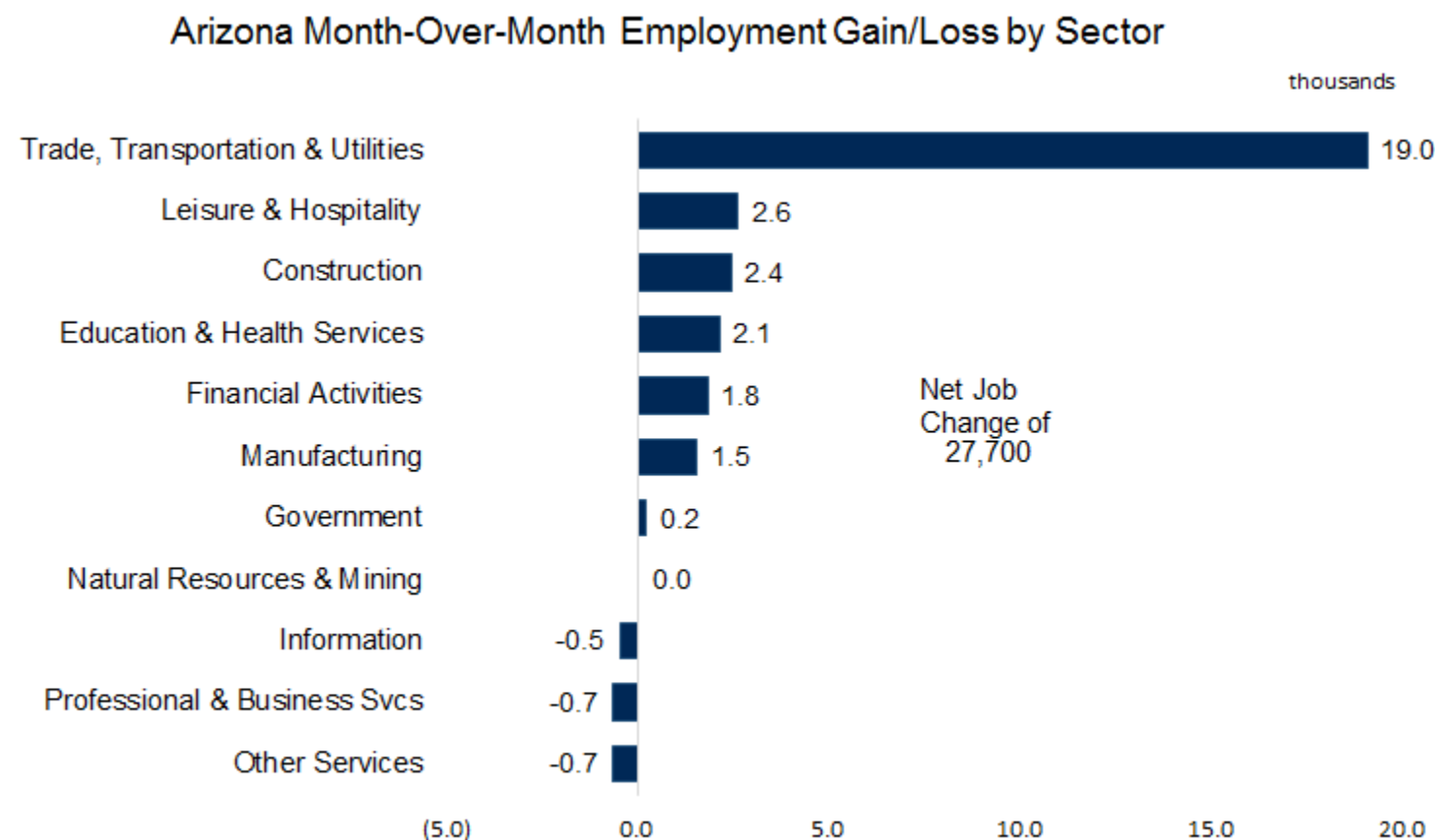
Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS

## Notable Changes:

- U.S. nonfarm employment declined 6.0% YoY in November 2020 (9,172,000 jobs)

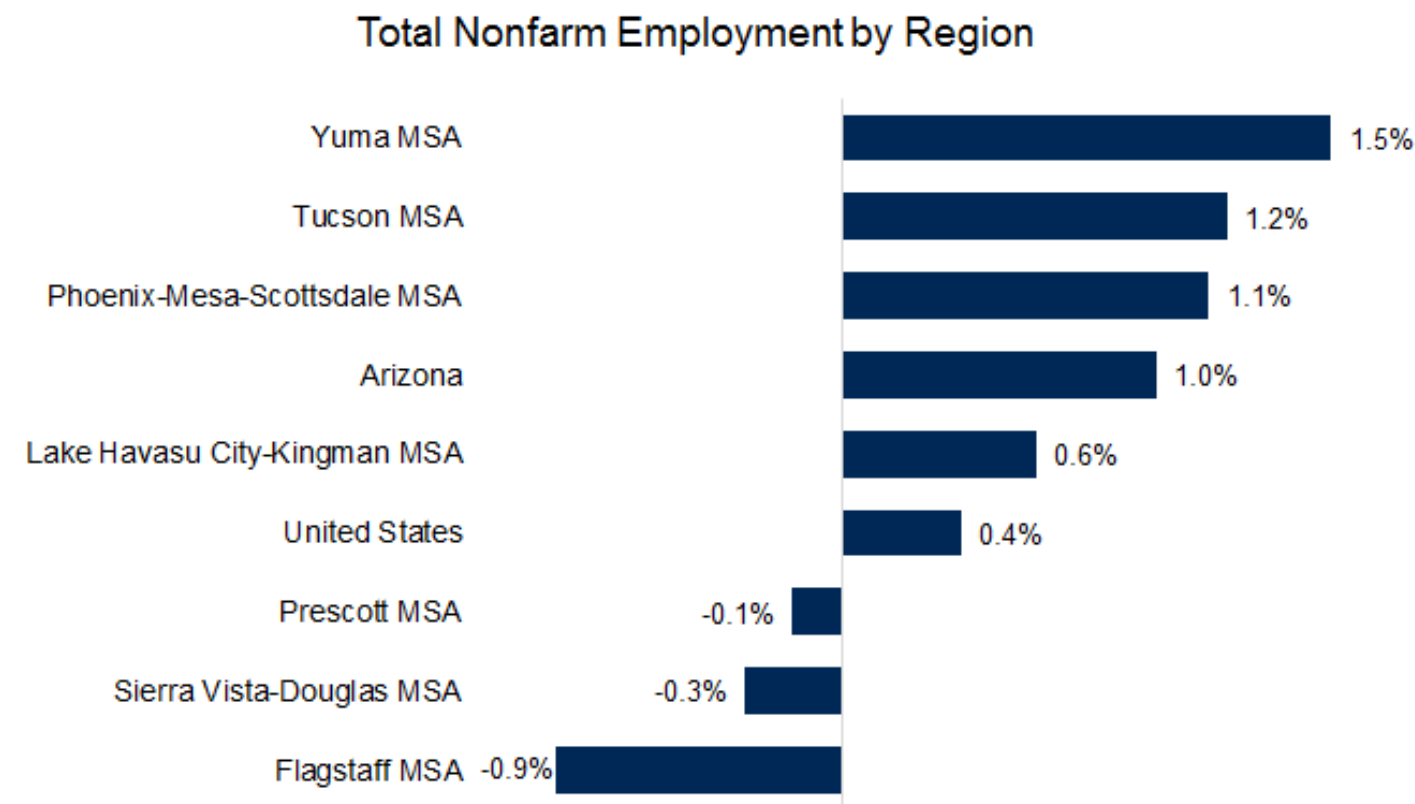


# Month-Over-Month Employment Change



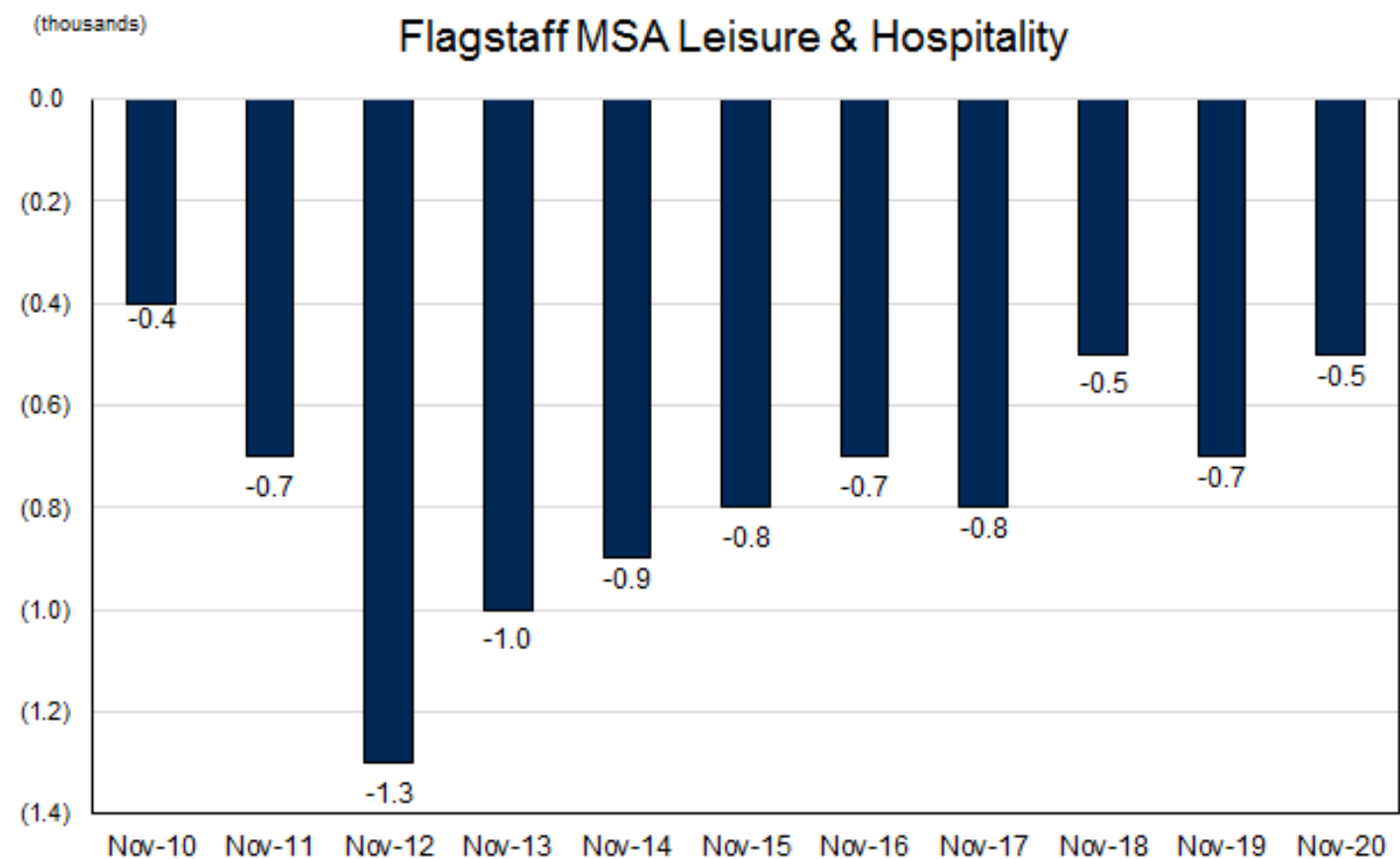
Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics

# Month-Over-Month Employment Change



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

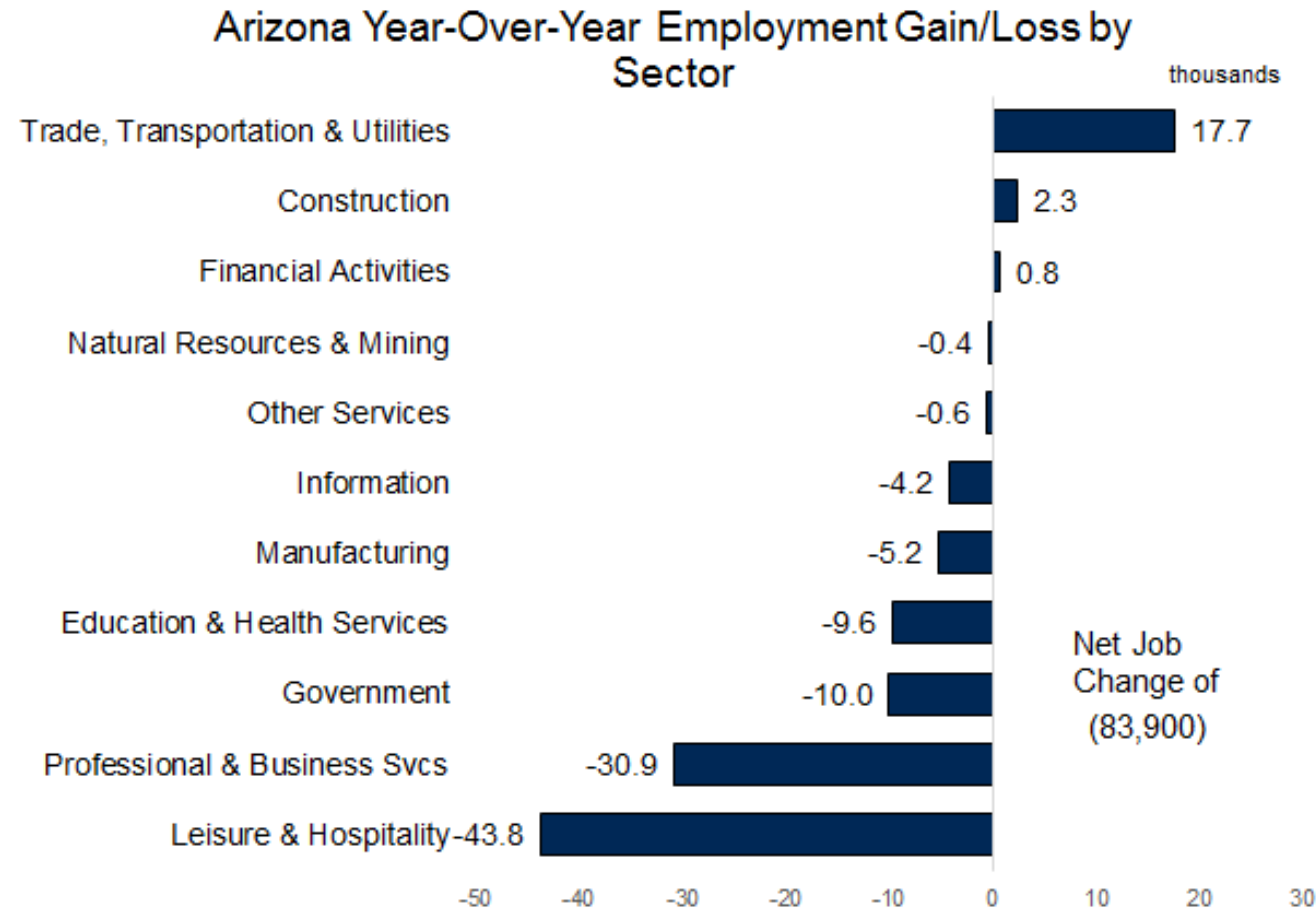
# Month-Over-Month Employment Change



**Historic 10-Year Average ('10-'19): -800 Jobs or -5.6%**

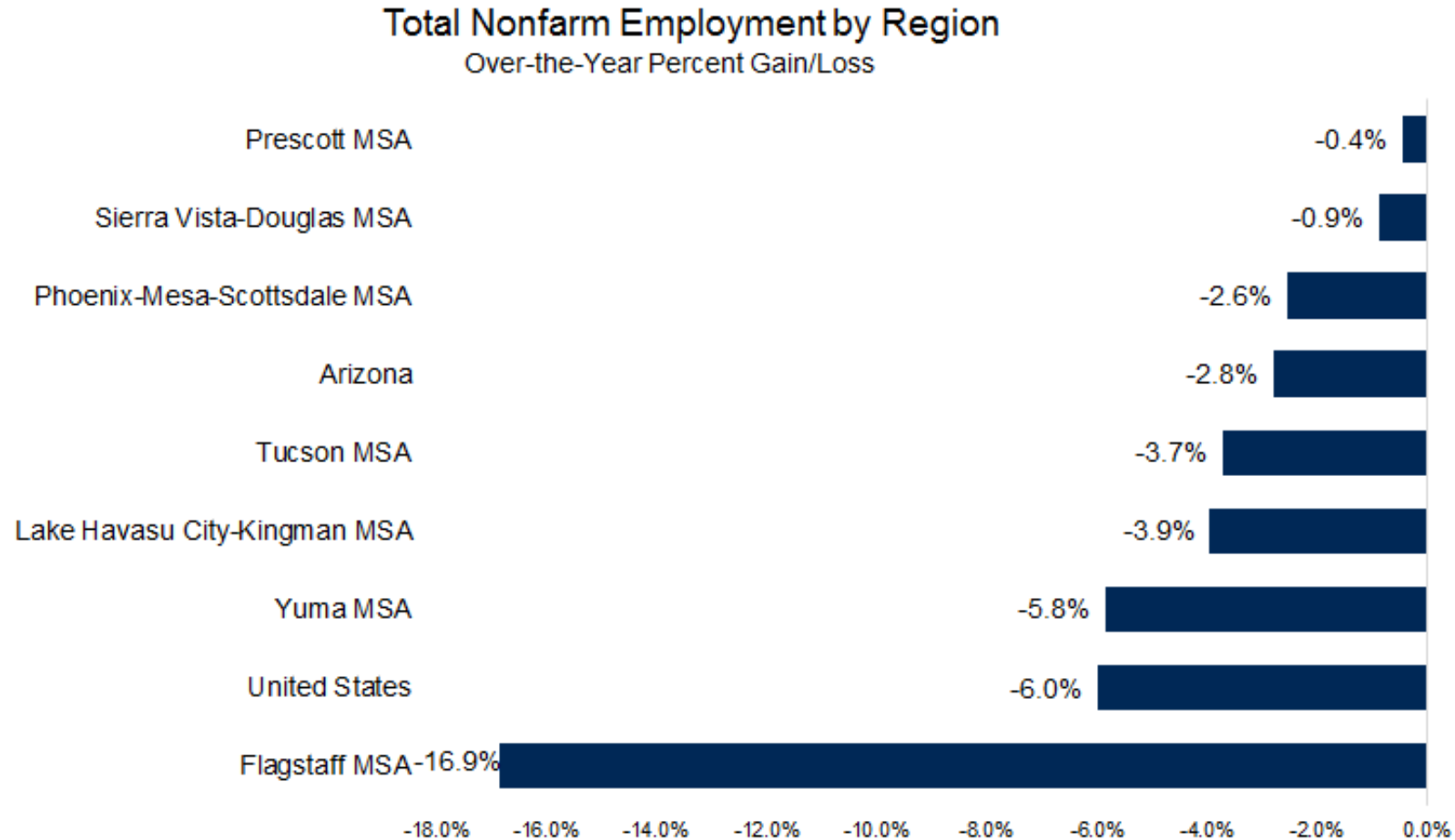
*Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS*

# Year-Over-Year Employment Change



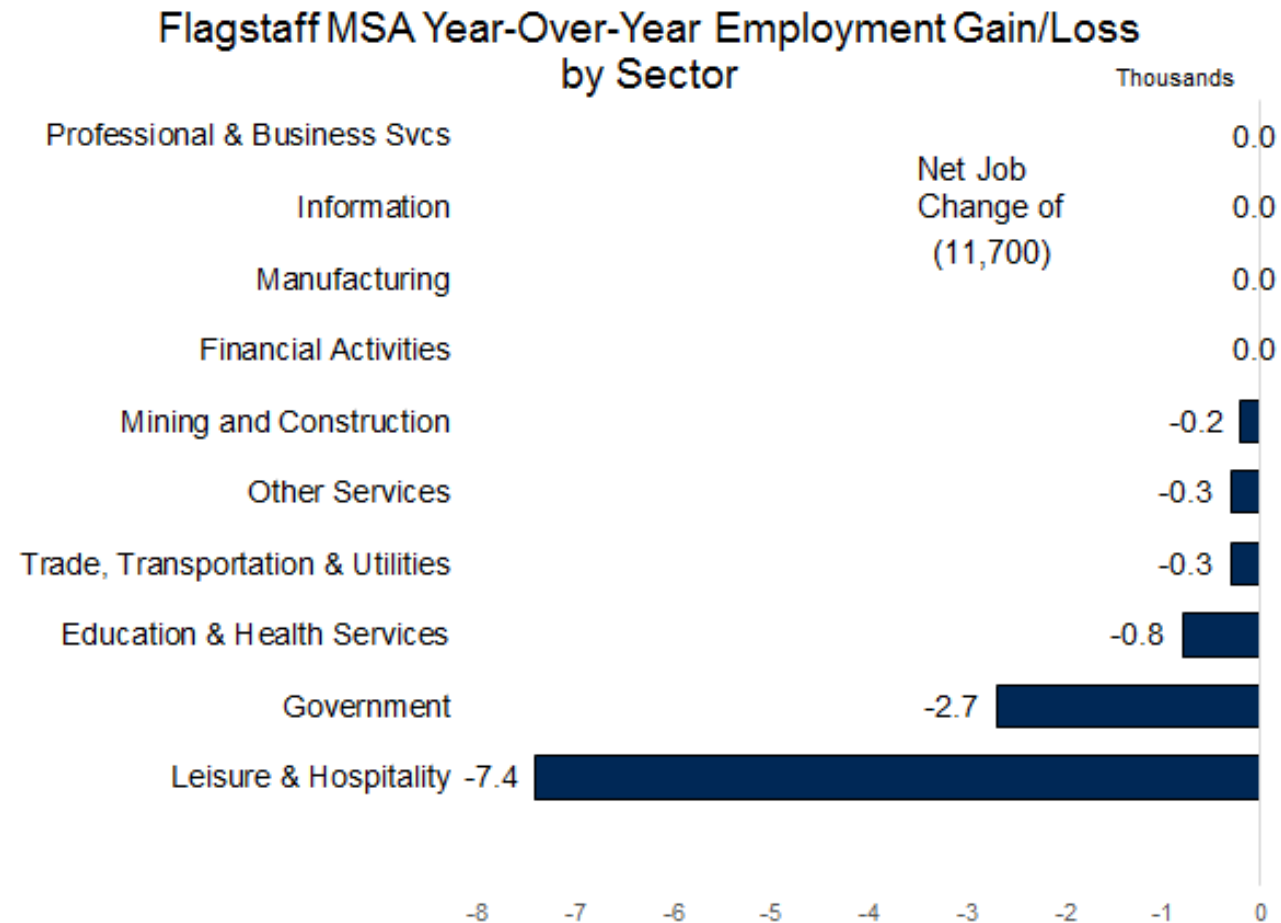
Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS

# Year-Over-Year Employment Change



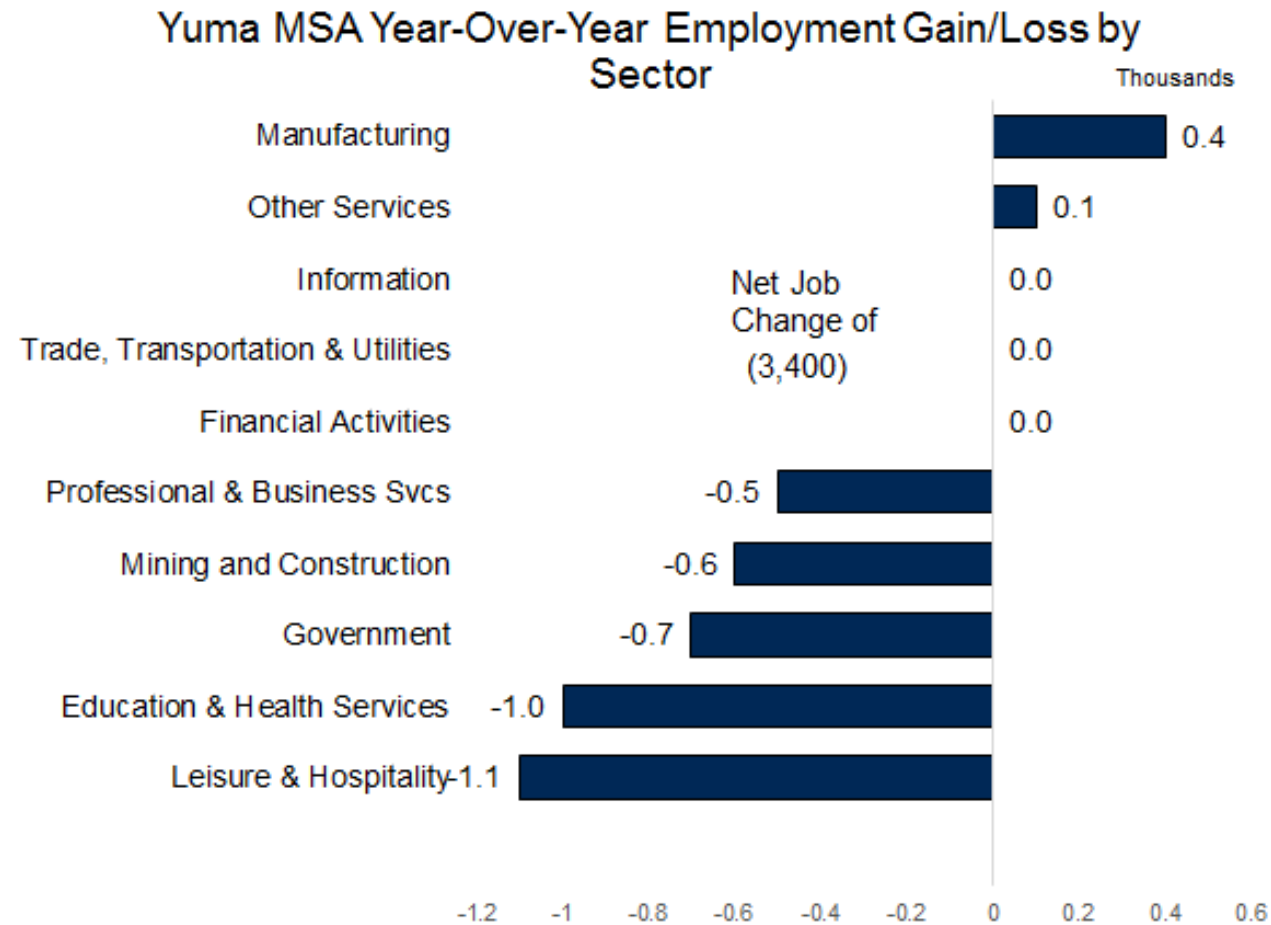
Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS

# Year-Over-Year Employment Change



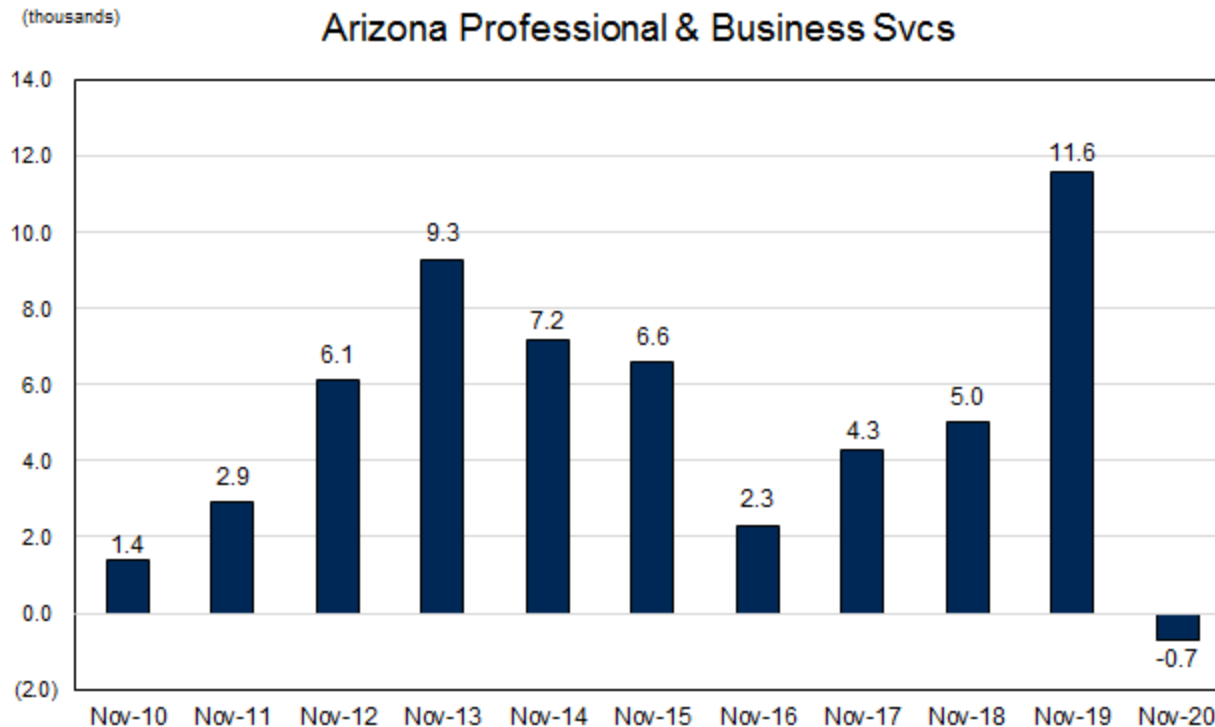
Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS

# 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): 5,700 Jobs or 1.4%

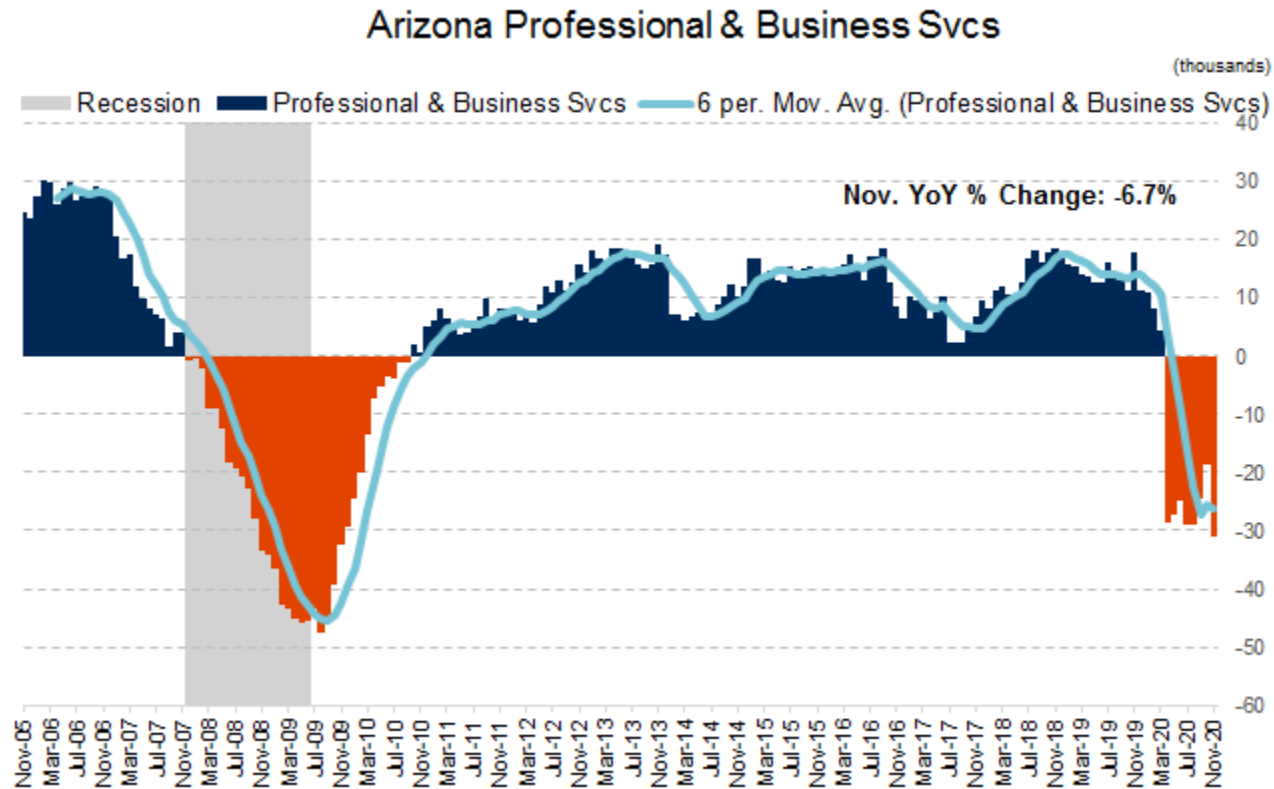
Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS

## Highlights:

- Job gains were recorded in Services to Buildings and Dwellings (1,200 jobs or 2.7%)
- Job losses were recorded in Employment Services (-2,500 jobs or -2.4%)
  - Losses were reported in Temporary Help and Professional Employer Organizations
- Job losses were recorded in Professional, Scientific and Technical Services (-1,100 jobs or -0.7%)
  - Losses were reported in Public Relations, and Offices of Certified Public Accountants



# Year-Over-Year Employment Change



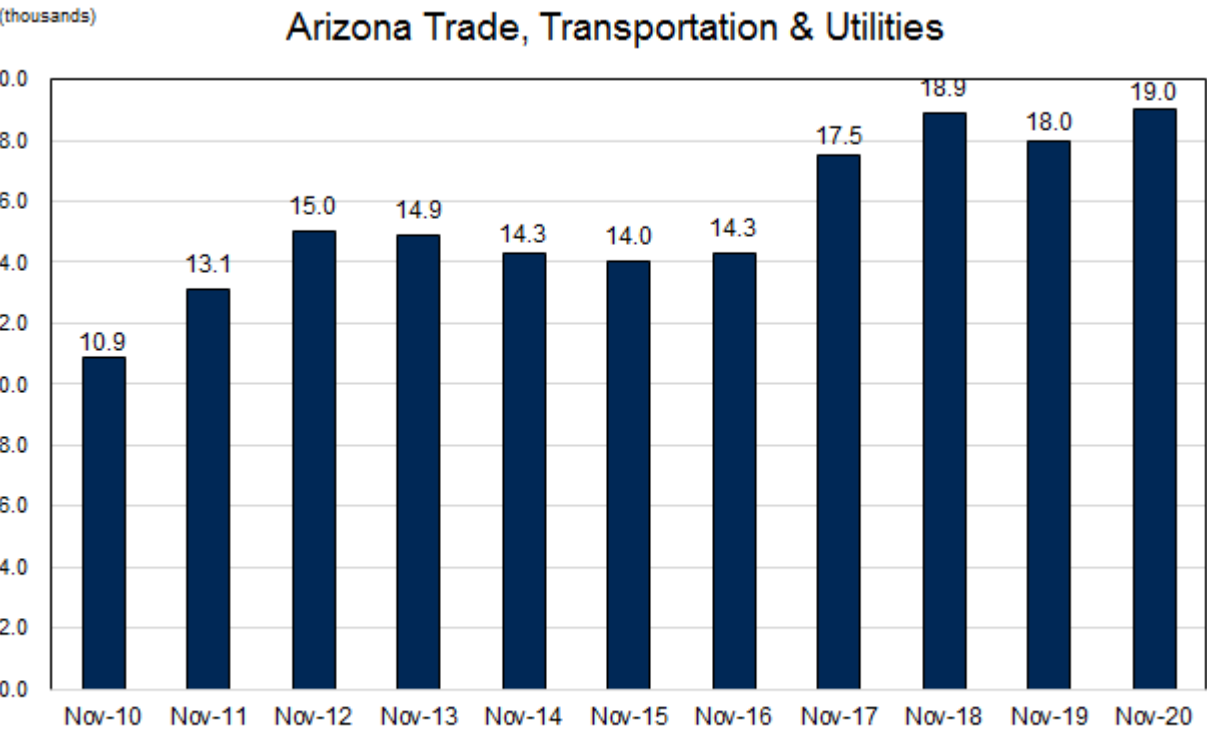
## Notable Losses:

- Employment Services lost 15,300 jobs (-12.9%)
- Business Support Services lost 5,600 jobs (-13.8%)
- Professional, Scientific and Technical Services lost 1,600 jobs (-1.0%)

## Notable Gains:

- Services to Buildings and Dwellings gained 1,400 jobs (3.1%)

# Month-Over-Month Employment Change



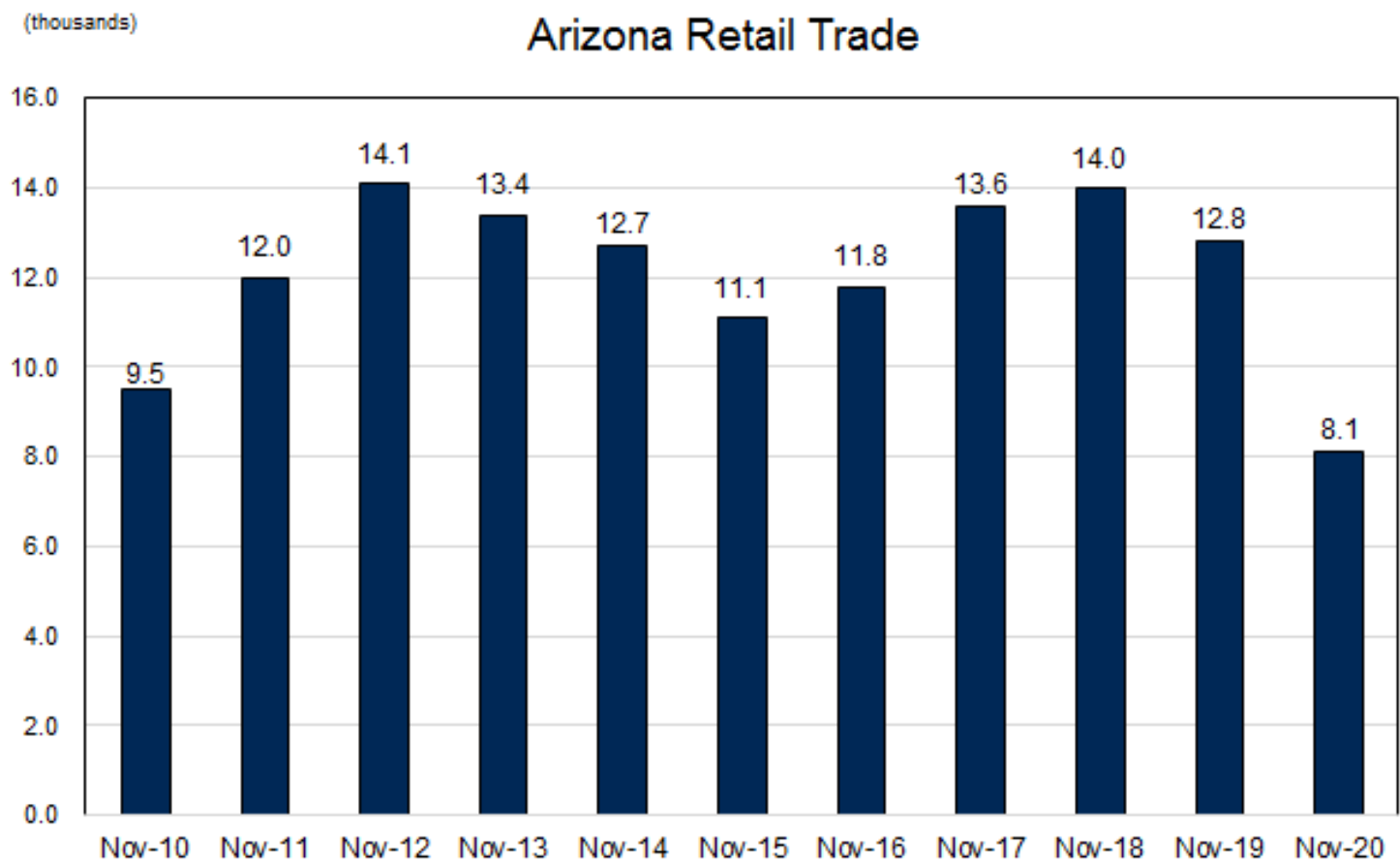
Historic 10-Year Average ('10-'19): 15,100 Jobs or 3.0%

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 9,200 jobs or 7.8%
  - Gains reported in Couriers, Express Delivery, and General Warehousing
- Retail Trade recorded a gain of 8,100 jobs or 2.5%
  - Food and Beverage Stores gained 800 jobs
  - Motor Vehicle and Parts gained 500 jobs
- Wholesale Trade recorded a loss of 1,600 jobs or 1.6%

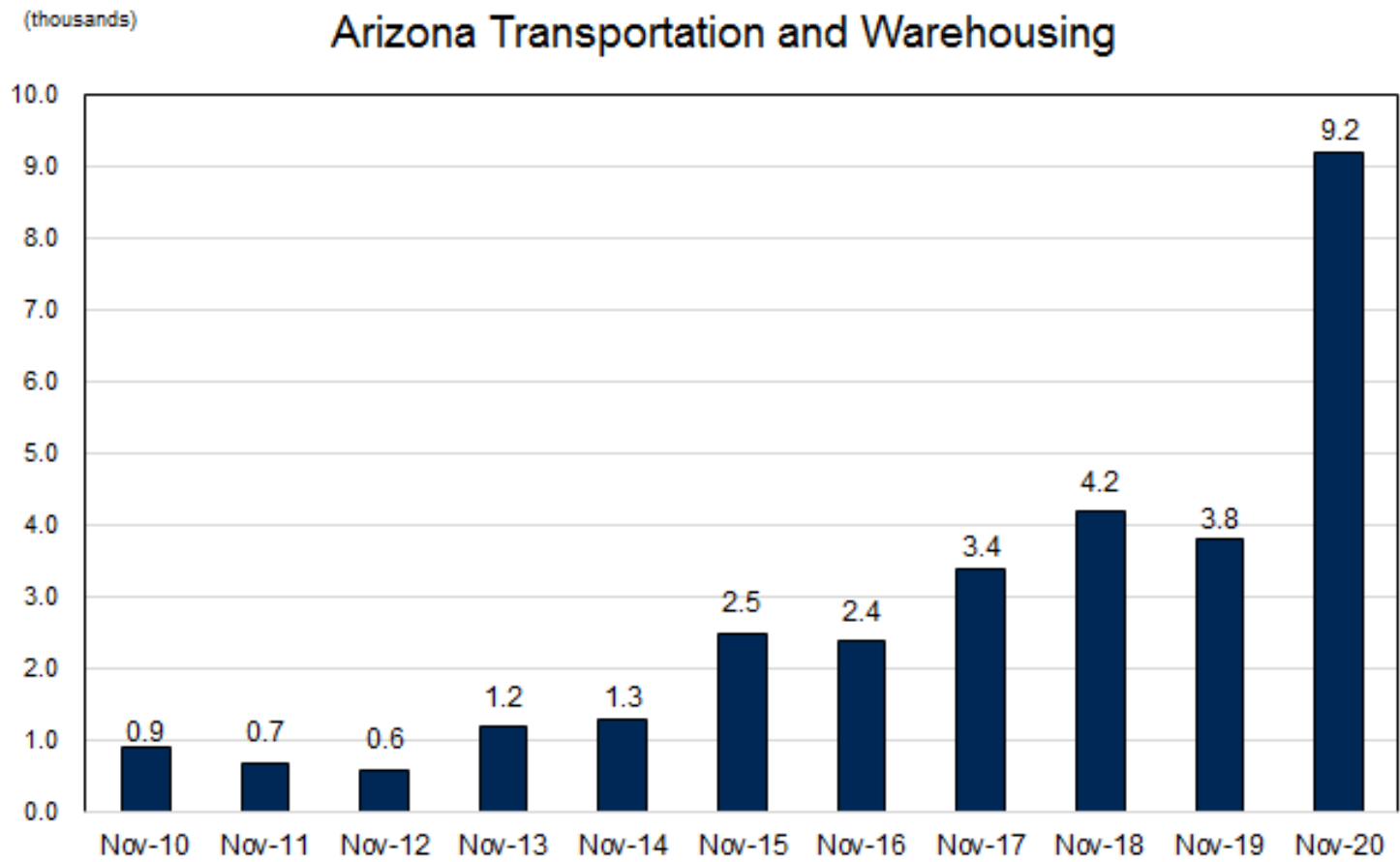
# Month-Over-Month Employment Change



**Historic 10-Year Average ('10-'19): 12,500 Jobs or 4.0%**

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

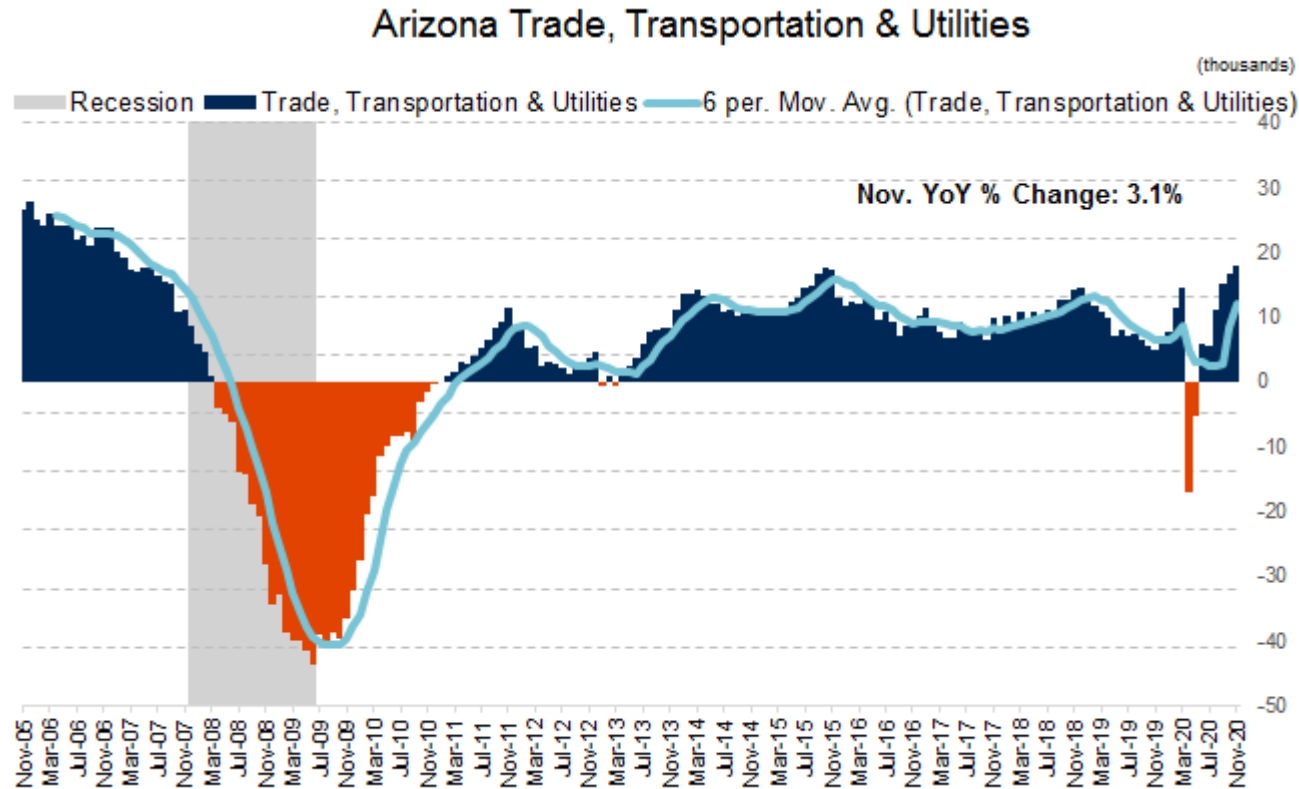
# Month-Over-Month Employment Change



**Historic 10-Year Average ('10-'19): 2,100 Jobs or 2.3%**

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

# Year-Over-Year Employment Change



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

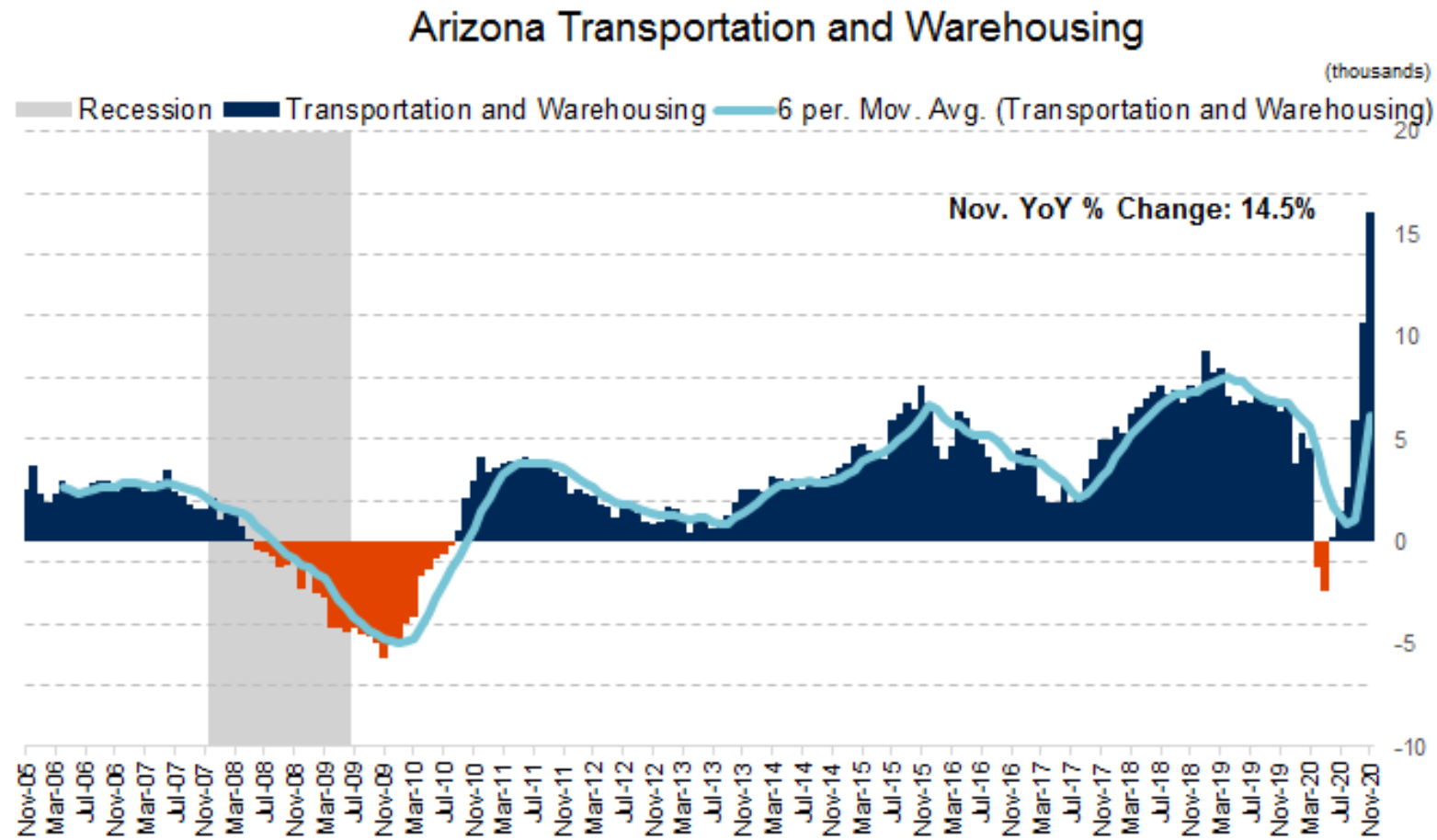
## Notable Gains:

- Transportation and Warehousing recorded a gain of 16,100 jobs (14.5%)
- Wholesale Trade recorded a gain of 2,700 jobs (2.7%)

## Notable Loss:

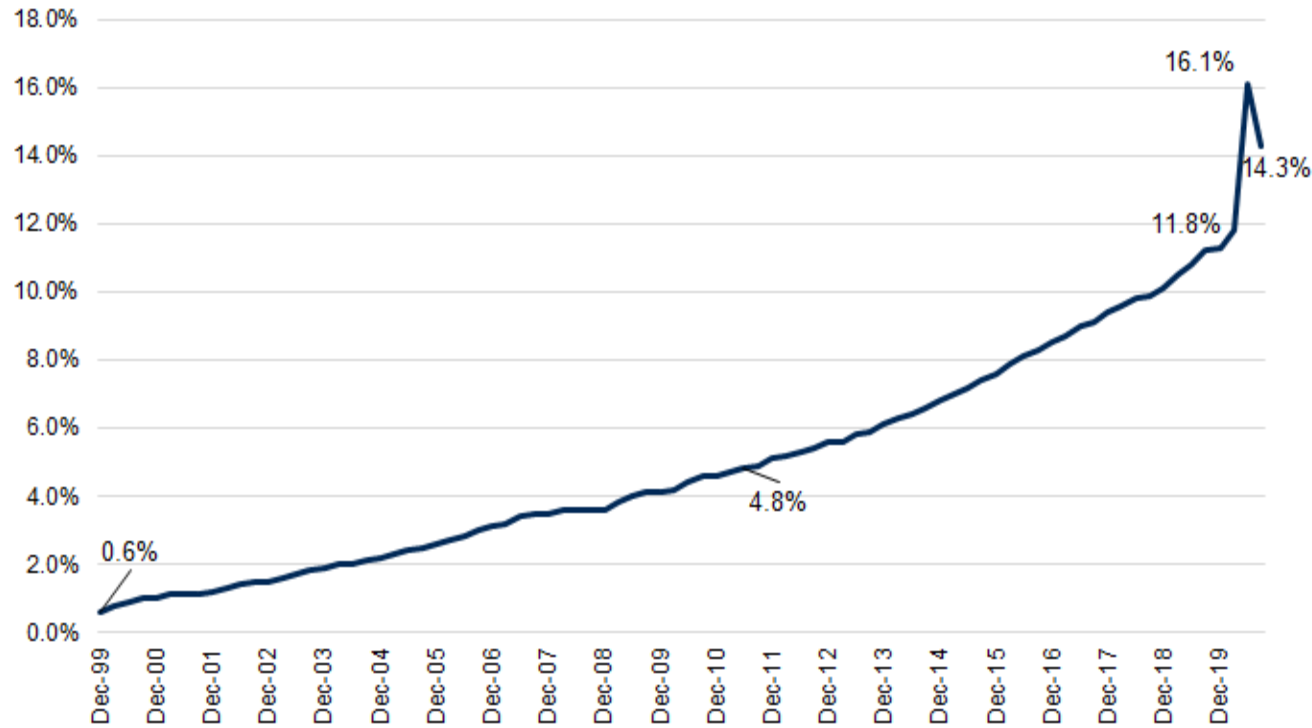
- Retail Trade lost 1,600 jobs (-0.5%)

# Year-Over-Year Employment Change



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

# U.S. E-Commerce Retail Sales as a Percent of Total Sales

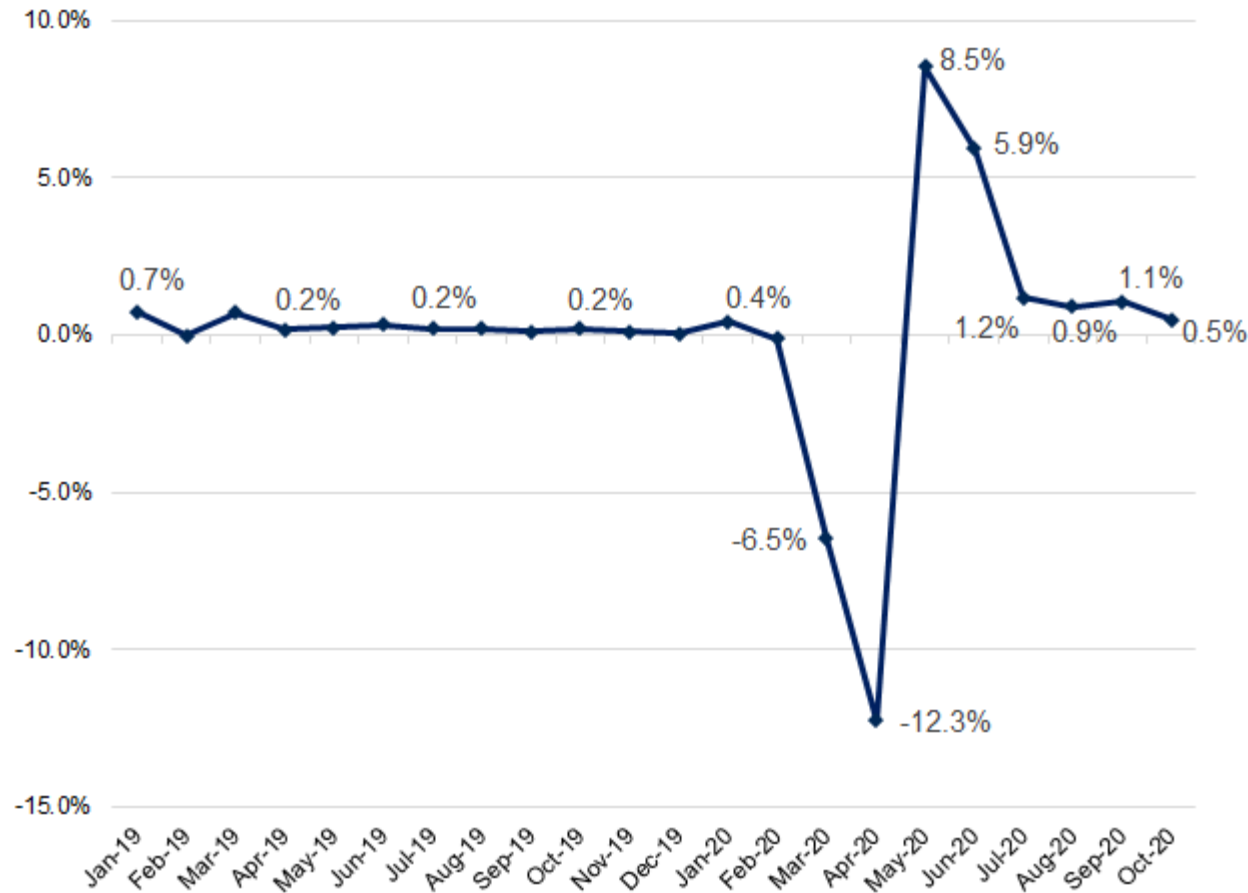


Source: U.S. Census Bureau

Highlight:

U.S. e-commerce sales as a percent of total sales declined from 16.1% in Q2 2020 to 14.3% in Q3 2020.

# U.S. Personal Consumption Expenditures Month-Over-Month Percent Change



Source: Bureau of Economic Analysis

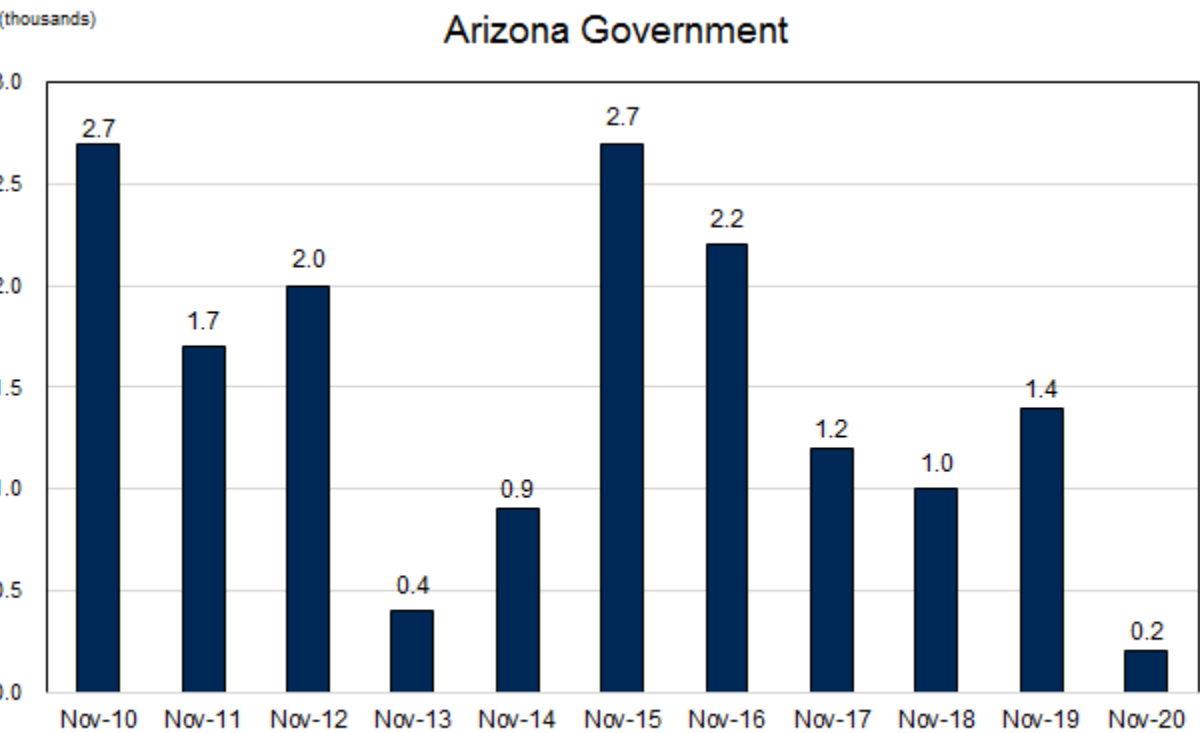
## Highlights:

Personal consumption expenditure growth increased by 0.5% from Sep. '20 to Oct. '20

- The largest increases were recorded in the following categories:
  - Recreation Services (2.6%)
  - Transportation Services (1.7%)
  - Recreational Goods and Vehicles (1.5%)
- The largest decreases were recorded in the following categories:
  - Gasoline and Other Energy Goods (-1.5%)
  - Clothing and Footwear (-0.8%)
  - Food Services and Accommodations (-0.4%)



# Month-Over-Month Employment Change



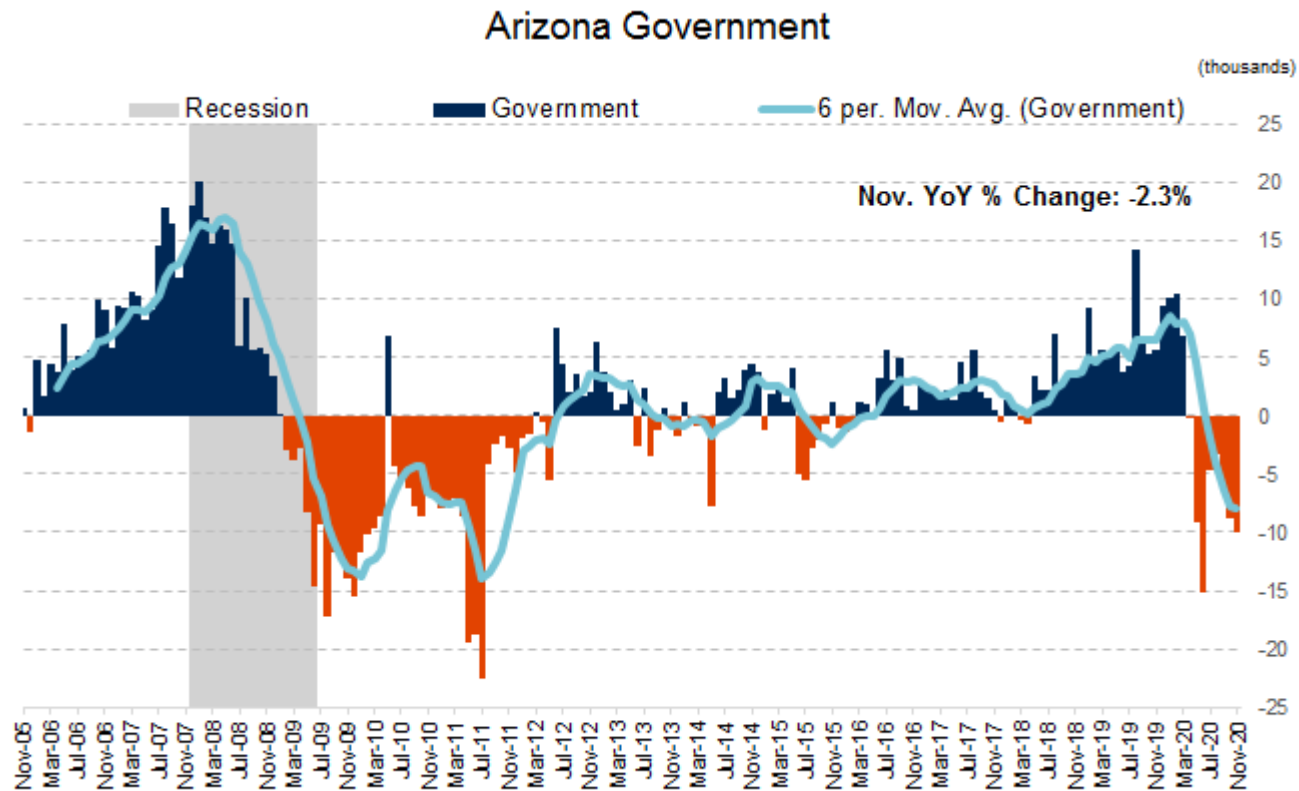
Historic 10-Year Average ('10-'19): 1,600 Jobs or 0.4%

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

## Highlights:

- Local Government Education gained 1,600 jobs or 1.1%
- State Government Education gained 100 jobs or 0.2%
- Federal Government recorded a loss of 2,400 jobs or -4.1%
  - Losses related to decennial Census ending

# Year-Over-Year Employment Change

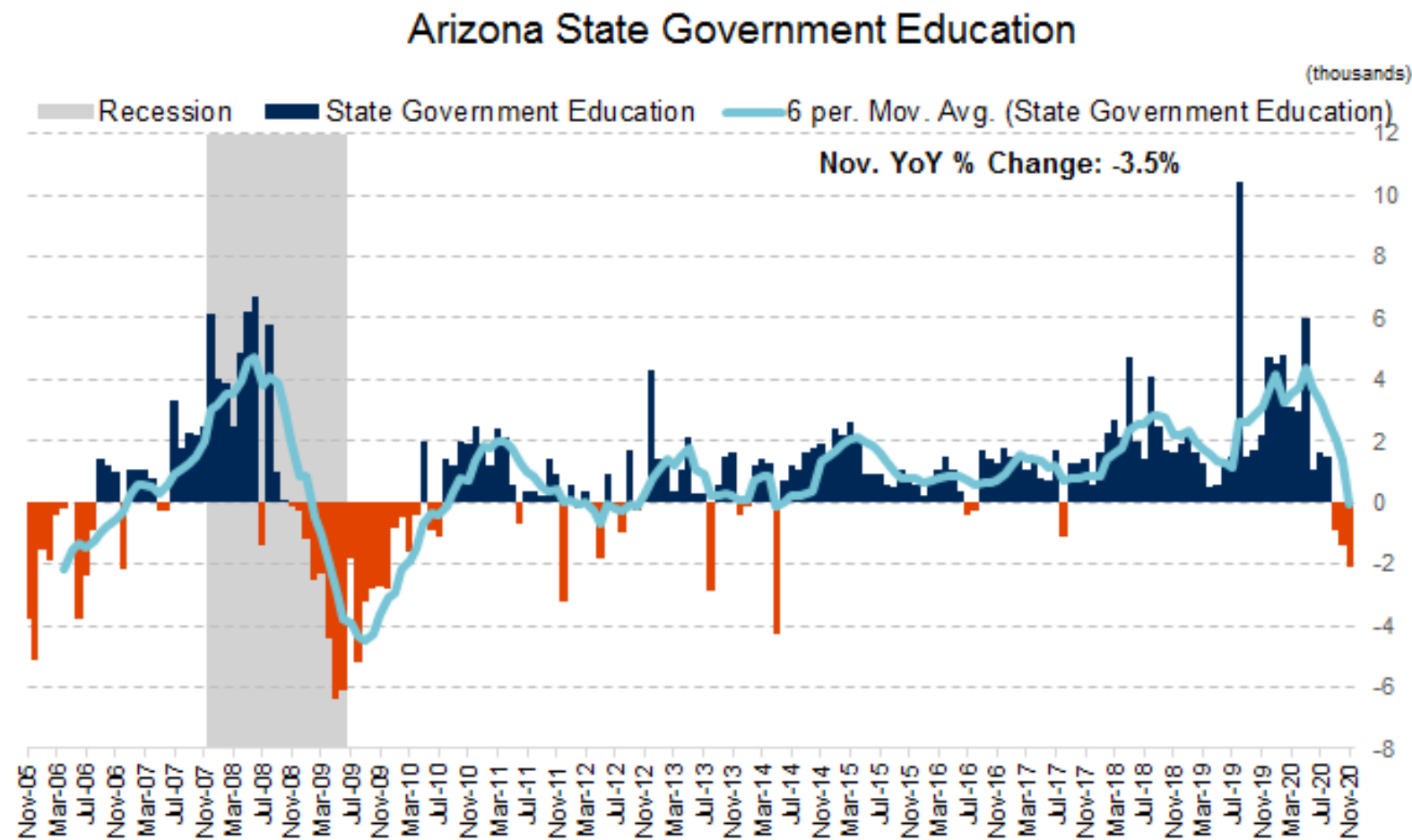


Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS

## Notable Losses:

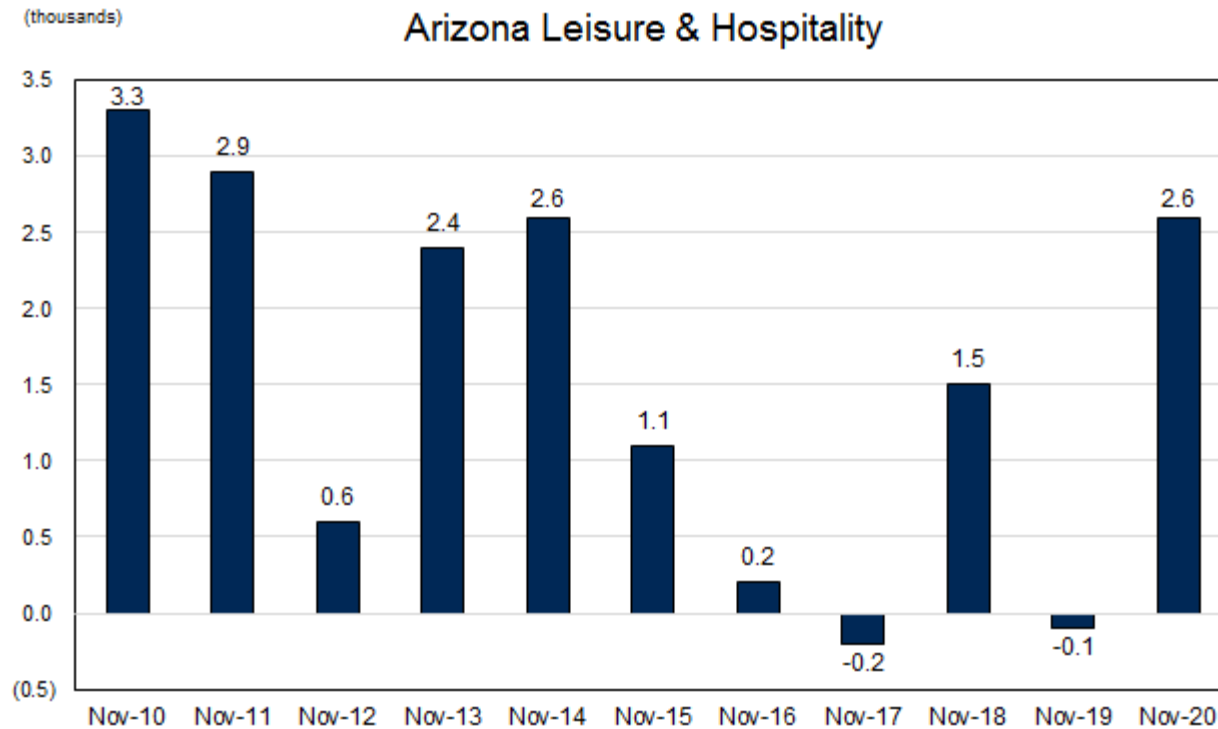
- State Government Education recorded a loss of 2,100 jobs (-3.5%)
- Local Government Education recorded a loss of -6,000 jobs (-4.0%)

# 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): 1,400 Jobs or 0.5%

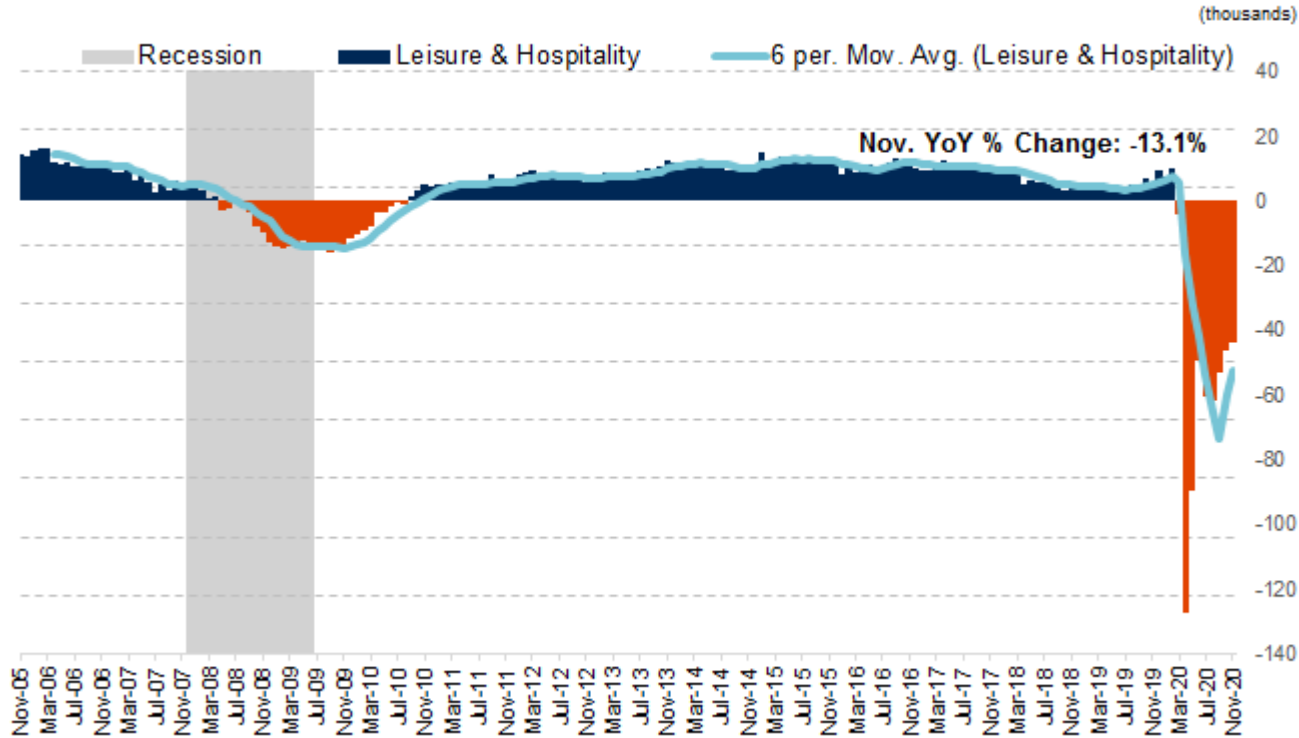
Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS

## Highlights:

- Food Services and Drinking Places gained 2,600 jobs or 1.2%
  - Gains were reported in Full Service and Limited Service Restaurants
- Arts, Entertainment and Recreation gained 700 jobs or 2.1%
  - Loses were reported in Fitness and Recreation Sports Centers
- Accommodations lost 700 jobs or -2.2%

# Year-Over-Year Employment Change

Arizona Leisure & Hospitality



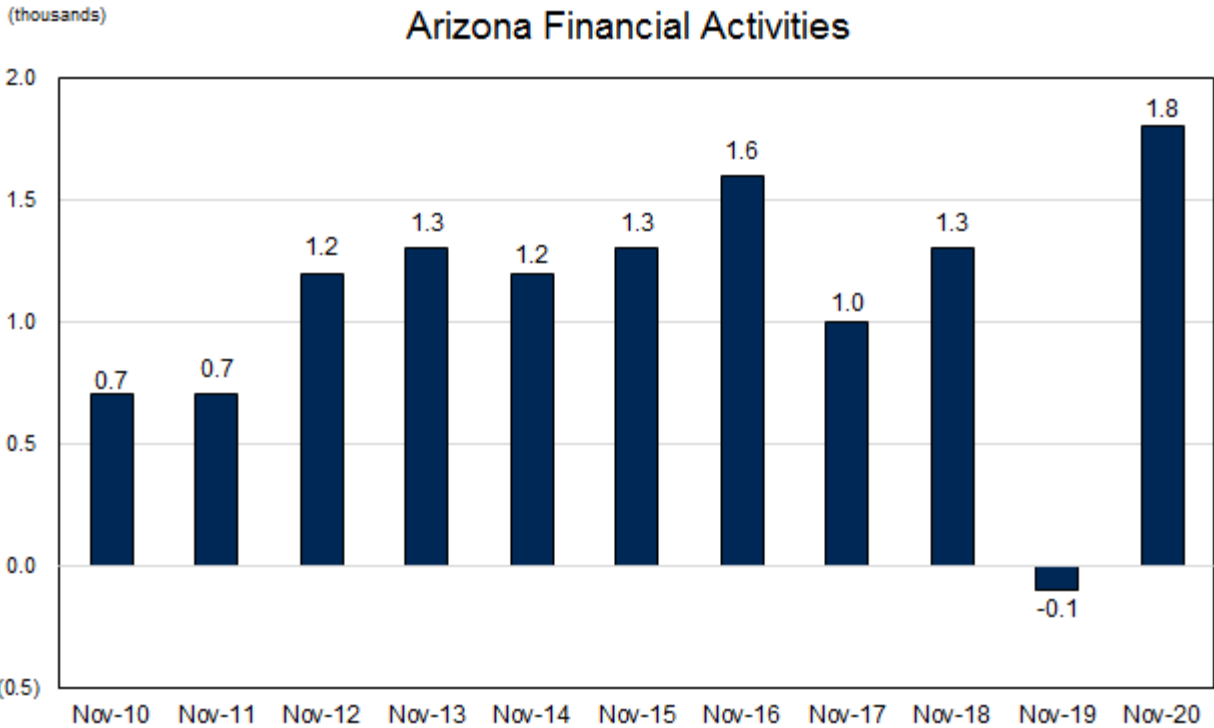
Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS

## Notable Losses:

- Food Services and Drinking Places recorded a loss of 18,000 jobs (-7.4%)
- Arts, Entertainment, and Recreation experienced losses of 11,100 jobs (-24.5%)
- Accommodations recorded a loss of 14,700 jobs (-32.3%)

U.S. Leisure and Hospitality employment declined by 19.8% YoY in November 2020

# Month-Over-Month Employment Change



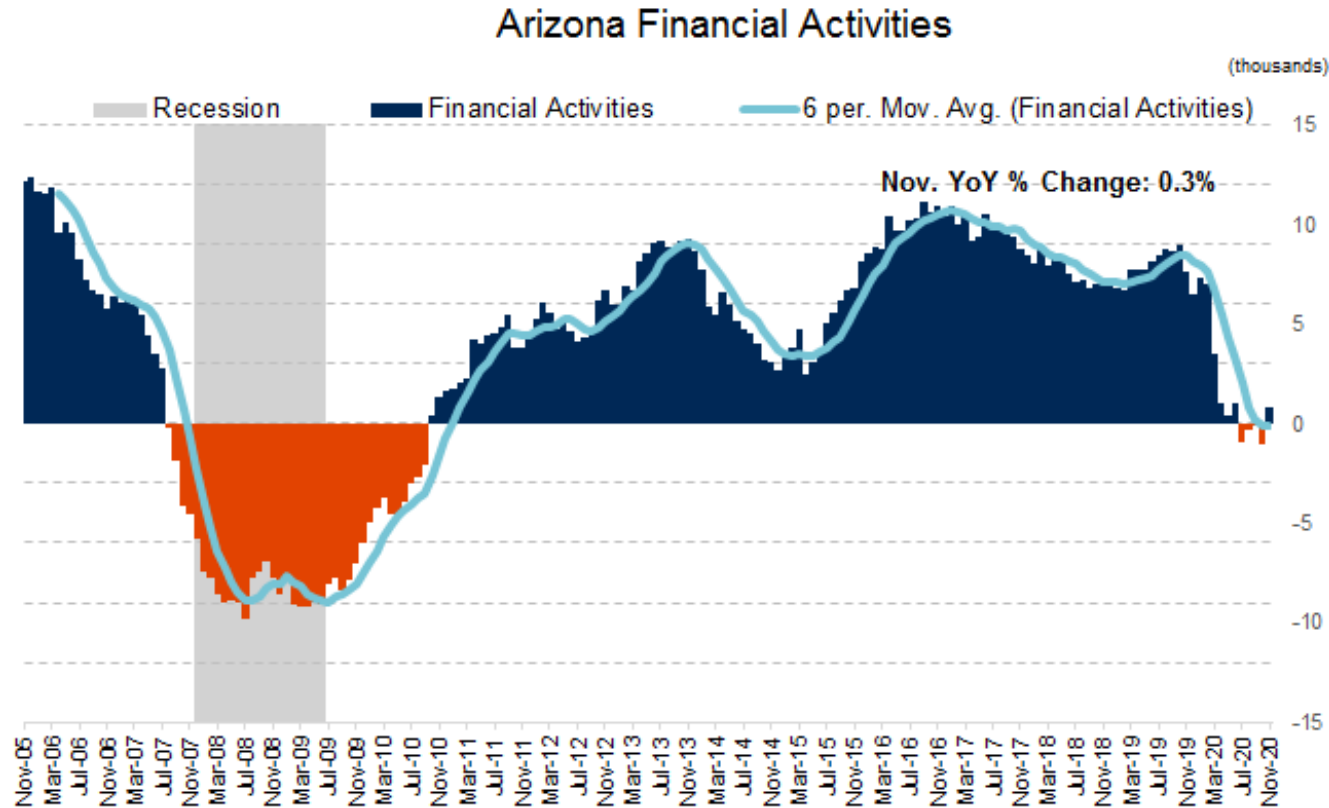
Historic 10-Year Average ('10-'19): 1,000 Jobs or 0.5%

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

## Highlights:

- Credit Intermediaries recorded a gain of 1,200 jobs
  - Gains were reported in Commercial Banking
- Insurance Carriers recorded a gain of 700 jobs
- Real Estate, Rental, and Leasing recorded a loss of 100 jobs or -0.2%

# Year-Over-Year Employment Change



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

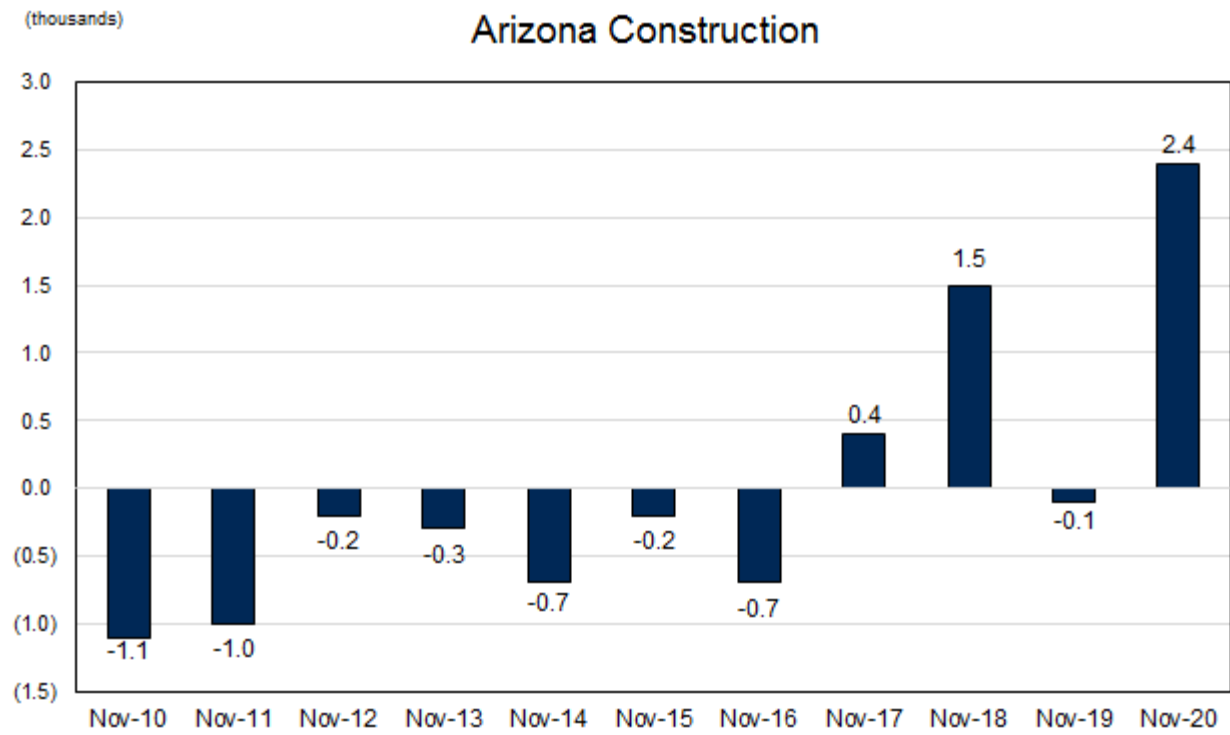
## Notable Losses:

- Real Estate and Rental and Leasing recorded a loss of 1,100 jobs (-2.0%)
- Insurance Carriers recorded a loss of 800 jobs (-1.2%)

## Notable Gain:

- Credit Intermediaries recorded a gain of 2,300 jobs (2.5%)

# Month-Over-Month Employment Change



**Historic 10-Year Average ('10-'19): -200 Jobs or -0.2%**

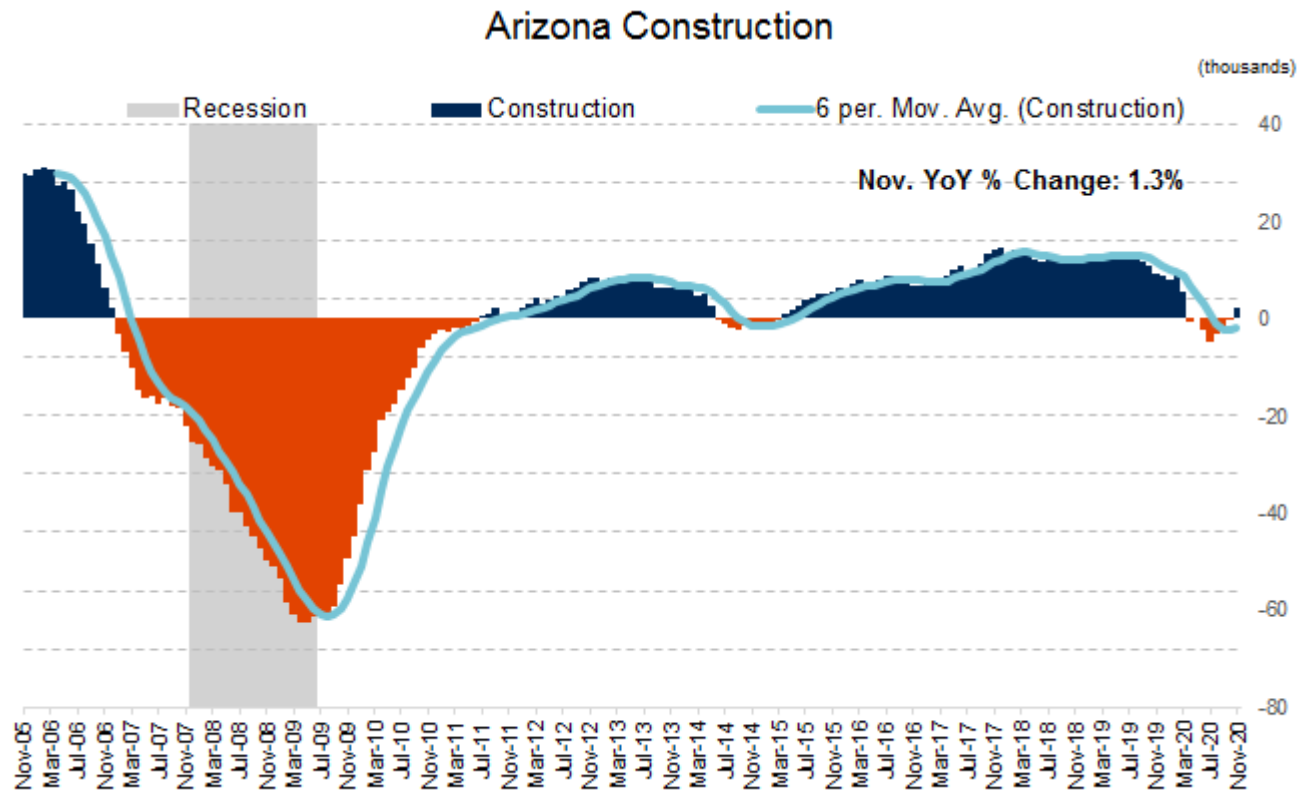
*Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS*

### Highlights:

- Specialty Trade Construction gained 2,800 jobs or 2.4%
- Heavy and Civil Engineering recorded a gain of 400 jobs or 2.0%
- Construction of Buildings recorded a loss of 800 jobs or -2.2%



# Year-Over-Year Employment Change



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

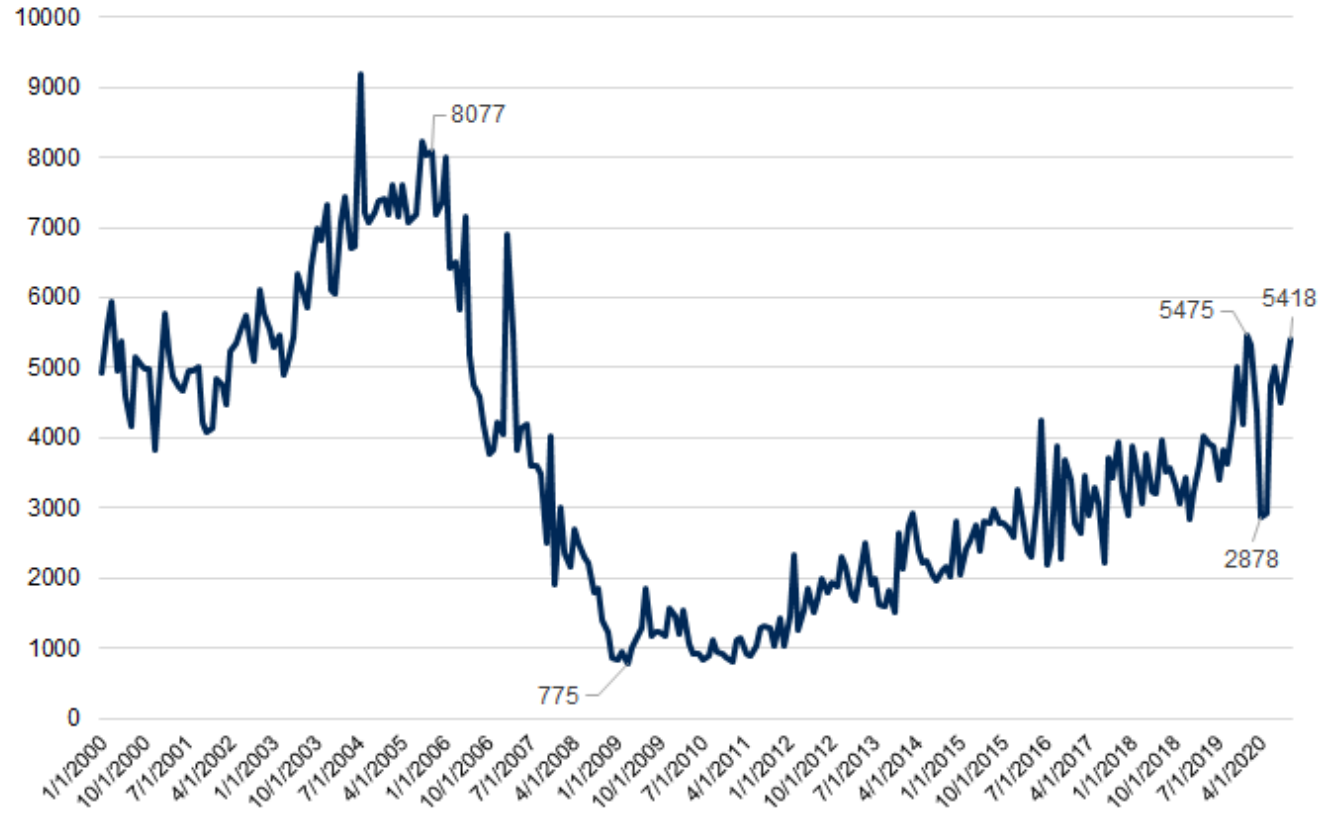
## Notable Gain:

- Specialty Trades gained 3,700 jobs (3.2%)

## Notable Losses:

- Heavy and Civil Construction lost 900 jobs (-4.2%)
- Construction of Buildings lost 500 jobs (-1.4%)

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

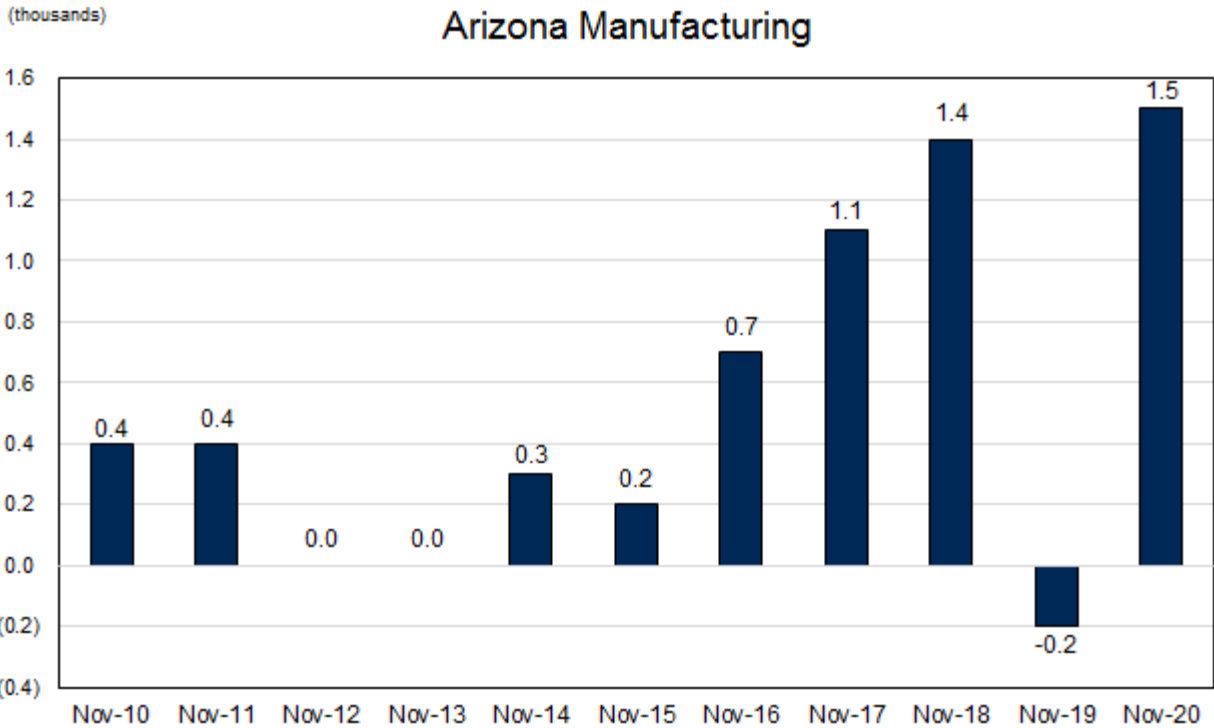


Source: U.S. Census Bureau

## Notable Changes:

- 5,418 building permits were authorized in October 2020, up 1,175 (28%) permit authorizations from October 2019, and up 589 (12%) permit authorizations from September 2020.

# Month-Over-Month Employment Change



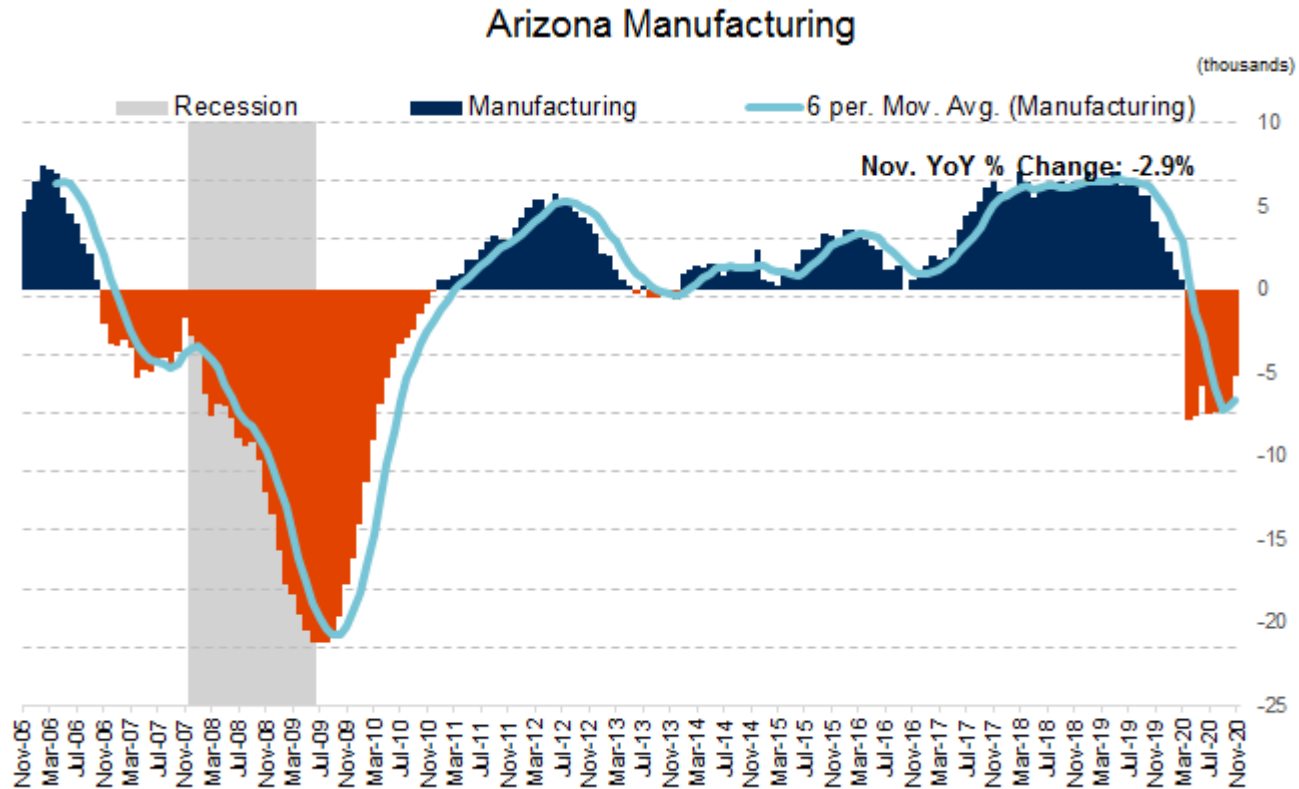
Historic 10-Year Average ('10-'19): 400 Jobs or 0.3%

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

## Highlight:

- Gains recorded in Durable Goods (1,100 jobs) and Nondurable Goods (400 jobs)

# Year-Over-Year Employment Change



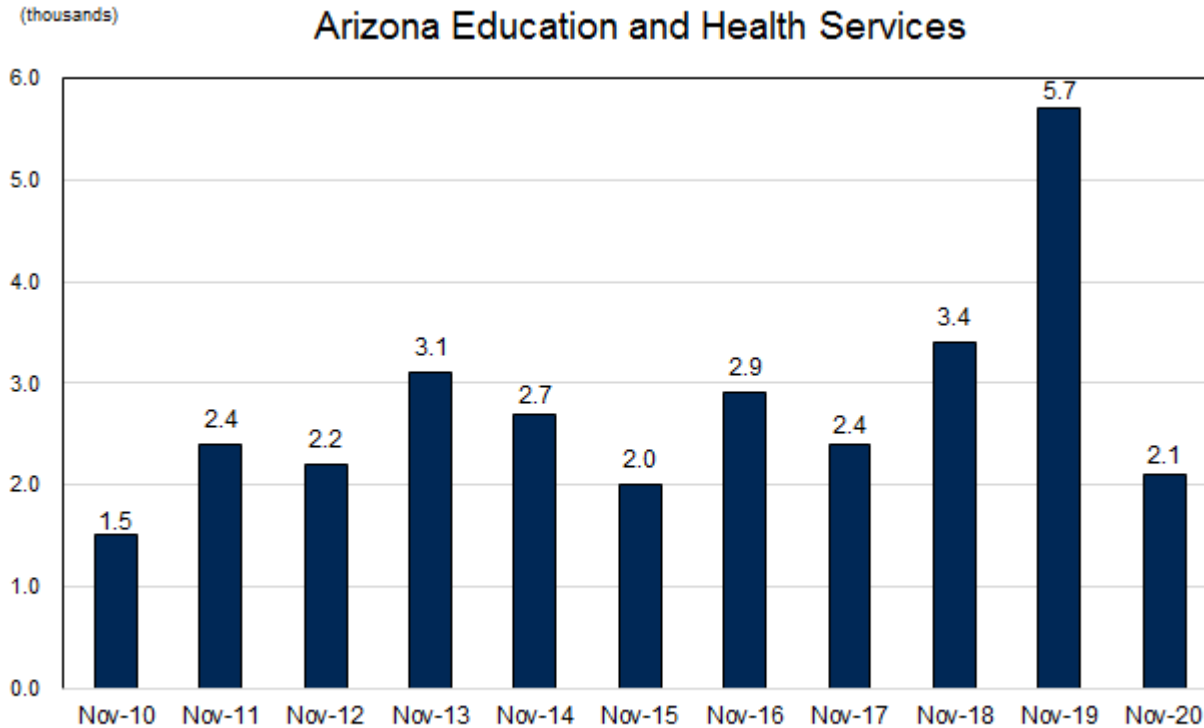
Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS

## Notable Losses:

- Durable Goods lost 3,400 jobs (-2.5%)
  - Fabricated Metals lost 1,600 jobs (-7.7%)
  - Computer and Electronic Parts gained 1,400 jobs (4.2%)
  - Aerospace Products and Parts gained 300 jobs (1.0%)
- Nondurable Goods lost 1,800 jobs (-4.1%)

U.S. Manufacturing declined by 4.8% YoY in November 2020

# Month-Over-Month Employment Change



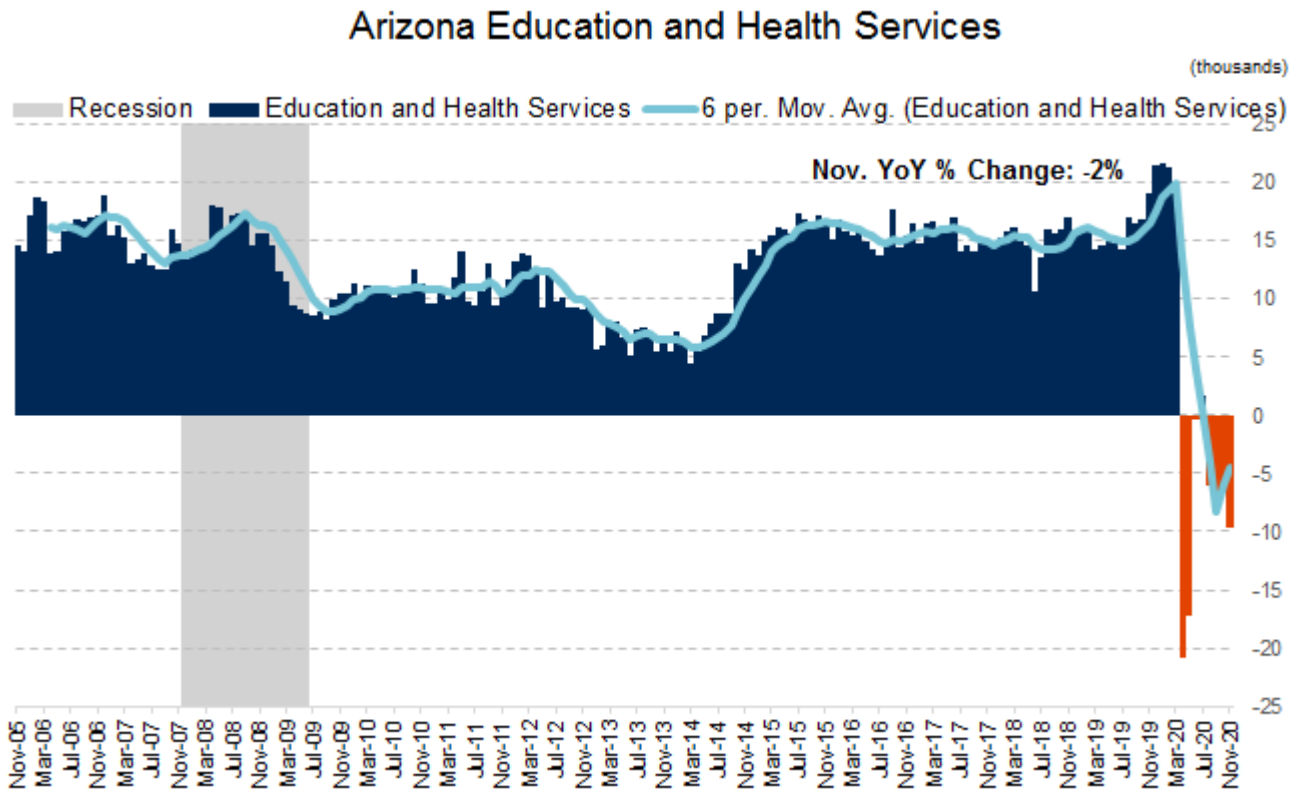
Historic 10-Year Average ('10-'19): 2,800 Jobs or 0.7%

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

## Highlights:

- Educational Services gained 200 jobs (0.3%)
- Healthcare and Social Assistance gained 1,900 jobs (0.5%)
  - Ambulatory Healthcare Services gained 2,100 jobs (1.2%)
  - Nursing and Residential Care Facilities gained 200 jobs (0.3%)
  - Social Assistance lost 400 jobs (-0.7%)

# Year-Over-Year Employment Change



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

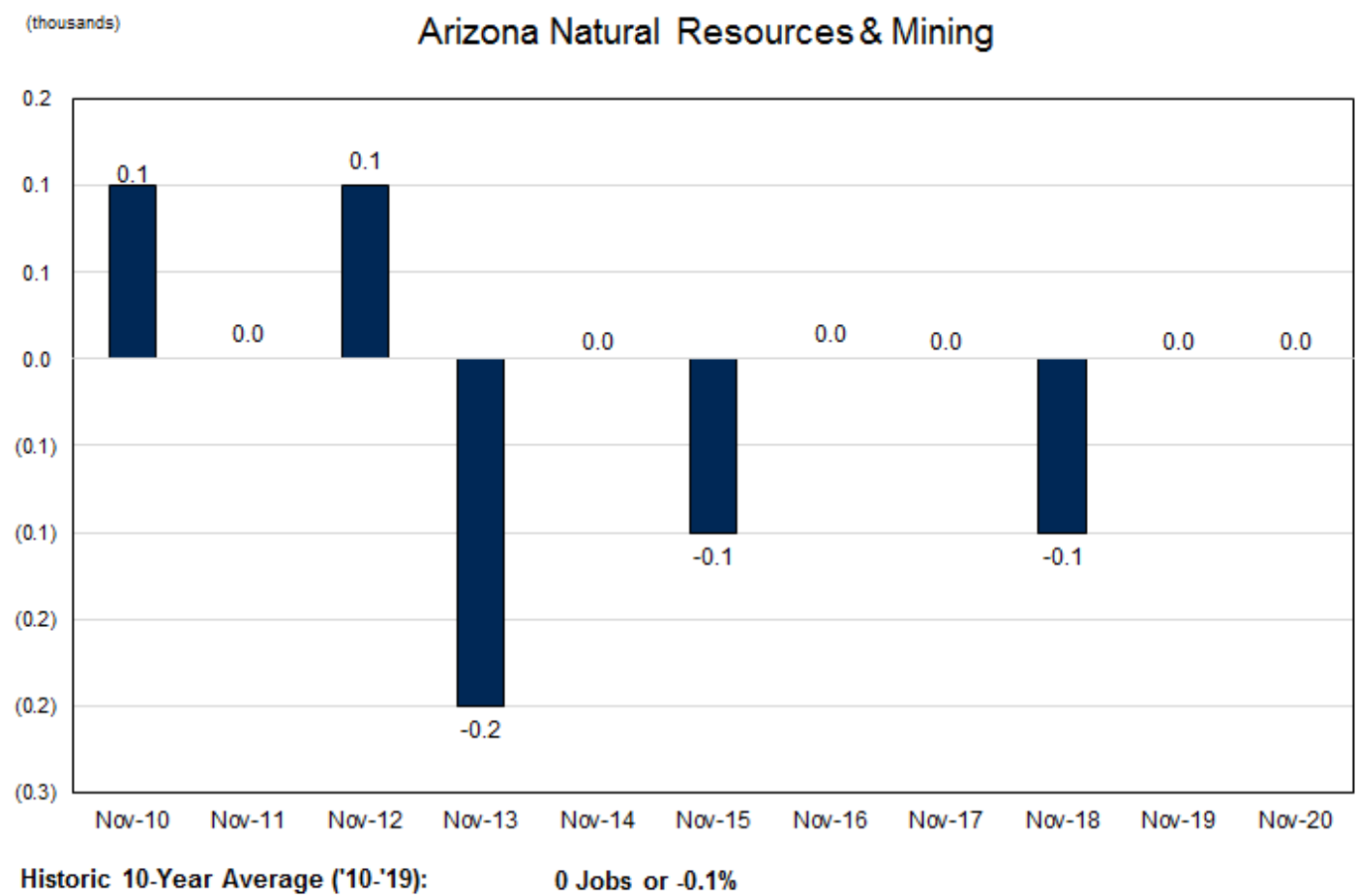
## Notable Losses:

- Social Assistance lost 4,300 jobs (-6.6%)
- Nursing and Residential Care Facilities lost 3,000 jobs (-5.0%)
- Educational Services lost 4,100 jobs (-5.5%)
- Hospitals lost 2,300 jobs (-2.3%)

## Notable Gain:

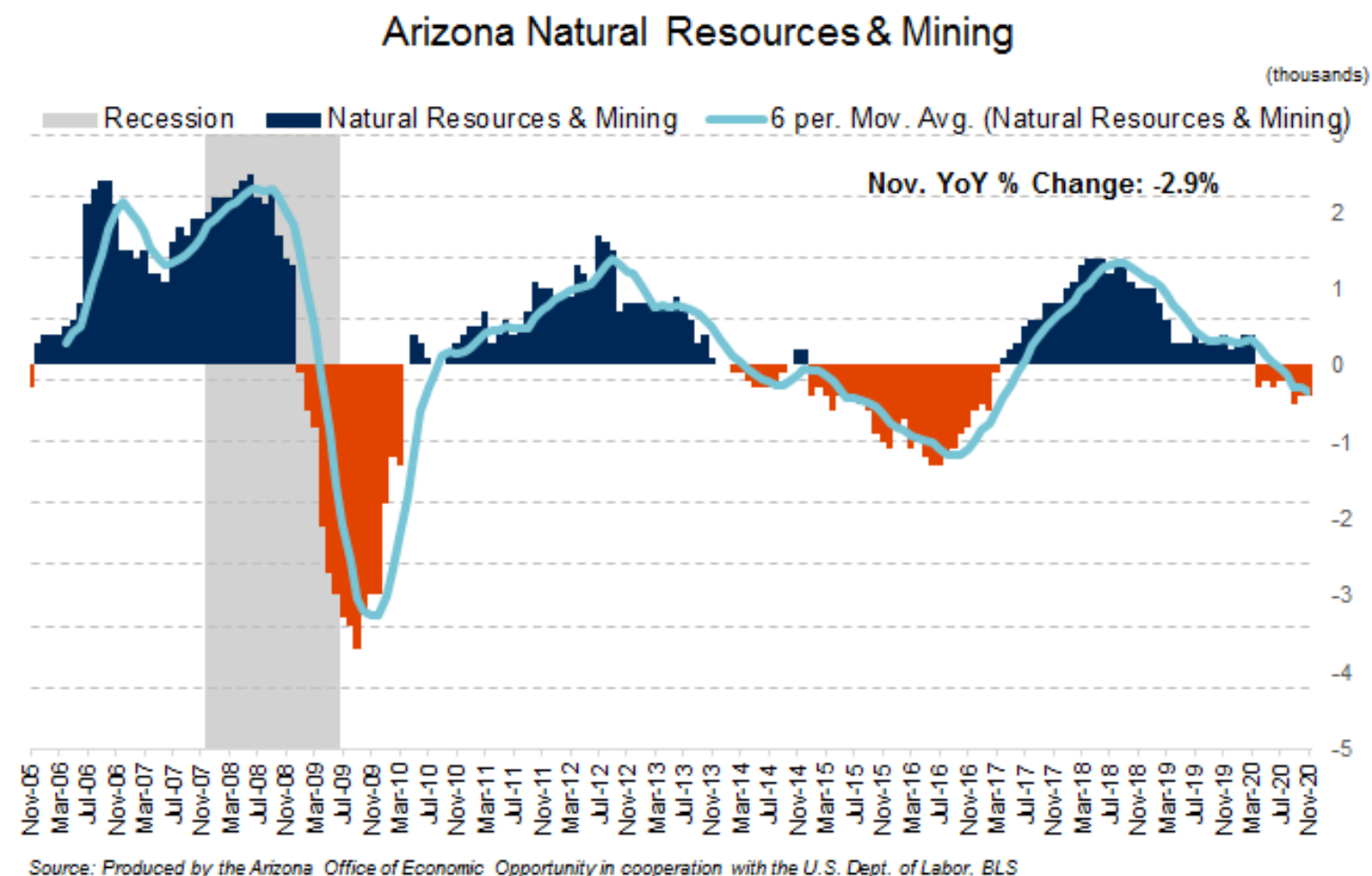
- Ambulatory Health Care Services gained 4,100 jobs (2.3%)

# Month-Over-Month Employment Change



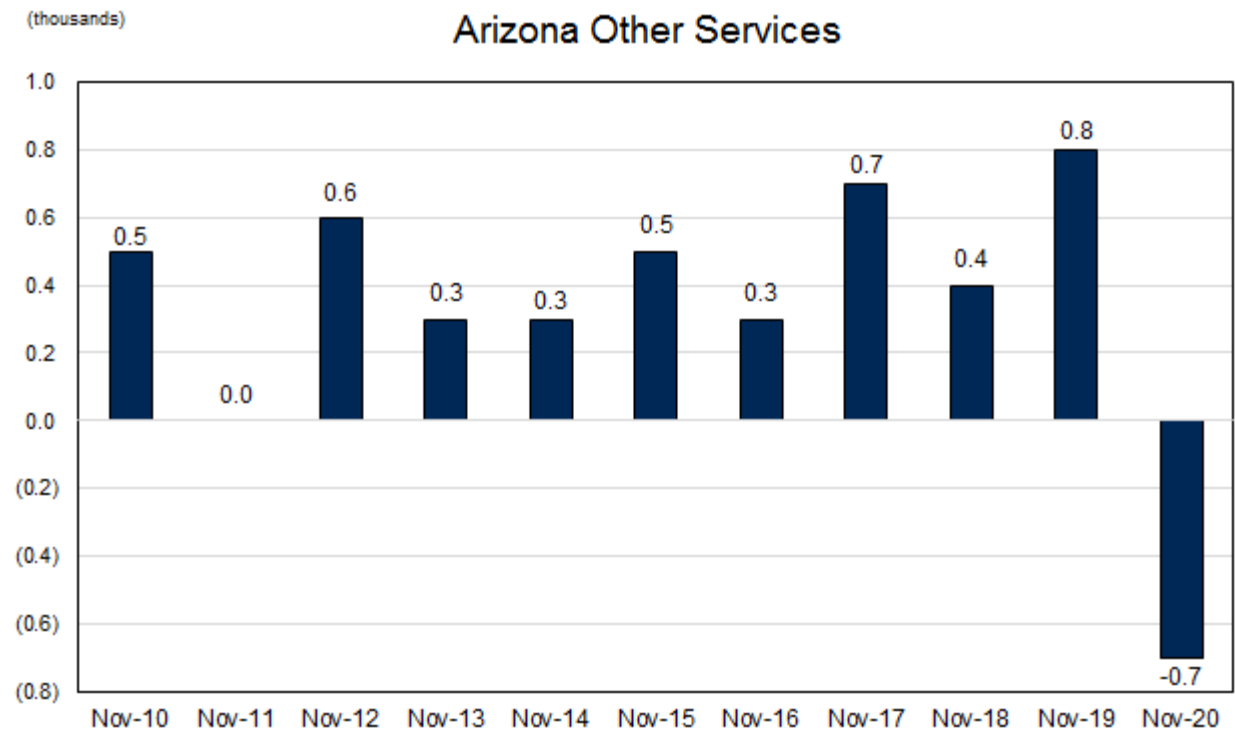
Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS

# Year-Over-Year Employment Change





# Month-Over-Month Employment Change



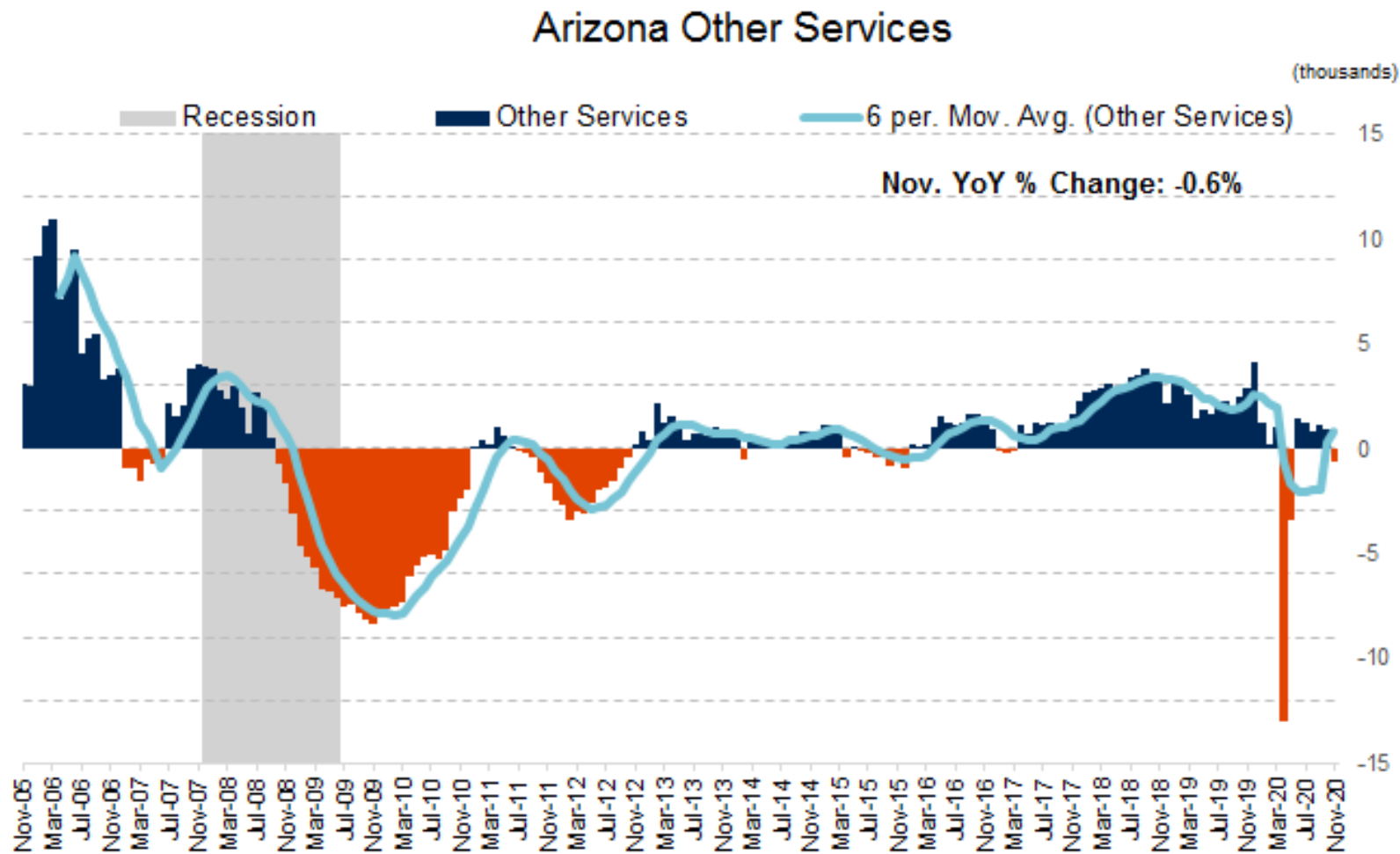
**Historic 10-Year Average ('10-'19): 400 Jobs or 0.5%**

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

Highlights:

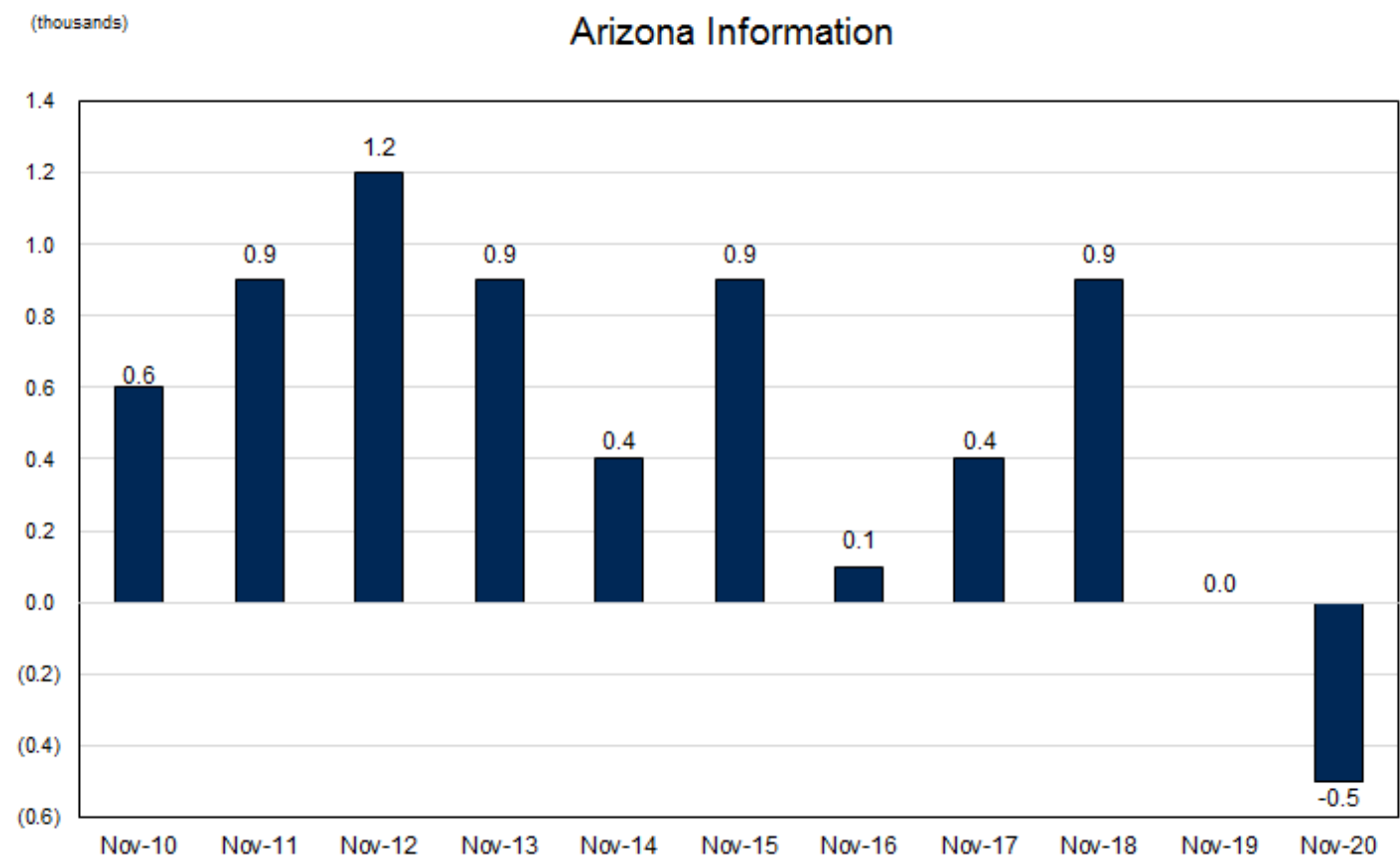
- Losses occurred in Civic and Social Organizations and Car Washes

# Year-Over-Year Employment Change



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

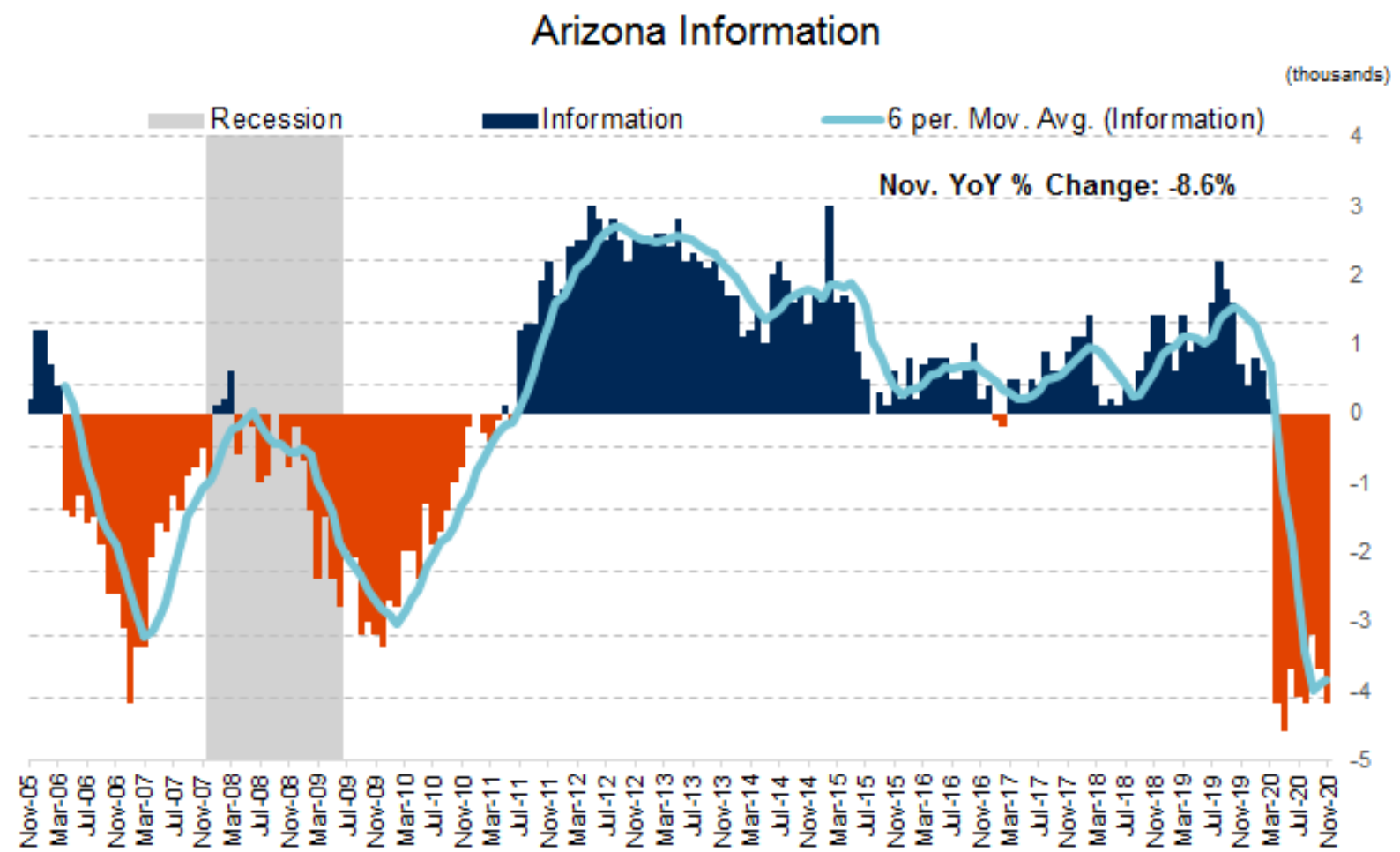
# Month-Over-Month Employment Change



**Historic 10-Year Average ('10-'19):** 600 Jobs or 1.5%

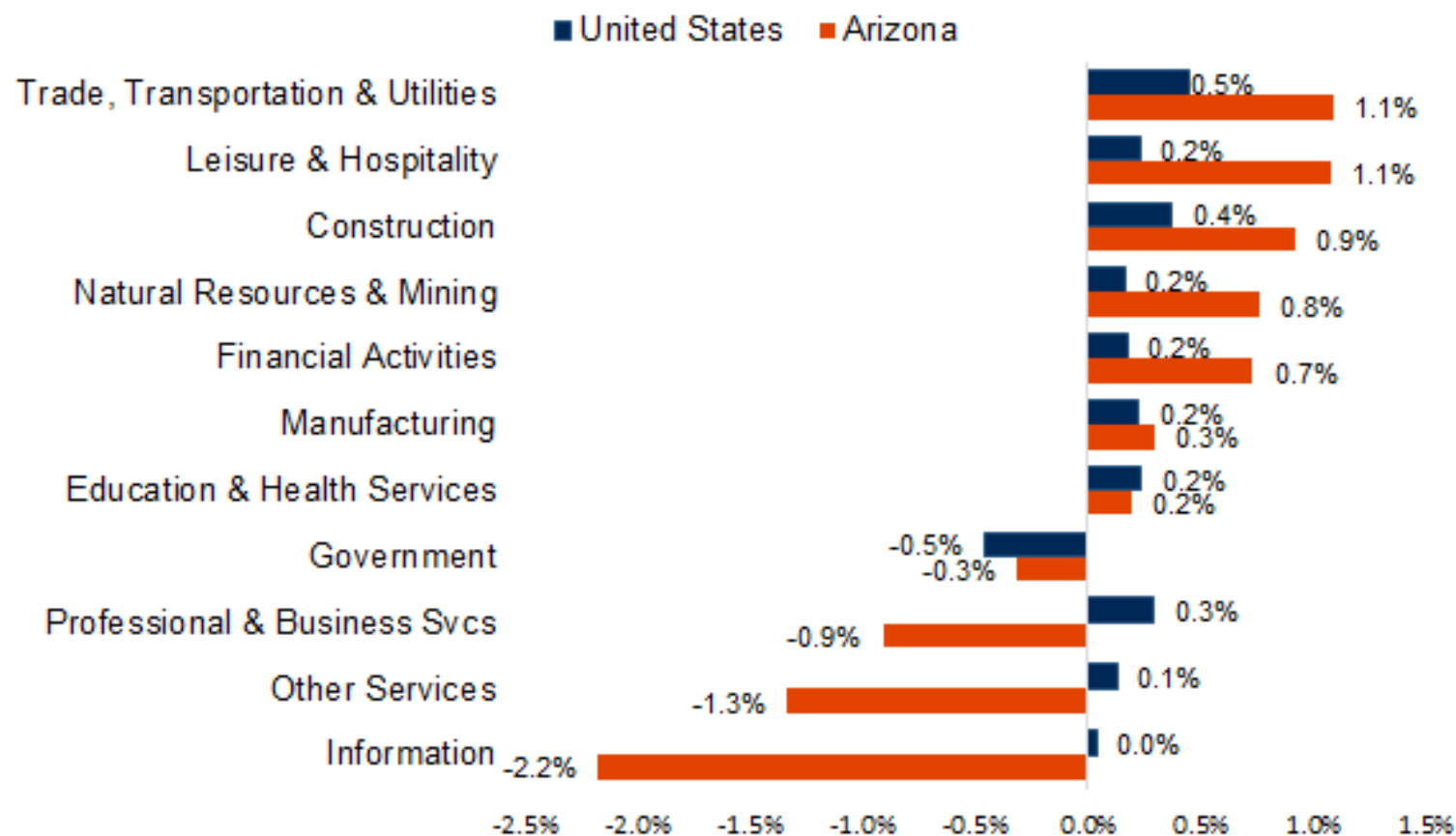
*Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS*

# Year-Over-Year Employment Change



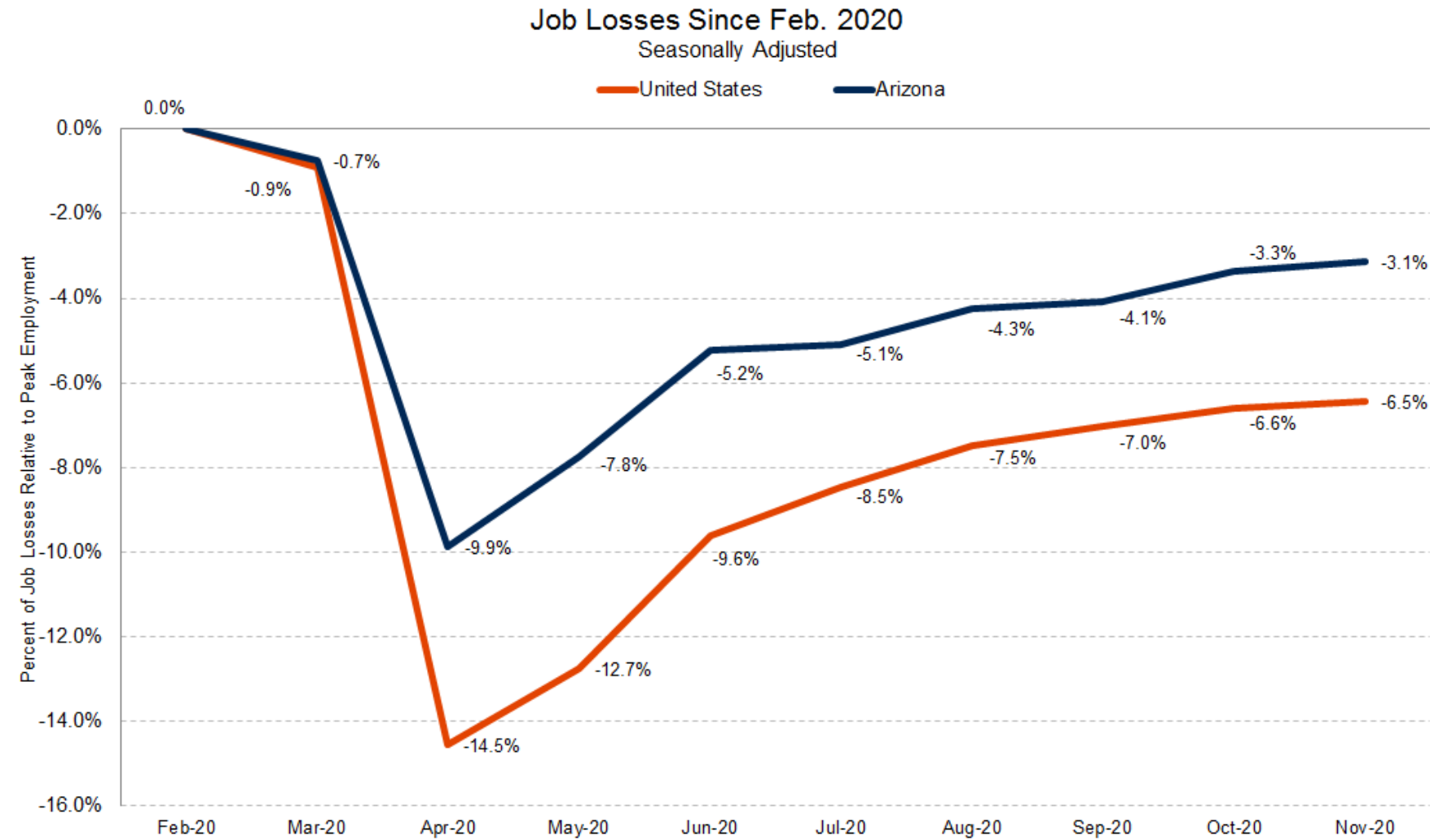
Source: Produced by the Arizona Office of Economic Opportunity in cooperation with the U.S. Dept. of Labor, BLS

# Month-Over-Month Employment Change: Seasonally Adjusted



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

# 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 Nov. '20

*Seasonally-Adjusted; In Thousands*

| Sector                            | Jobs Lost | Jobs Recovered | Percent Recovered |
|-----------------------------------|-----------|----------------|-------------------|
| Natural Resources & Mining        | 0.9       | 0.2            | 22%               |
| Manufacturing                     | 8.0       | 2.4            | 30%               |
| Information                       | 5.9       | 1.9            | 32%               |
| Professional & Business Svcs      | 38.5      | 14.8           | 38%               |
| Leisure & Hospitality             | 137.2     | 88.1           | 64%               |
| Education and Health Services     | 41.6      | 27.7           | 67%               |
| Other Services                    | 13.9      | 14.4           | 104%              |
| Construction                      | 5.8       | 6.1            | 105%              |
| Trade, Transportation & Utilities | 29.8      | 44.6           | 150%              |
| Financial Activities              | 2.8       | 4.2            | 150%              |
| Government                        | 19.5      | 6.1            | 31%               |
| Private Sector                    | 282.9     | 202.9          | 72%               |
| Total Nonfarm Employment          | 294.6     | 201.2          | 68%               |

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

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

*Seasonally-Adjusted; In Thousands*

| Sector                            | Jobs Lost | Jobs Recovered | Percent Recovered |
|-----------------------------------|-----------|----------------|-------------------|
| Natural Resources & Mining        | 95.0      | 5.0            | 5%                |
| Information                       | 329.0     | 49.0           | 15%               |
| Professional & Business Svcs      | 2,296.0   | 1,235.0        | 54%               |
| Education and Health Services     | 2,781.0   | 1,525.0        | 55%               |
| Manufacturing                     | 1,363.0   | 764.0          | 56%               |
| Leisure & Hospitality             | 8,318.0   | 4,869.0        | 59%               |
| Financial Activities              | 279.0     | 164.0          | 59%               |
| Other Services                    | 1,370.0   | 938.0          | 68%               |
| Trade, Transportation & Utilities | 3,355.0   | 2,395.0        | 71%               |
| Construction                      | 1,083.0   | 804.0          | 74%               |
| Government                        | 1,480.0   | 167.0          | 11%               |
| Private Sector                    | 21,191.0  | 12,670.0       | 60%               |
| Total Nonfarm Employment          | 22,160.0  | 12,326.0       | 56%               |

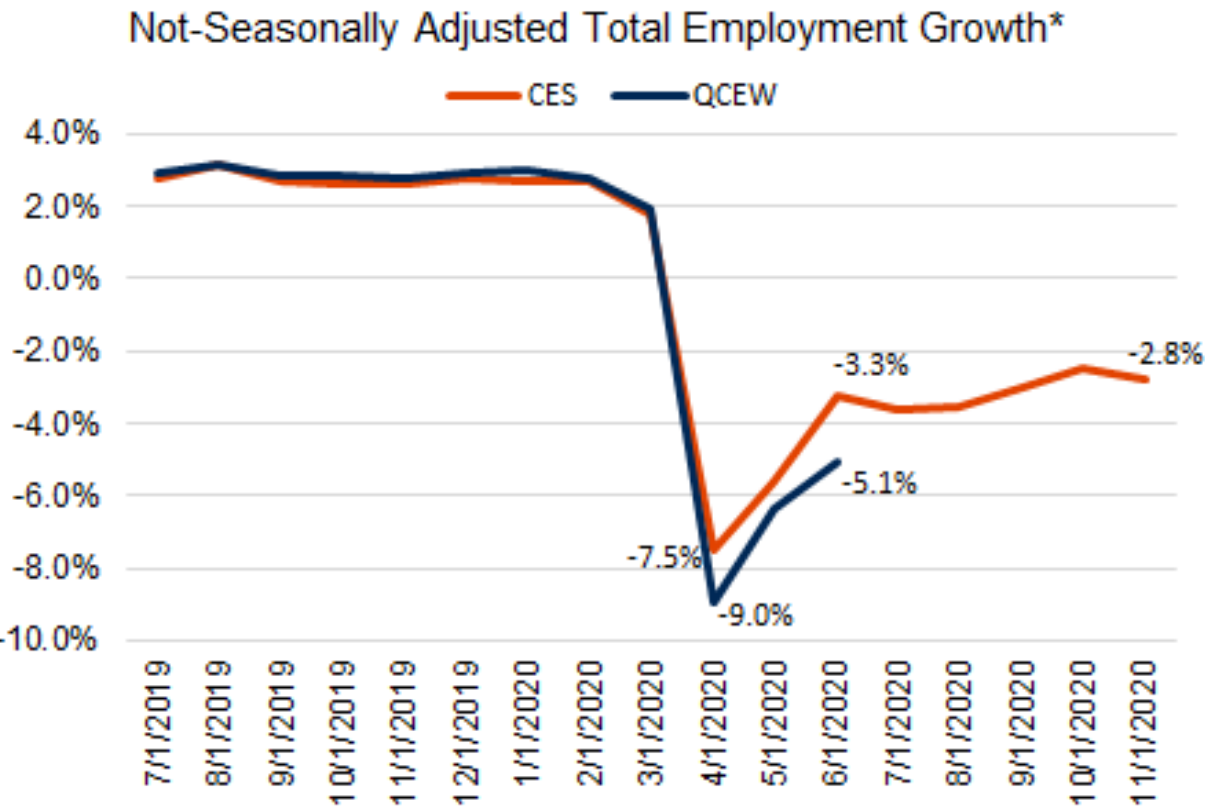
*Source: Arizona Office of Economic Opportunity in cooperation with the U.S. DOL BLS*



# Upcoming Annual Benchmarking & Revisions

- Revisions are completed annually prior to the release of January data for all states
- CES Nonfarm employment estimates are benchmarked to QCEW estimates
- LAUS employment and unemployment estimates are revised to reflect new Census population controls, updated input data, and re-estimation
- Revisions primarily affect estimates produced in the last two calendar years, but occasionally minor revisions can affect estimates for the entire historical series

# CES and QCEW Year-Over-Year Growth Comparison



- The QCEW employment series is reporting larger year-over-year job declines than the CES employment series from Apr. '20 through Jun. '20

Source: Arizona Office of Economic Opportunity

*\*Note that CES and QCEW employment estimates include slight differences in the types of employment measured, and are therefore not directly comparable. However, comparing the two data series can give us a better understanding of likely CES revisions to come.*

# Report Summary

- Month-over-month, Arizona nonfarm employment increased by 27,700 jobs
  - Seven of the eleven major sectors gained jobs
- Year-over-year, eight major sectors lost jobs; three major sectors gained jobs
- Year-over-year, Arizona nonfarm employment declined by 2.8%, while U.S nonfarm employment declined by 6.0% YoY
- The Arizona unemployment rate decreased to 7.8% in November, down from 7.9% in October
- Month-over-month, the Arizona labor force increased by 1,475 individuals

# Thank You Any Questions?

Upcoming Release:  
December Employment Report on January 21st, 2021