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Metro-Level COVID Job Losses Provide Clues—and Hope

- COVID-19 has been inconsistent in the way it has affected the employment market, creating a wide disparity between metro and job segments. Through September, 7.0% of jobs were lost nationally, but by metro the number ranged from 12.6% of jobs lost in Las Vegas to only 2.6% of jobs lost in Salt Lake City. Gateway metros New York, San Francisco, Boston and Los Angeles were all among the top 10 in percentage of jobs lost.
- By job segment, leisure and hospitality was by far the biggest loser, with 3.8 million jobs lost, or 22.8% of the jobs that existed in February. Meanwhile, only 1.8% of the jobs in financial services have been lost since the start of the pandemic.
- While the size of a metro's leisure and hospitality segment is an important element in the extent of job losses, an even bigger factor is how thoroughly the metro shut down its economy to stop the spread of COVID. Few of the top 10 metros in the percentage of jobs lost since February are among the leaders in leisure and hospitality jobs, but all are at or above the average proportion of jobs lost in the segment. New York City, for example, has a relatively small leisure and hospitality segment (9.8% of all jobs), but a whopping 42.3% of those jobs disappeared.
- Metros with the best job performance include those with relatively small leisure and hospitality industries and those that have lost relatively few jobs in the segment (Indianapolis lost only 6.5%). And some have done well in other job segments. Austin, for example, has added 8,200 professional and business services jobs and 7,300 financial services jobs since February.
- None of this is to make a judgment about what represents the best public health policy, or what the impact on jobs will be if the pandemic worsens over the winter. From a job performance point of view, however, clearly to date metros that fought the coronavirus early have paid a price.
- The data does show hope for the future for the Gateway metros that have been hard hit, because the core industries in those metros, such as finance and professional services, remain viable. Once a vaccine is available and people feel safe going back to entertainment venues, restaurants and the like, Gateway cities will have the ability to rebound.