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Employment Recovery: It Doesn't Advance at the Same Pace Everywhere
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In this issue of the Hibbs Brief, we discuss post-pandemic employment recovery levels across the country and state.

After nearly two years from the time the COVID-19 pandemic hit the U.S. and caused a severe economic recession, we are getting closer to a full economic recovery. Nevertheless, employment levels have not recouped at the same rate in every state in the nation. The majority of the states are still struggling to reach the employment levels they had before the pandemic. So far, only four states have reached the number of employed workers they had in February 2020. According to figures recently released by the Bureau of Labor Statistics (BLS), Utah takes the lead with 3.8% more jobs in December 2021, compared to what they had in February 2020. Idaho follows with 2.2%, then Texas with 0.7% and Arizona with 0.5% more jobs (**Figure 1**).

Figure 1. Percent of Change in Employment Levels by State, (February 2020–December 2021)
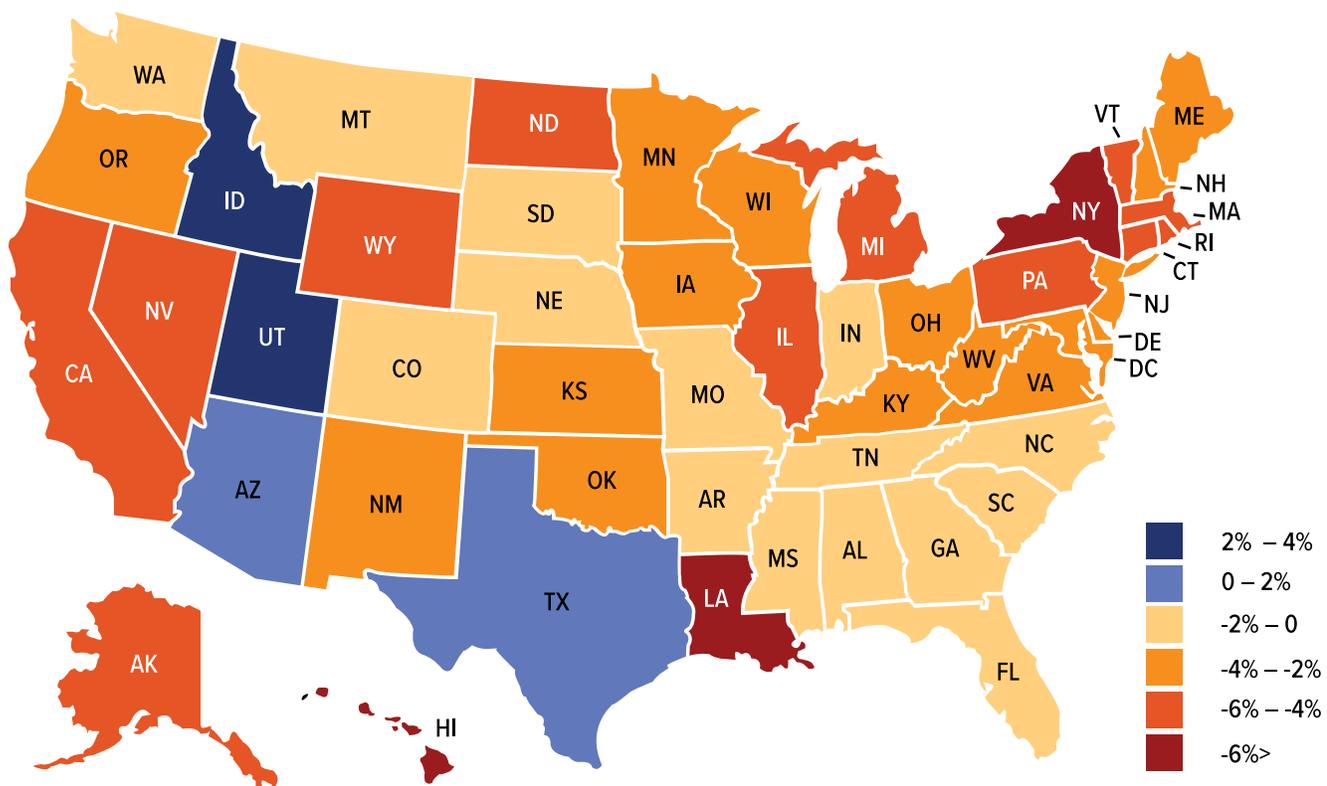
Legend:
- 2% – 4%
- 0 – 2%
- -2% – 0
- -4% – -2%
- -6% – -4%
- -6%>

Note: Seasonally Adjusted, Nonfarm Employment Levels, Current Employment Statistics – CES.

Source: Bureau of Labor Statistics (BLS), Calculations made by the Hibbs Institute.

Several factors may cause discrepancies in employment recovery, such as political decisions or health-related issues, but probably the most important one is the economic activity associated with local predominant industries and their share in the region. While some businesses were severely affected during the pandemic, such as those related to leisure and hospitality (movie theaters, restaurants, hotels, etc.), and had to lay off several employees, others were only mildly affected and able to recoup their pre-pandemic employment levels more rapidly. For instance, many businesses associated with financial services and real estate activities experienced an increase in business volume due to various economic stimuli put into action by the federal government and the Federal Reserve Bank.

Although employment levels in Texas have reached figures similar to those observed in early 2020, not every Metropolitan Statistical Area (MSA)[1] has moved forward at the same pace. Out of the 25 MSAs in Texas, only nine showed more workers in December 2021, (the most recent available) than in February 2020 (one month before the pandemic). Given the current labor market challenges, such as a decrease in the labor force participation rate[2] and the post-COVID changes in consumption patterns, it is remarkable that these MSAs are depicting a positive growth in less than two years. The leading MSA in employment recovery so far is Tyler with 4.8%, followed by Austin-Round Rock with 3.3%, Waco with 2.9%, Sherman-Denison with 1.6% and Amarillo with 1.1%. Dallas-Fort Worth-Arlington, Abilene and Killeen-Temple complete the list with 1.0%, 0.8% and 0.5% of employment growth, respectively (**Table 1**).

The businesses experiencing the highest employment recovery in the Tyler MSA are those associated with transportation and warehousing (32% growth) and manufacturing industries (18.8% growth). Businesses associated with mining and oil extraction and information industries are still struggling with a negative employment growth of 4.5% and 6.7%, respectively.[3] It is important to mention that MSAs with a predominant industry focused on mining and oil extraction, such as Midland and Odessa, are struggling to recoup their former employment levels because their economies suffered from a substantial drop in oil and gas prices during the second quarter of 2020.

Table 1. Percent of Change in Employment Levels in Texas by MSA (February 2020–December 2021)

Rank	Metropolitan Statistical Area	Employment Change (%) 02/2020–12/2021
1	Tyler	4.8%
2	Austin-Round Rock	3.3%
3	Waco	2.9%
4	Sherman-Denison	1.6%
5	McAllen-Edinburg-Mission	1.3%
6	Amarillo	1.1%
7	Dallas-Fort Worth-Arlington	1.0%
8	Abilene	0.8%
9	Killeen-Temple	0.5%
10	Lubbock	0.0%
11	San Antonio-New Braunfels	-0.6%
12	El Paso	-1.7%
13	Brownsville-Harlingen	-1.8%
14	Texarkana	-2.2%
15	Wichita Falls	-2.2%
16	Houston-The Woodlands-Sugar Land	-2.2%
17	Beaumont-Port Arthur	-2.4%
18	Corpus Christi	-2.9%
19	San Angelo	-3.0%
20	College Station-Bryan	-3.4%
21	Laredo	-4.3%
22	Longview	-4.5%
23	Victoria	-5.4%
24	Midland	-12.5%
25	Odessa	-13.8%

Note: Seasonally Adjusted, Nonfarm Employment Levels, Current Employment Statistics – CES.

Source: Bureau of Labor Statistics (BLS), Calculations made by the Hibbs Institute.

[1] A Metropolitan Statistical Area, or MSA, is defined by the U.S. Office of Management Budget as a region in one or more counties with at least one urbanized area with a minimum population of 50,000 and other surrounding communities.

[2] A decrease in the labor force participation rate will be discussed in a future issue of the *Hibbs Brief*.

[3] Current Employment Statistics (CES); Bureau of Labor Statistics (BLS).