

# LaborIQ® Webinar Series May 2020

Work to Recovery: What to Expect

## **Dr. Sam Chandan**

Silverstein Chair & Dean  
of the NYU Schack  
Institute; Founder of  
Chandan Economics



## **Jay Denton**

SVP, Business  
Intelligence and Chief  
Innovation Officer  
ThinkWhy LLC

Tuesday, May 5, 2020

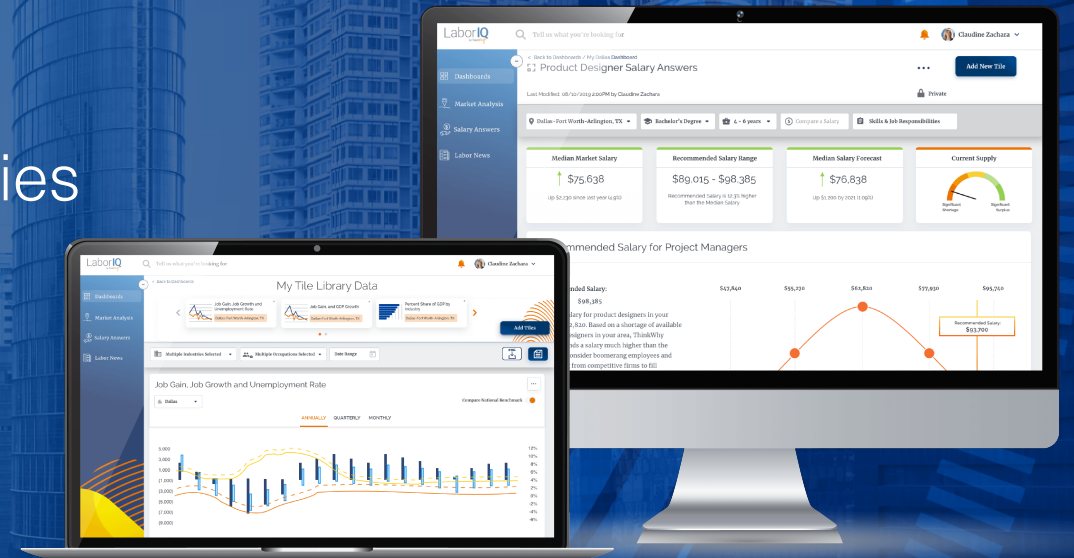


# LaborIQ<sup>®</sup>

by ThinkWhy

LaborIQ delivers answers to guide businesses forward

- Labor market performance and forecasts
- Salary answers for 17,000 jobs
- Benchmark individual and team salaries
- COVID-19 conditions and recovery







# IMPACT OF COVID-19 ON THE LABOR MARKET

Work to Recovery: What to Expect



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Silverstein Chair & Dean of the NYU Schack  
Institute; Founder of Chandan Economics  
Biography at [www.samchandan.com](http://www.samchandan.com)





# IMPACT OF COVID-19 ON THE LABOR MARKET

Work to Recovery: What to Expect



## Jay Denton

Senior Vice President, Business Intelligence &  
Chief Innovation Officer

ThinkWhy LLC

Biography at [ThinkWhy.com/about-us](https://ThinkWhy.com/about-us)



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Think *Why*®



Dr. Sam Chandan



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@SamChandan



/company/ThinkWhy-LLC



/in/SamChandan





# IMPACT OF COVID-19 ON THE LABOR MARKET

## AGENDA

1. Taking Stock
2. Deep-Dive into LaborIQ<sup>®</sup>  
ThinkWhy
3. Recovery Projections
4. Live Polling





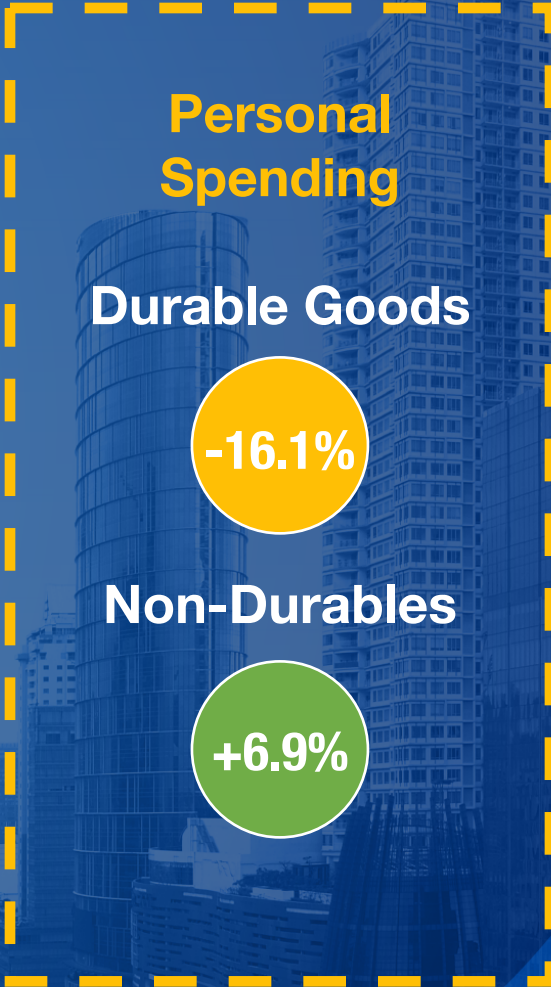
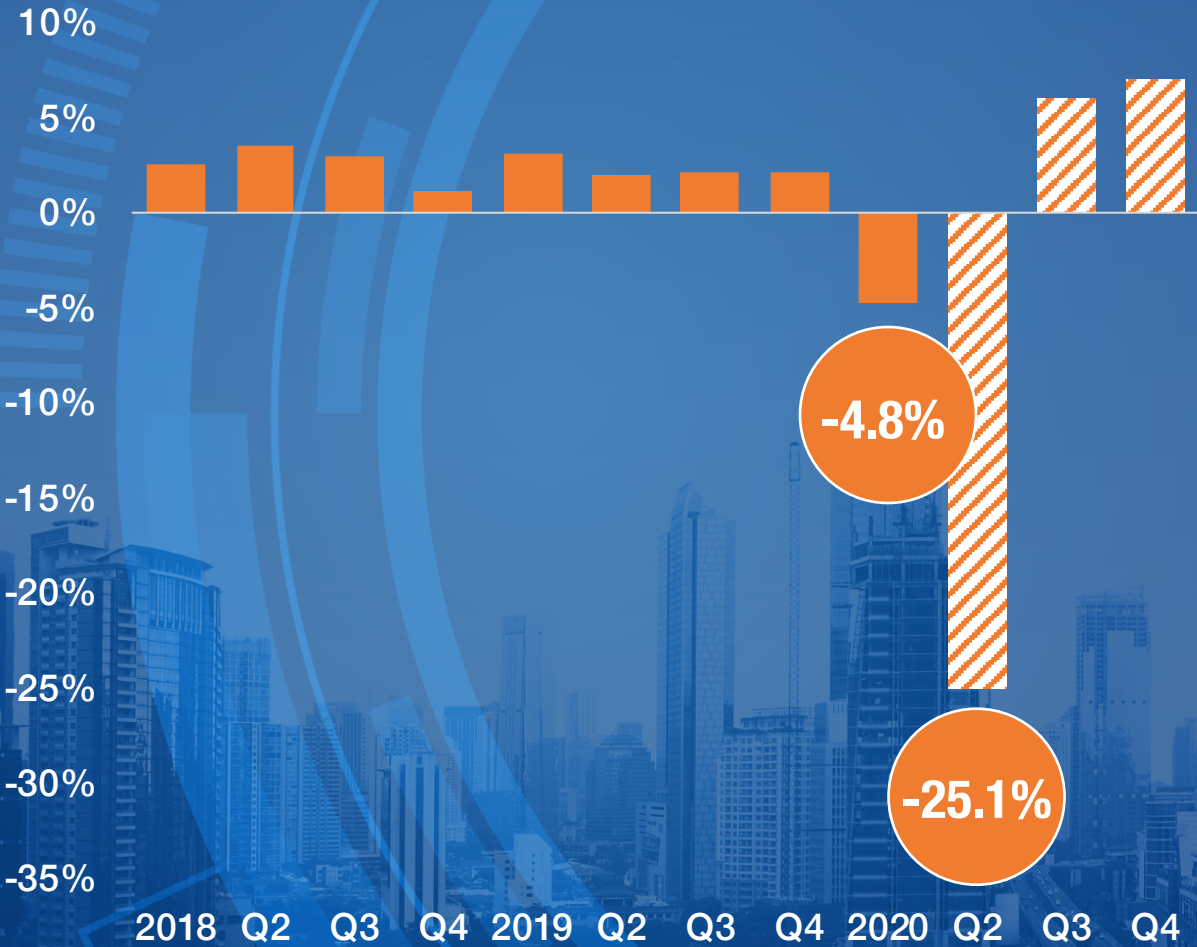
# IMPACT OF COVID-19 ON THE LABOR MARKET

## Taking Stock

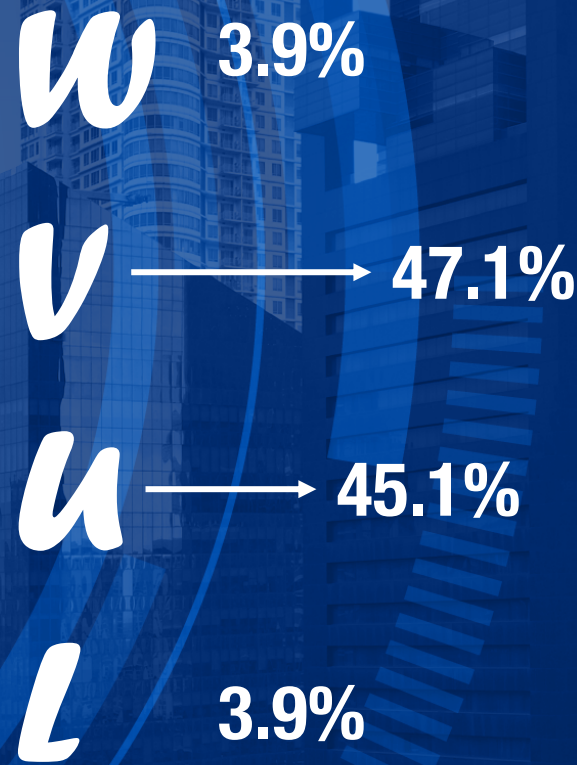


# ECONOMY IN RECESSION

Quarterly GDP Trends and Projections



Shape of the Recovery



Source: Bureau of Economic Analysis, Wall Street Journal Economic Forecasting Survey



# FROM BULLS TO BEARS

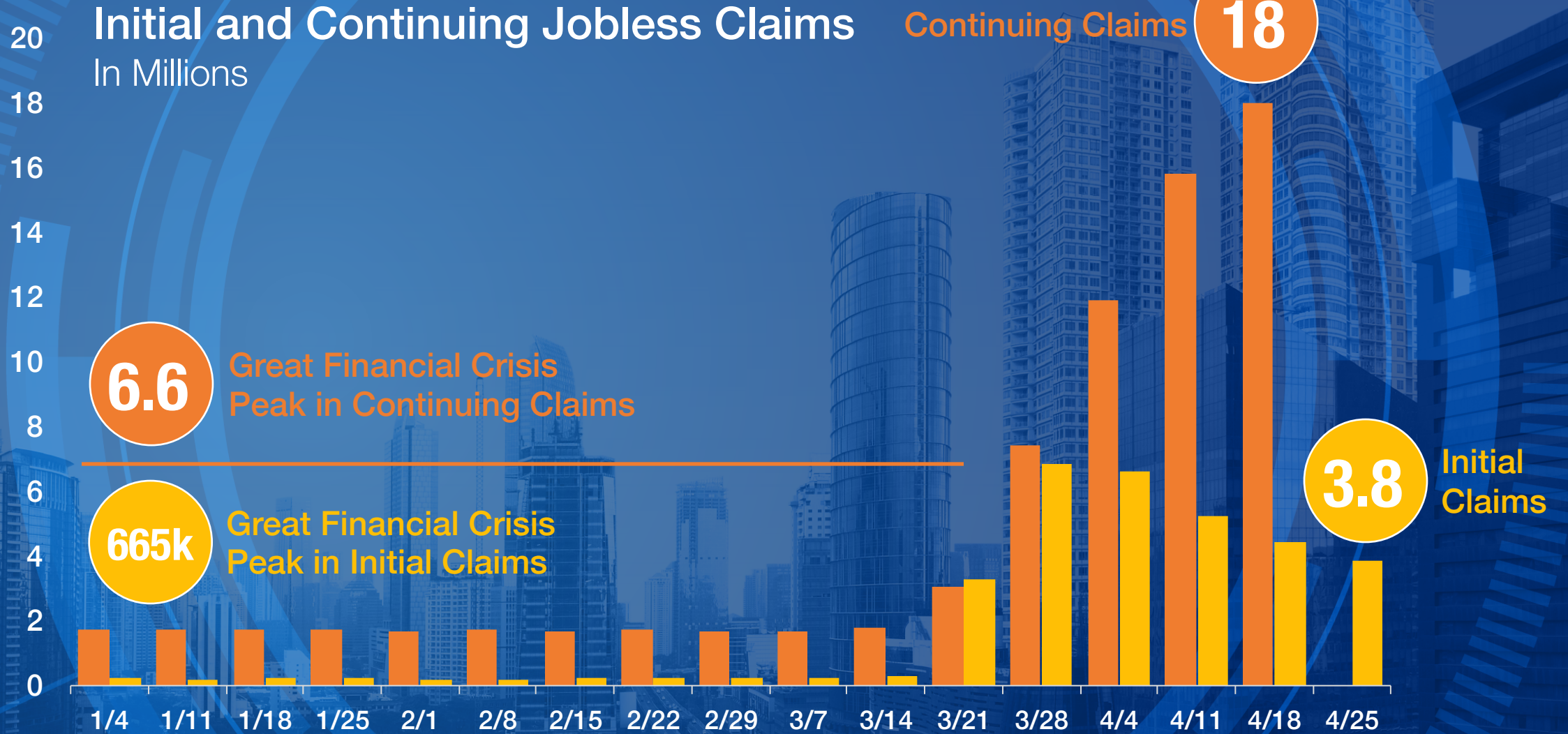
Economic Policy Uncertainty Index  
Measured Daily



Source: Baker, Scott R., Bloom, Nick and Davis, Stephen J., Economic Policy Uncertainty Index for United States; Through May 3<sup>rd</sup>, 2020



# TALLYING JOB LOSSES

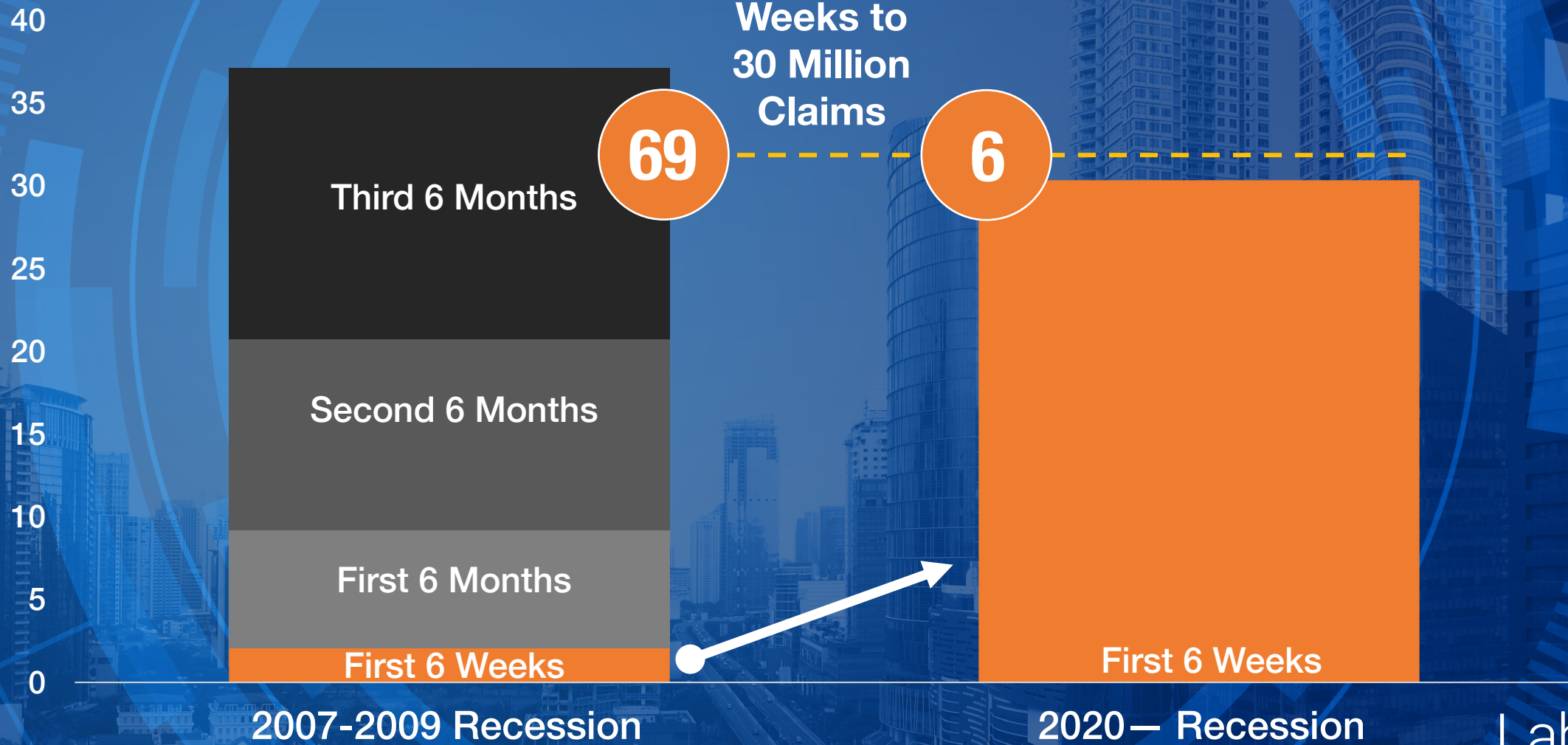


Source: Department of Labor, Through April 25, 2020



# TALLYING JOB LOSSES

Initial Unemployment Claims During Great Financial Crisis and COVID-19 Pandemic In Millions



Source: US Employment and Training Administrations; Chandan Economics, Through April 25<sup>th</sup>, 2020



# TALLYING JOB LOSSES

Cumulative Claims in Six Weeks Ending April 25

## States With Most Claims

## States With Least Claims

State	Initial Claims	Share of Labor Force
California	3,347,304	17.4%
Pennsylvania	1,489,230	22.9%
New York	1,390,930	14.7%
Texas	1,301,796	9.2%
Michigan	1,179,809	24.1%
Florida	1,159,771	11.2%
Georgia	1,102,676	21.4%
Ohio	965,935	16.8%
New Jersey	818,463	17.9%
Illinois	737,672	11.7%

State	Initial Claims	Share of Labor Force
Wyoming	26,767	9.1%
South Dakota	28,354	6.1%
North Dakota	50,172	12.5%
Vermont	51,151	15.1%
Alaska	60,419	17.7%
Delaware	71,468	14.9%
Montana	82,807	15.5%
West Virginia	94,252	11.6%
Nebraska	95,980	9.1%
Maine	101,396	14.8%

Source: US Employment and Training Administrations, BLS; Chandan Economics, Through April 25, 2020, Note: Excludes USVI and the District of Columbia



# METROS AT RISK

Major Metros and  
Megaregions at  
**Highest Risk**

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**Las Vegas** →

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**Southern Florida**

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**Central Florida**

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**Chicago** →

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**New Orleans**

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**Detroit**

Leisure  
and  
Hospitality  
Exposure

Fiscal  
Exposure

Major Metros and  
Megaregions at  
**Moderate Risk**

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**New York City**

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**North/Central Jersey**

---

**Philadelphia**

---

**Southern Jersey**

---

**Los Angeles**

---

**Atlanta**

Major Metros and  
Megaregions at  
**Lowest Risk**

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**Washington DC**

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**Bay Area**

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**Boston**

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**Seattle**



# REOPENING THE ECONOMY

## Percent of Population

**51.9%**

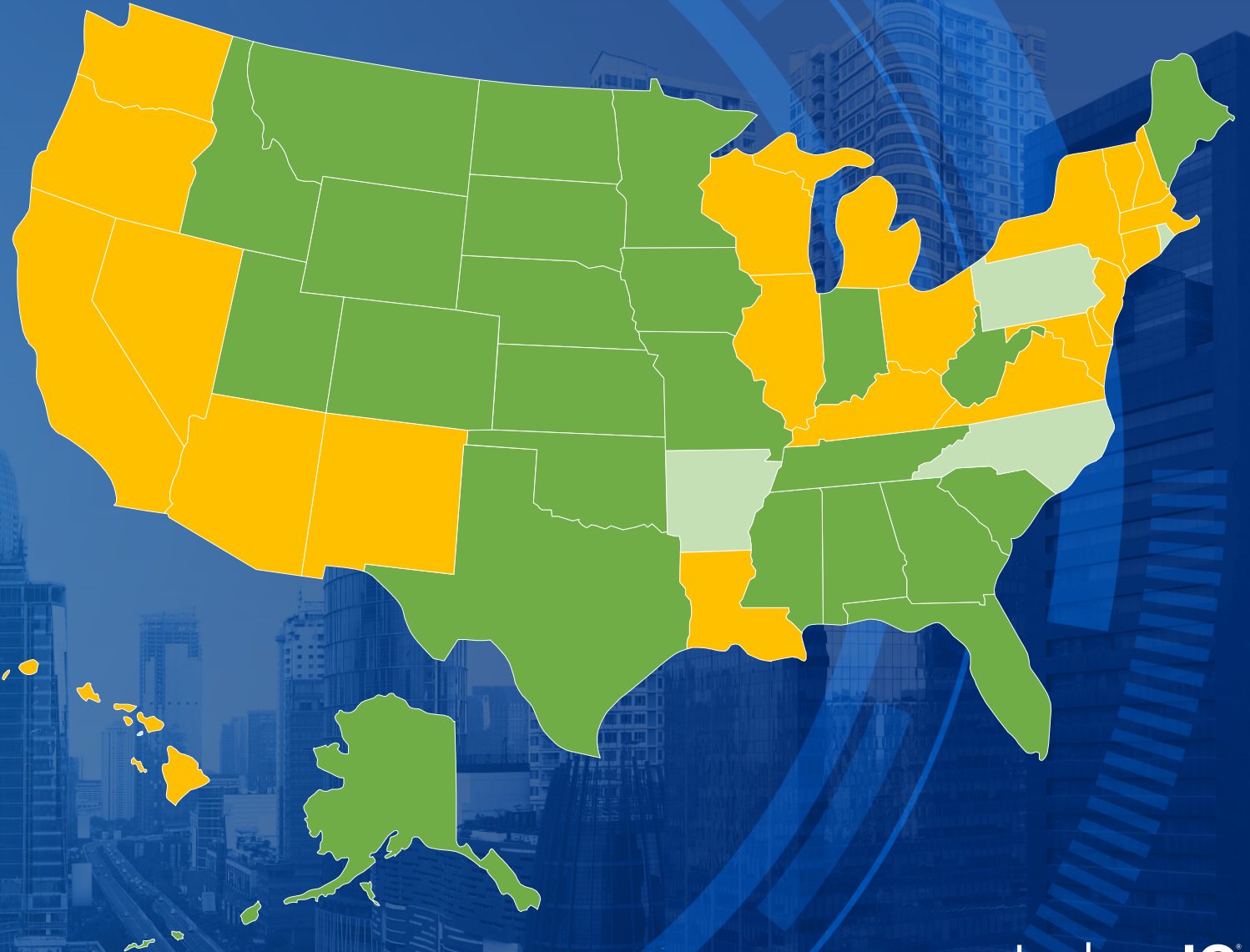
Shut Down or Restricted

**8.3%**

Partial Reopening Pending

**39.8%**

Partial Reopening

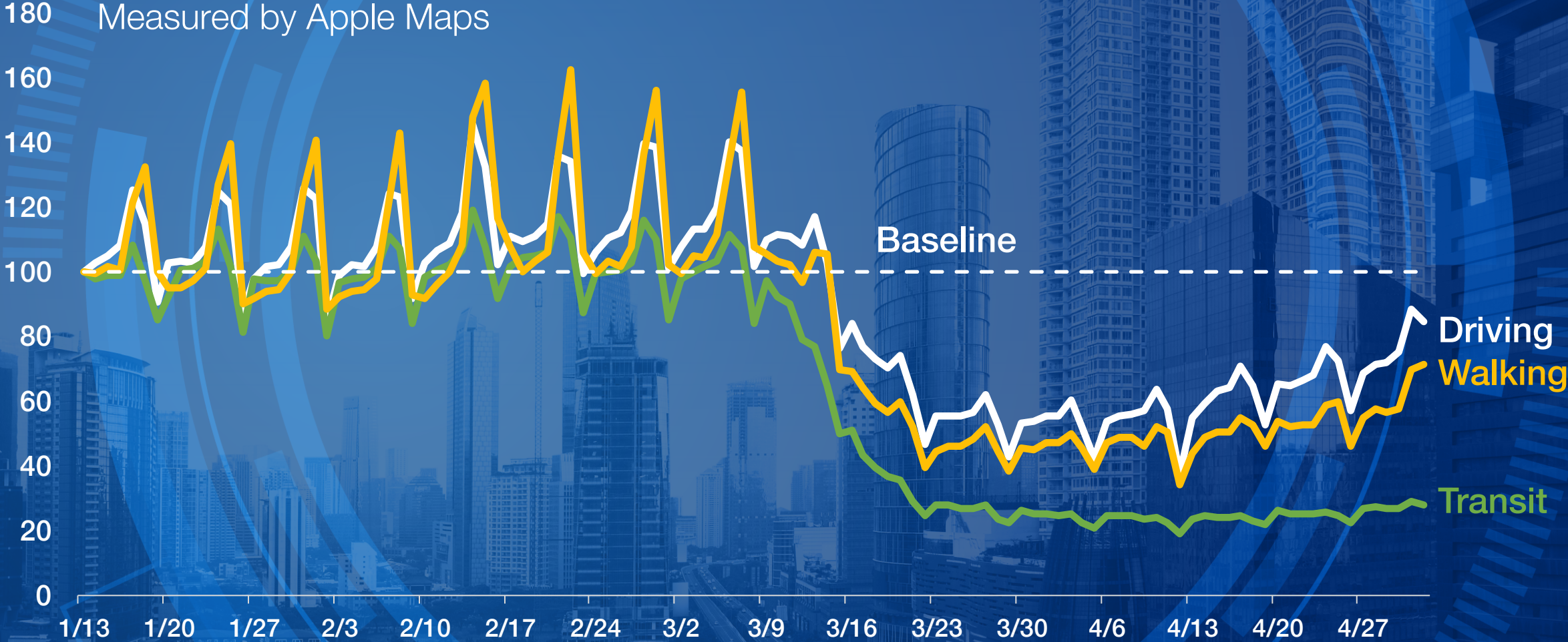




# REOPENING THE ECONOMY

## Mobility Trends

Change in Routing Requests Since January 13, 2020  
Measured by Apple Maps



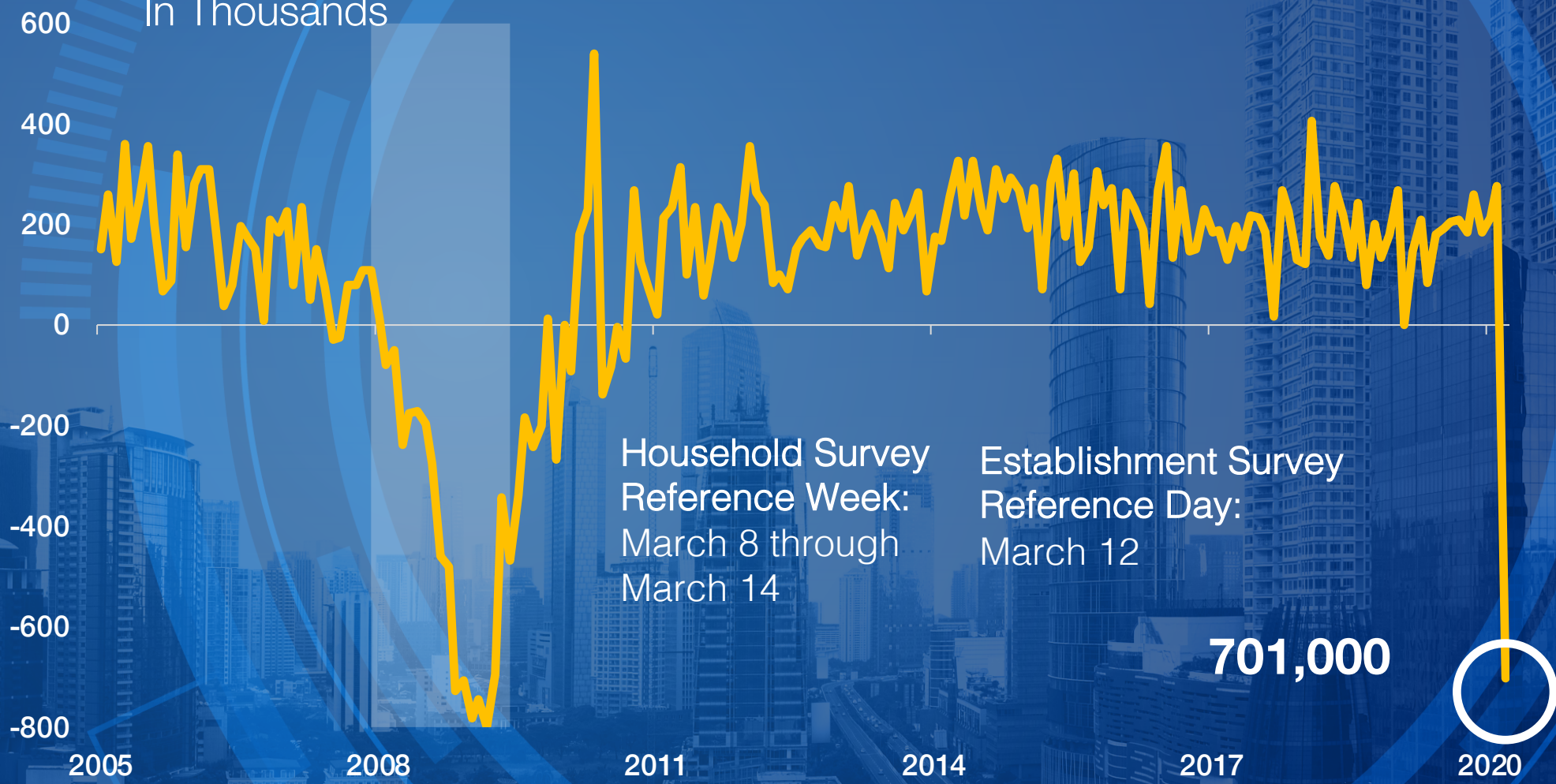
Source: Apple Maps; Through May 2, 2020



# EMPLOYMENT TRENDS

## Month-Over-Month Employment Change

In Thousands



Forecast for April 2020

Change in Payrolls

-21.9M

Unemployment Rate

16.0%

Source: Bureau of Labor Statistics; Chandan Economics, Through March 2020





# IMPACT OF COVID-19 ON THE LABOR MARKET

Recovery Scenarios

via

LaborIQ<sup>®</sup>  
ThinkWhyz

The hit to economic activity will be deep, but its ultimate magnitude and duration are highly uncertain and will depend on the ability of public health measures to contain the spread of the pandemic.

Sylvain Leduc and Zheng Liu  
Federal Reserve Bank of San Francisco

LaborIQ<sup>®</sup>  
ThinkWhyz





# IMPACT OF COVID-19 ON THE LABOR MARKET

ThinkWhy Forecast

- U.S.
- Industries
- Metros



# Average Absolute Daily Change in U.S. Employment Level

1970-2019



~6,000/day

Circles are to scale

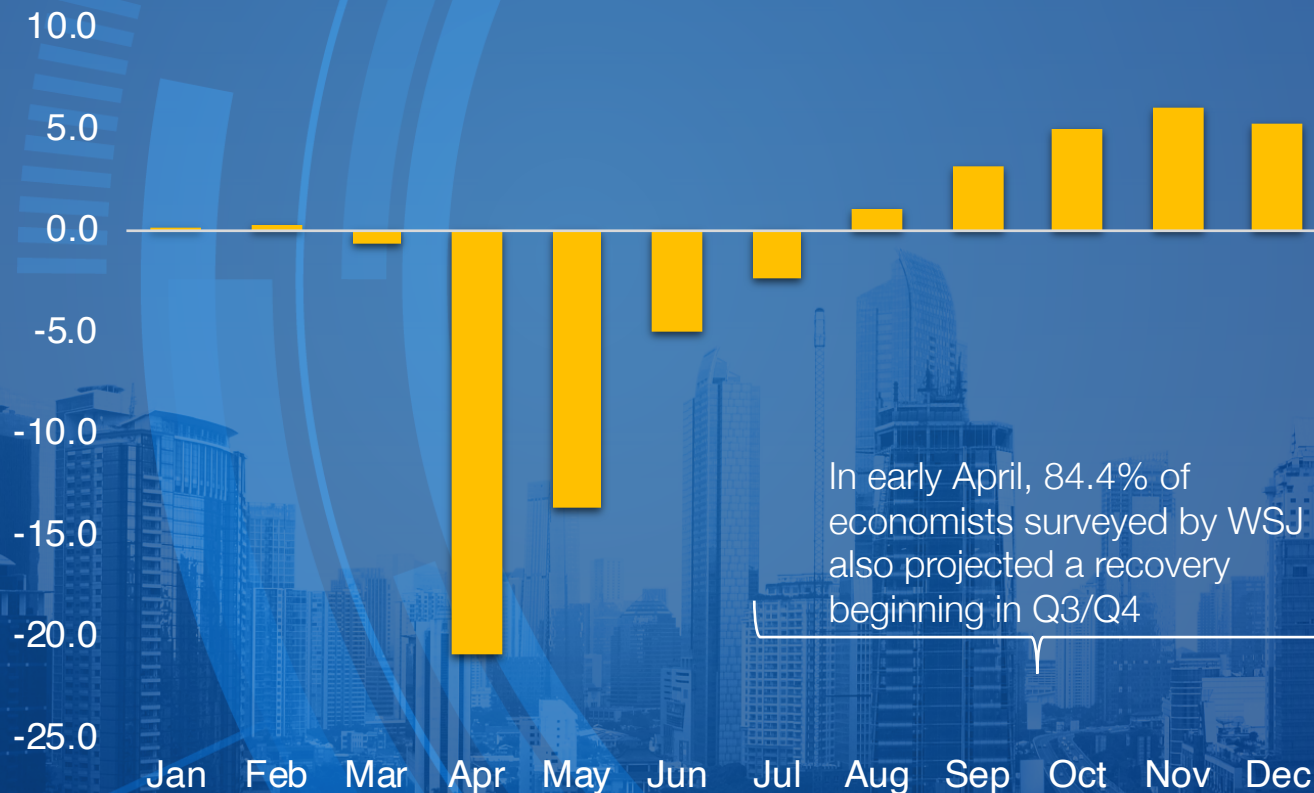
The Last Six Weeks

~600,000/day



# Projections for U.S. Employment Growth

## Monthly Job Gain in Millions - 2020



- While still elevated, the pace of initial UI claims has slowed 3 consecutive weeks.
- May is likely to be a month of transition, but the tide will turn more in mid-late summer.
- Full toll of job loss will vary widely by industry and occupation.
- Monthly job gain turns positive in Q3, but annual job loss for 2020 will still be substantial.



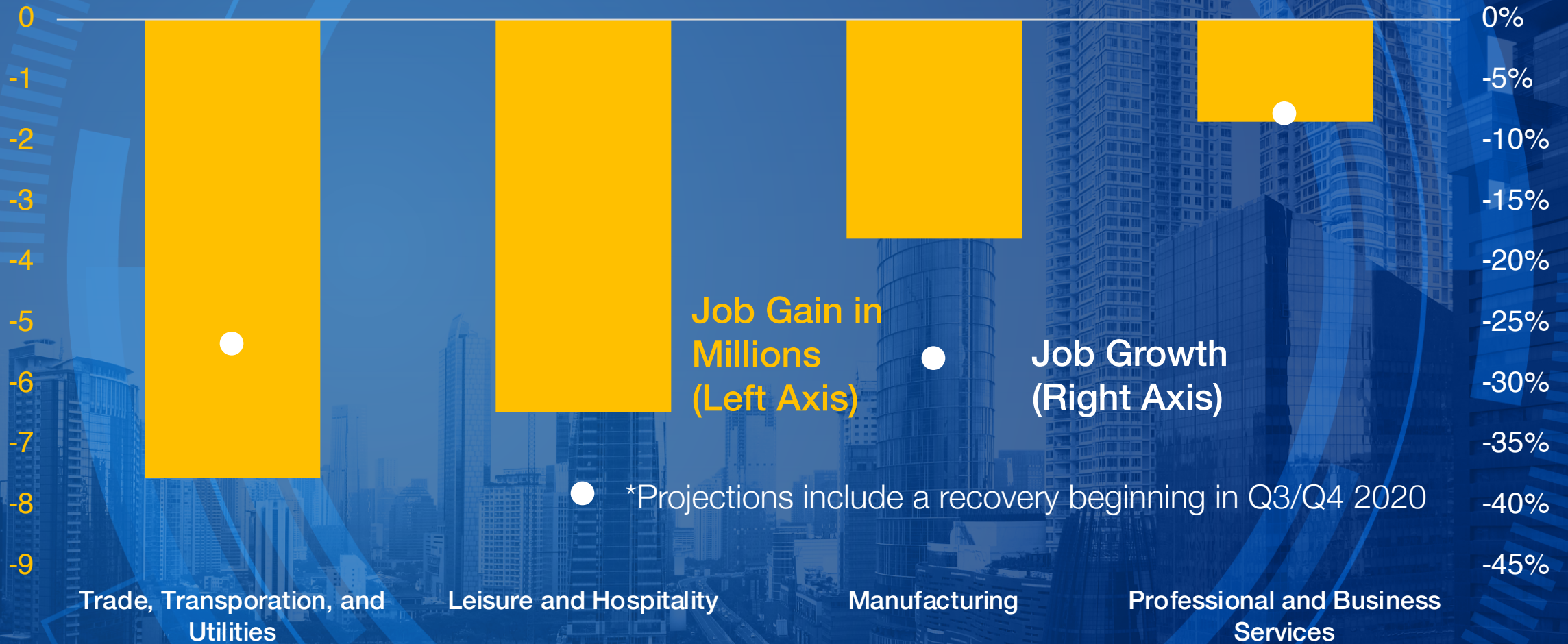
# Sample of Sectors and Subsectors Within Industries

- Trade, Transportation, and Utilities
  - Retail trade:
    - Automobiles
    - Electronics
    - Clothing
    - Groceries
  - Transportation:
    - Air, trucking
- Leisure and Hospitality
  - Accommodations – Hotels, Casinos
  - Arts, Entertainment, and Recreation
  - Food Services and Drinking Places
- Manufacturing
  - Transportation equipment
  - Food and Beverage
  - Chemicals
  - Computer and Electronics
  - Petroleum and Coal
  - Plastics and Rubber
- Professional and Business
  - Legal and Accounting
  - Administrative
  - Architectural and Engineering
  - Computer System Design
  - Waste Management



# Industry Projections For 2020

The impact will be uneven, select industries displayed





# Cumulative Job Growth Since 2015

## Leisure and Hospitality Trade Subsectors

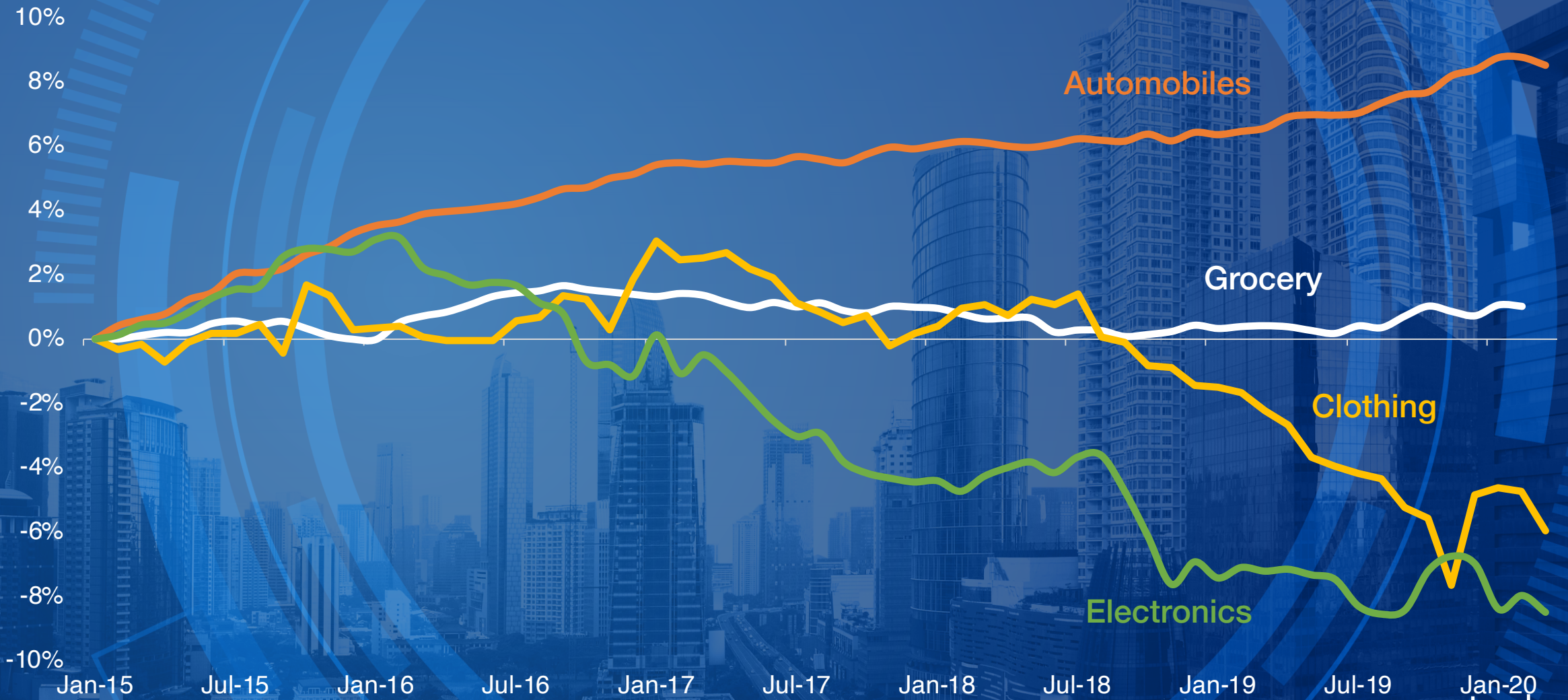


Arts, Entertainment, and Recreation  
Food Services and Drinking Places  
Accommodations (Hotels, Casinos)



# Cumulative Job Growth Since 2015

## Retail Trade Subsectors

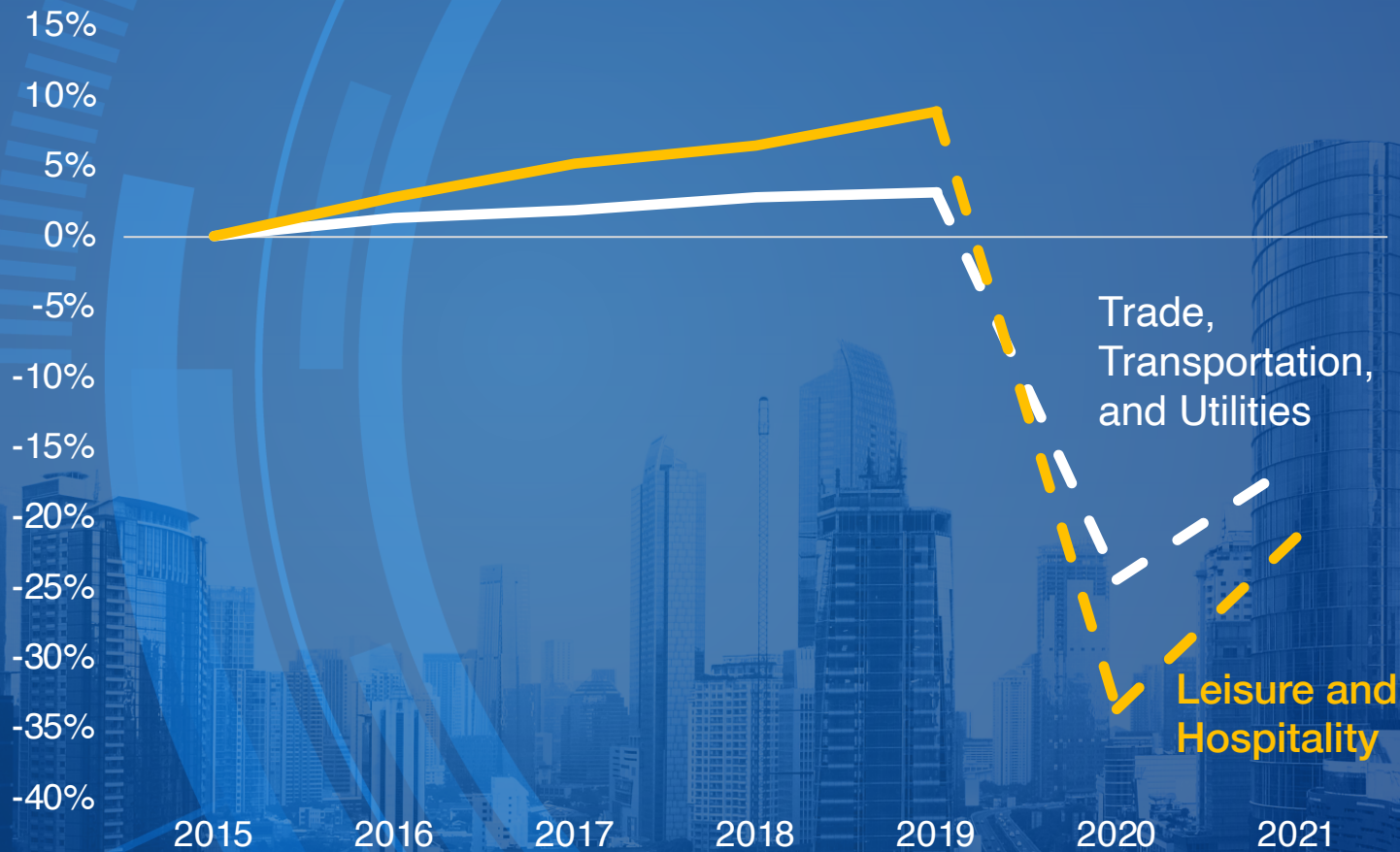


Source: ThinkWhy, BLS; Note job growth is seasonally adjusted



# Cumulative Job Growth 2015 - 2021

## What will happen after the initial rebound?



Near-term, non-health threats to a faster recovery:

### Trade, Transportation, and Utilities:

- Technology continuing to change how the trade part of the sector operates
- Discretionary spending and a less mobile population weighing on auto sales
- New regulations

### Leisure and Hospitality:

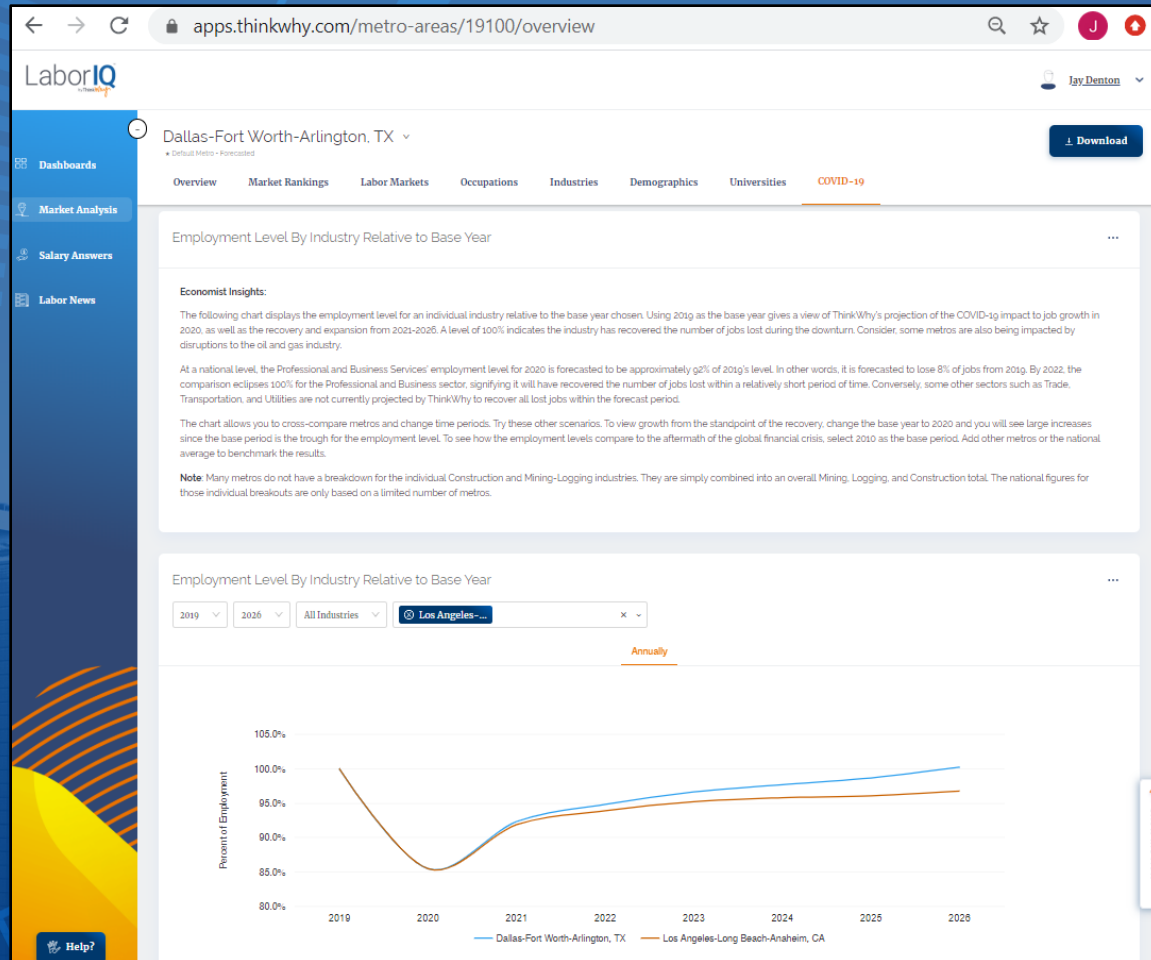
- A pause on personal and business travel until there is more clarity
- New policies that restrict occupancy
- Changes in social behavior

Will the underlying workforce change?



# COVID-19 Impact – Insights and Forecasts

## ThinkWhy's latest platform enhancement



- Custom visuals and insights provided by our economists
- Cross-compare market and industry projections to see which will recover faster
- Download as CSV, PNG, or PDF



# Monitoring Indicators

- Unemployment claims trajectory
- States re-opening
  - When?
  - To what extent?
- Updates to metro and industry data
- Signals from new types of data sources
- Stimulus and its impact





# IMPACT OF COVID-19 ON THE LABOR MARKET

## Polling Questions



The LaborIQ logo is positioned in the top left corner. The background of the entire image is a blue-tinted photograph of a person's hands typing on a laptop keyboard. In the foreground, a laptop screen displays a data dashboard with various charts and graphs. To the right, a tablet displays a video conference with several participants, including a man with a headset and a woman gesturing.

LaborIQ®

# ThinkWhy<sup>®</sup> Together 2020

» Business people supporting business people

COVID-19 has affected our entire community and businesses, in some way, and we'd like to show our support.

## ThinkWhy Together 2020

A special initiative offering unprecedented access to LaborIQ's market reporting platform, giving U.S. businesses data and analysis that cuts through the noise, and delivers the information needed to make informed decisions, now and in the recovery phases ahead.



# Guide Your Business Forward

We are here to support organizations and provide insights during the economic downturn, as well as the recovery phase.

[info.ThinkWhy.com/Together2020](http://info.ThinkWhy.com/Together2020)

Special pricing through May 31, 2020 with code

## Together2020



# Save the Date for Our Next Labor Market Impact Briefing

Tuesday, June 16, 2020  
2 PM ET / 1 PM CT