

DISPARATE IMPACTS OF THE PANDEMIC RECESSION IN OREGON



July 2021





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This and other reports from the Workforce and Economic Research Division of the Oregon Employment Department are available at QualityInfo.org.

Special thanks to those whose work contributed to this report:

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This workforce product was funded by a grant awarded by the U.S. Department of Labor's Employment and Training Administration. The product was created by the recipient and does not necessarily reflect the official position of the U.S. Department of Labor. The Department of Labor makes no guarantees, warranties, or assurances of any kind, express or implied, with respect to such information, including any information on linked sites and including, but not limited to, accuracy of the information or its completeness, timeliness, usefulness, adequacy, continued availability, or ownership. This product is copyrighted by the institution that created it. Internal use by an organization and/or personal use by an individual for non-commercial purposes is permissible. All other uses require the prior authorization of the copyright owner.

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EXECUTIVE SUMMARY

The acute onset and depth of the pandemic recession was unlike anything seen previously in Oregon. What was a healthy economy lost one out of seven jobs in two months' time. The impacts were not evenly distributed, with in-person, service-based sectors experiencing significantly higher rates of job loss.

- Total employment and labor force levels reached annual average highs in 2019. The state's unemployment rate was also at a record low.
- Oregon lost 285,500 nonfarm payroll jobs from February to April, a decline of 14.5%. Unemployment spiked to a record high of 13.2% in April 2020.
- Taken together, leisure and hospitality, other services – including hair salons, repair shops, and other personal services – and private education accounted for nearly half (48%) of all jobs lost in the initial economic shock.
- While most sectors began rebounding from the initial pandemic recession job losses, local government – and public education in particular – did not, continuing to shed jobs as the pandemic wore on.

Leisure and hospitality in particular employed more women, more of Oregon's young workers, and more Black, Indigenous, and workers from communities of color than Oregon's economy overall. Other hard-hit sectors also tended to have more women and more low-wage workers. These are the Oregonians who experienced disparate impacts of the pandemic recession in 2020.

- Leisure and hospitality employed larger shares of workers from Black, Indigenous, and communities of color, particularly workers of Hispanic or Latino origin.
- Leisure and hospitality, other services, and education all had higher shares of women, and higher shares of minimum-wage jobs.
- More broadly, all sectors of Oregon's economy lost jobs in the initial downturn. Lower-wage earners saw the greatest job losses in nearly all of them.

The disparate impacts to these workers show in Oregon's unemployment claims data. They're also reflected in the benefit payments that served as a safety net to displaced workers and business owners under public health restrictions.

- Shares of women and younger workers (ages 16 to 24) with regular unemployment insurance (UI) claims rose during the pandemic.
- Women and Black or African American workers had higher shares of Pandemic Unemployment Assistance (PUA) claims relative to their share of the labor force.
- Hispanic or Latino workers' shares of claims did not rise despite being overrepresented in leisure and hospitality, which may reflect barriers to accessing benefits.

Some of the hardest-hit workers by the pandemic recession are among the same demographic groups – particularly Black, Native American, and younger workers – who took the longest to experience the labor market benefits of the last expansion. Throughout recessions and economic recoveries, unemployment rates also remain consistently higher for workers with less educational attainment. The workers disparately impacted due to pandemic-related job losses may also be more likely to need assistance getting back on the job.

A HEALTHY PRE-PANDEMIC ECONOMY

The pandemic came upon Oregon at a time of generally widespread economic health. The state had record high employment levels, with total nonfarm payroll employment hitting an annual peak at 1.95 million jobs in 2019.

Most sectors of the economy also reached all-time employment highs. Private-sector employment reached a record level. In the goods-producing part of the economy, both construction and nondurable manufactured goods businesses employed more workers than ever in the past. A variety of service-based industries also employed record levels of Oregonians – from professional and business services, to health care, education, restaurants, and recreation.

The pandemic came upon Oregon at a time of generally widespread economic health.

Annual Average Nonfarm Employment in Oregon

| Sector | 2019 Jobs | Record-High Employment |
|--|------------------|-------------------------------|
| Total nonfarm employment | 1,954,200 | Yes |
| Total private | 1,655,800 | Yes |
| Mining and logging | 6,900 | |
| Construction | 109,600 | Yes |
| Manufacturing | 198,100 | |
| Durable goods | 137,100 | |
| Nondurable goods | 61,100 | Yes |
| Wholesale trade | 76,600 | Yes |
| Retail trade | 210,100 | |
| Transportation, warehousing, and utilities | 70,600 | Yes |
| Information | 35,100 | |
| Financial activities | 103,500 | |
| Professional and technical services | 100,300 | Yes |
| Management of companies and enterprises | 50,500 | Yes |
| Administrative and waste services | 103,900 | Yes |
| Private education services | 36,600 | Yes |
| Private health care and social assistance | 275,400 | Yes |
| Leisure and hospitality | 213,900 | Yes |
| Other services | 64,800 | Yes |
| Government | 298,400 | |
| Federal government | 28,500 | |
| State government | 40,900 | |
| Local government | 229,000 | Yes |
| Local education | 133,200 | Yes |

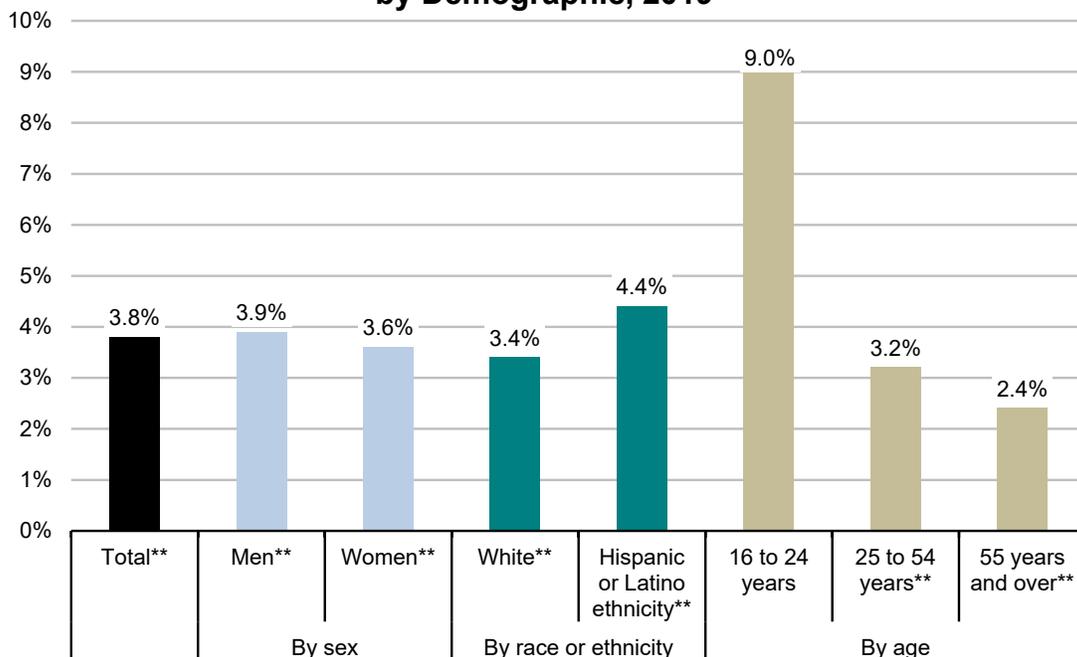
Source: Oregon Employment Department, Current Employment Statistics

Oregon also had its largest annual average labor force in 2019, with 2.11 million workers. At the same time, the number of unemployed workers (77,900) reached its lowest point since 1978. The record high labor force and low unemployment numbers translated into the state’s lowest annual unemployment rate on record in 2019, at 3.8%.

Across all demographics, Oregon workers experienced low unemployment rates relative to historical trends. In 2019, the annual unemployment rate reached a 20-year low for both men (3.9%) and women (3.6%). Similarly, unemployment rates hit their lowest in the 21st century for white (3.4%) and Hispanic or Latino (4.4%) workers in 2019.

Workers ages 25 to 54 also saw unemployment at a 20-year low (3.2%), as did workers 55 and older (2.4%). Workers ages 16 to 24 consistently have higher unemployment rates. That was also the case for Oregon’s youngest workers in 2019, with unemployment at 9.0%, which was slightly above their lowest rate (8.1%) in 2017 and 2018.

Oregon Annual Unemployment Rates
by Demographic, 2019**



Source: Oregon Employment Department and U.S. Bureau of Labor Statistics, bls.gov/la
**indicates lowest annual unemployment rate since at least 1999

The U.S. Census Bureau’s American Community Survey (ACS) covers a broader sample of households, and unemployment rate estimates for some races not published by the Bureau of Labor Statistics. The broader picture from the American Community Survey looks much the same: unemployment rates were at or within the margin of error of their record lows for each respective demographic going back to at least 2010. That said, Census-based unemployment rates for Oregon’s Asian (4.0%) and white (4.9%) workers were slightly lower than for Black or African American Oregonians (6.2%), and workers of two or more races (7.7%) in 2019.

INDUSTRY TRENDS

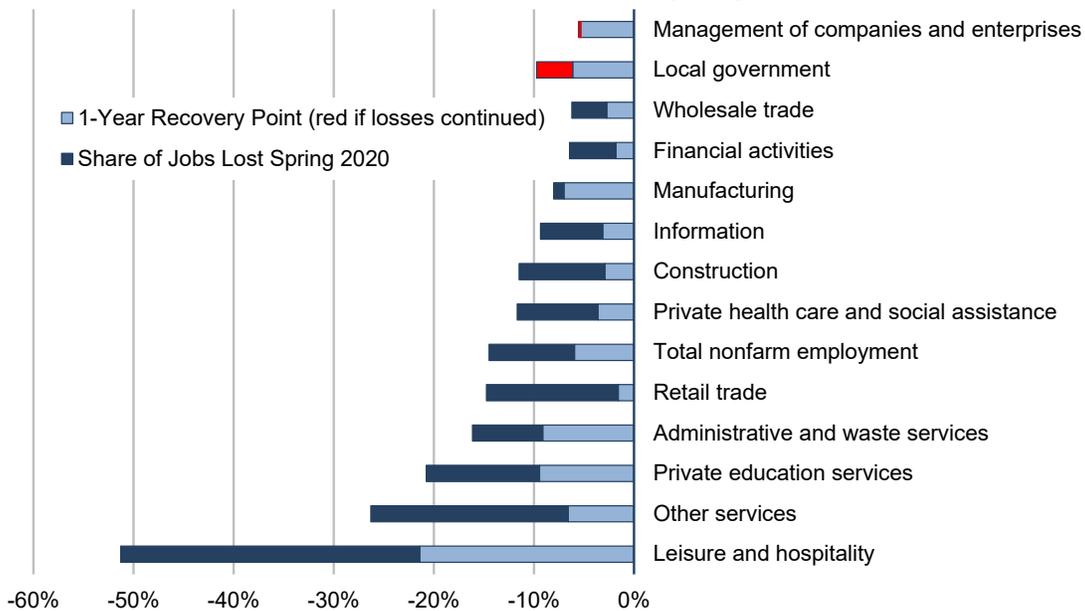
COVID-19: Initial Job Losses

The record-breaking layoffs that occurred in the spring of 2020 in response to the COVID-19 pandemic also occurred at breathtaking speed. One out of seven jobs statewide was either temporarily idled or permanently lost in two months' time. Oregon lost 285,500 nonfarm payroll jobs from February to April, a decline of 14.5%. In April 2020 alone, Oregon's unemployment rate spiked by nearly 10 percentage points to a record-high 13.2% as nearly 200,000 Oregonians lost their jobs over the month.

One out of seven jobs statewide was either temporarily idled or permanently lost in two months' time.

Three of the state's service-based sectors lost significantly larger shares of jobs than the rest though. Leisure and hospitality – including hotels, restaurants, and theaters – shed 110,900 jobs in March and April, more than half (-51.3%) of its employment. Other services – which includes automotive repair, and barber shops and beauty salons – dropped one-fourth of its 65,400 jobs (-26.3%). Private education services also saw sharp declines (-7,700 or -20.8%) as schools shuttered in the spring. Taken together, these three service sectors accounted for nearly half (48%) of all jobs lost in the initial economic shock.

Pandemic Recession Job Loss and Recovery
Losses Feb-Apr 2020 and Recovery
Apr 2020 to Apr 2021, Seasonally Adjusted



Source: Oregon Employment Department, Current Employment Statistics, excludes professional and technical services, and transportation, warehousing, and utilities

Continued Decline

While most sectors began rebounding from the initial pandemic recession job losses in spring, local government did not. Roughly half of local government employment consists of public K-12 and higher education. During the initial shock, as schools shuttered statewide, local government lost 14,100 jobs (-6.1%). The majority of K-12 and higher education has continued in full or partial online learning through the spring of 2021, and local government has shed another 8,000 jobs. One year after the initial job losses, Oregon's total nonfarm employment remained 5.9% below pre-pandemic peak. Meanwhile, local government losses grew to 9.6% below the pre-recession level.



Lower-Wage Industries

Prior to the pandemic, one out of every 15 jobs in Oregon (6.6%) paid minimum wage. At the same time, roughly half (49%) of Oregon jobs paid less than \$20 per hour, making \$20 near the median or middle wage (\$20.37 per hour) for all earners.

The disproportionate job losses in those hardest-hit service sectors meant initial job losses were more likely to affect Oregon's lowest-earning workers. Leisure and hospitality was most notable, with about one-fifth (18.2%) of all jobs at minimum wage, and roughly four out of five jobs (78%) paying below median wage. The other two sectors with outsized job losses in the spring of 2020 – other services and private educational services – also had larger shares of minimum wage jobs, at 8.2% and 10.4%, respectively. Three out of five jobs in other services (61%) paid less than \$20 per hour. The share was slightly lower in private education.

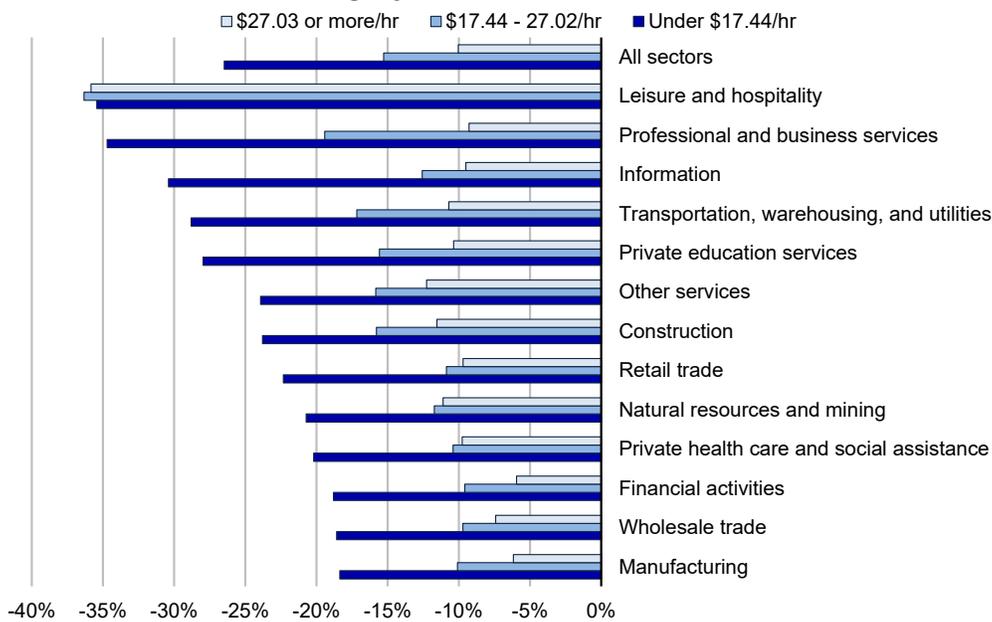
Oregon Minimum Wage Jobs by Broad Industry, Third Quarter 2019

| Sector | Total Jobs | Minimum Wage | % Minimum Wage | Share Earning Less Than \$20/hr |
|--|------------------|----------------|----------------|---------------------------------|
| All Sectors | 2,204,801 | 146,303 | 6.6% | 49% |
| Leisure and hospitality | 275,663 | 50,129 | 18.2% | 78% |
| Retail trade | 240,689 | 29,539 | 12.3% | 74% |
| Private education services | 34,538 | 3,602 | 10.4% | 44% |
| Other services | 87,768 | 7,218 | 8.2% | 61% |
| Natural resources and mining | 105,634 | 6,687 | 6.3% | 69% |
| Professional and business services | 284,294 | 14,668 | 5.2% | 47% |
| Local government | 214,805 | 8,086 | 3.8% | 26% |
| Private health care and social assistance | 289,849 | 10,906 | 3.8% | 43% |
| Information | 36,031 | 1,320 | 3.7% | 24% |
| Transportation, warehousing, and utilities | 77,577 | 2,220 | 2.9% | 46% |
| Financial activities | 89,403 | 2,456 | 2.7% | 32% |
| Wholesale trade | 77,270 | 1,826 | 2.4% | 35% |
| Manufacturing | 215,947 | 4,992 | 2.3% | 38% |
| Construction | 130,803 | 2,516 | 1.9% | 29% |
| State government | 43,018 | 47 | 0.1% | 9% |

Lower-Wage Workers Hit Economy-Wide

More broadly, all major sectors of Oregon's economy were negatively impacted in the initial months of the pandemic recession. Lower-wage earners saw the greatest job losses in nearly all of them.

Share of All Stable Jobs Lost in Oregon by Wage Category, Second Quarter 2020



Source: Oregon Employment Department, Unemployment Insurance Wage

Across most of Oregon's economy, those earning the least lost their jobs to the greatest degree at the onset of the pandemic.

Unemployment Insurance wage records of stable jobs – those who worked in Oregon in both the fourth quarter of 2019 and first quarter of 2020 – show an employment decline of 17.3% by the second quarter of 2020. Stable jobs for the lowest one-third of earners – those making less than \$17.44 per hour – fell by 26.5% over the same period. By comparison, middle-wage earners saw jobs fall by 15.3%, and employment in the higher-wage category dropped by 10.0%.

In all but one broad sector, stable job losses were steepest among the lowest earners. Once again, leisure and hospitality was a notable exception. The shares of jobs lost at restaurants, bars, hotels, and other leisure and recreation employers were the largest of any, and equally experienced by lower, middle, and higher-wage earners.

Stable jobs are lost every year, due to layoffs, retirements, longer-term seasonal work ending, workers moving out of state, and other reasons. The lowest-paying stable jobs in Oregon also saw the sharpest declines during in the second quarter of 2019 across all sectors. That said, the decline in stable jobs paying less than \$17.44 per hour was 8.6 percentage points higher in the second quarter of 2020, compared with increases of 5.6 percentage points for middle-wage earners, and 2.0 percentage points for those earning \$27.03 or more per hour. Across most of Oregon's economy, those earning the least lost their jobs to the greatest degree at the onset of the pandemic.

Stable Jobs Lost in Oregon by Second Calendar Quarter

| Wage Category | 2019 | | 2020 | |
|----------------------------|----------------|----------------|----------------|----------------|
| | Number Lost | Percent of All | Number Lost | Percent of All |
| Under \$17.44 per hour | 103,328 | 17.9% | 144,829 | 26.5% |
| \$17.44 - 27.02 per hour | 41,559 | 9.7% | 69,643 | 15.3% |
| \$27.03 or more per hour | 43,724 | 8.0% | 57,791 | 10.0% |
| All Wage Categories | 188,611 | 12.1% | 272,263 | 17.3% |

Source: Oregon Employment Department, Unemployment Insurance Wage Records

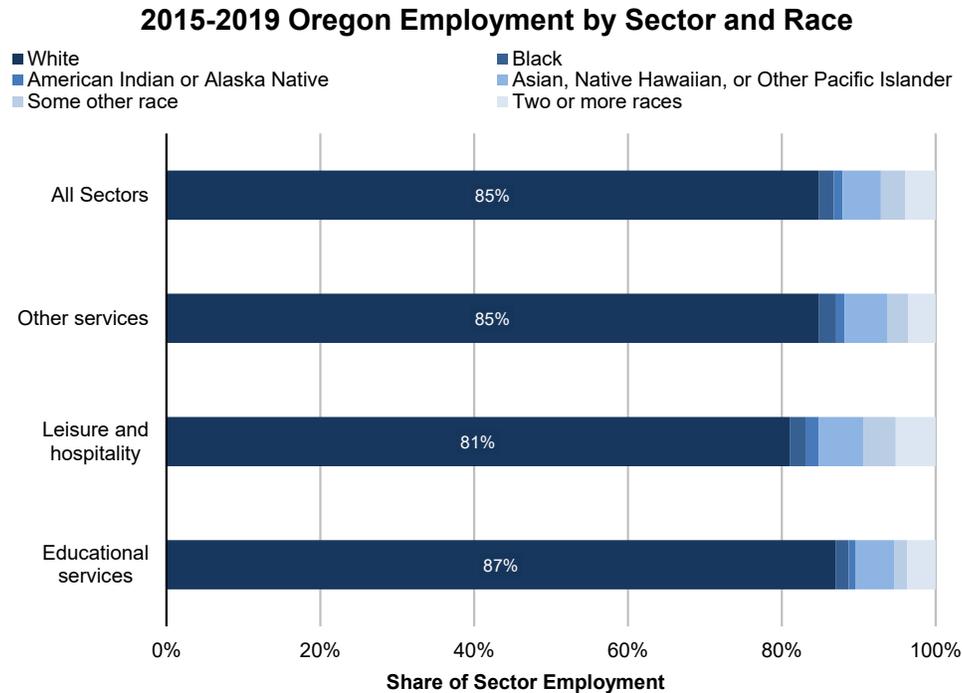
WORKER DEMOGRAPHICS

Incumbent Workers by Race and Ethnicity

From 2015 to 2019, across all sectors of Oregon, roughly 85% of job holders were white. Asian or Pacific Islanders held 5% of all jobs, while those who identified with two or more races held 4% of jobs. Oregonians who identified as “some other race” accounted for 4% of workers, and Black or African American workers held 3% of jobs.

Looking at the most-impacted sectors in the pandemic recession, white workers held a slightly higher share of jobs in private education services. The share of incumbent workers by race in other activities looked similar to Oregon's economy overall. White workers held a slightly smaller share of jobs in leisure and hospitality (81%), meaning

workers from communities of color were overrepresented (18% of workers) in the hardest-hit sector of the pandemic recession. Differences were notable by ethnicity in leisure and hospitality too. Although Hispanic or Latino workers accounted for 12% of workers across all sectors, they totaled 17% of the leisure and hospitality workforce.



Source: Oregon Employment Department and U.S. Census Bureau, American Community Survey 5-year estimates, IPUMS USA

Female and Younger Workers in Hard-Hit Industries

Women were also more likely to be employed in the sectors with the largest shares of COVID-related job losses. Prior to the pandemic, women made up slightly less than half (47%) of the labor force, and held slightly less than half (49%) of all jobs in Oregon. Yet, they held a slight majority (54%) of jobs in leisure and hospitality and other services (55%). Women held an even larger share – two out of three jobs – in both public and private education services.

Leisure and hospitality has also employed relatively large shares of young workers in Oregon. Prior to the pandemic, workers under 25 years old held one out of 10 jobs (11%) across all sectors statewide. By comparison, almost three out of 10 jobs (27%) were held by workers ages 14 to 24.

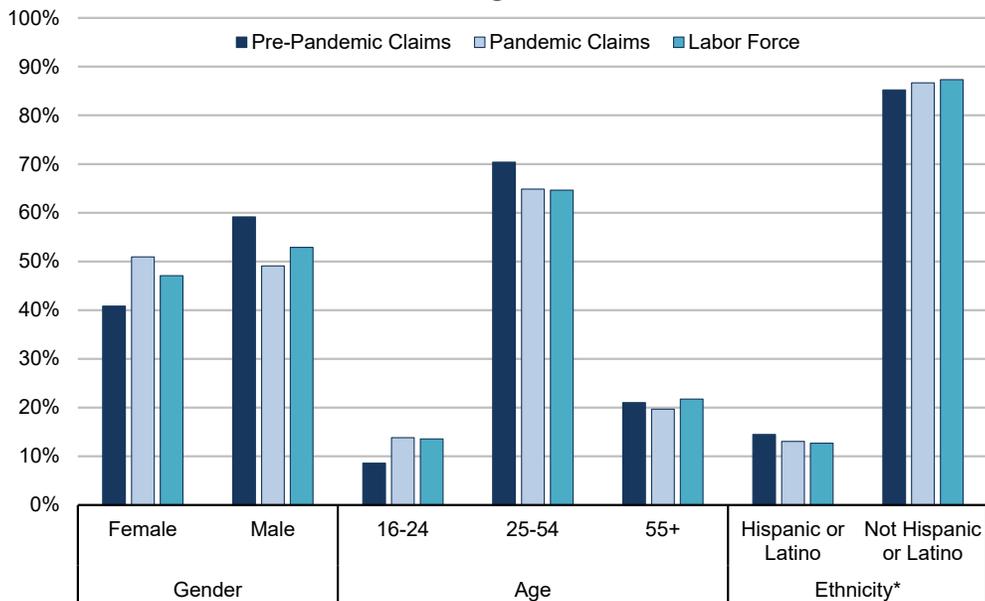
During the pandemic recession, women's share of regular UI jumped by 10 percentage points.

REGULAR UNEMPLOYMENT INSURANCE CLAIMS

Increased Claims by Women and Young Workers

The disparate impacts we would expect to see among female, younger, and lower-wage workers in Oregon based on industry job losses and demographics show up in the statewide unemployment insurance claims data. Workers on employer payrolls who lost jobs through no fault of their own are most commonly represented in the regular unemployment insurance (UI) benefits that already existed before the pandemic.

Female and Youth Shares of Unemployment Rose During Pandemic



Sources: U.S. Census Bureau, American Community Survey, and Oregon Employment Department, Unemployment Insurance Claims
*excludes unknown

Before the pandemic recession started, women accounted for slightly less than half (47%) of Oregon's labor force, and an even smaller share (41%) of regular unemployment insurance (UI) claims. During the pandemic recession, women's share of regular UI jumped by 10 percentage points to the slight majority (51%) of all claims.

Younger workers had a smaller portion of regular UI claims (9%) than their share of the labor force (14%) prior to the pandemic. After the COVID-19 closures, heightened claims activity by workers ages 16 to 24 brought their share of claims in line with their share of the labor force.

Relatively Fewer Claims by Hispanic and Latino Workers

Although Oregon workers of Hispanic and Latino ethnicity were overrepresented in the leisure and hospitality workforce, their share of total UI claims dropped slightly during the pandemic. Both prior to and during the pandemic, Hispanic and Latino workers' unemployment claims were in line with their share of Oregon's overall labor force.

It's possible that workers of Hispanic or Latino origin were less likely to be laid off during the pandemic. Access barriers to unemployment benefits may have also affected this or any other demographic with potentially greater shares of workers speaking a language other than English.

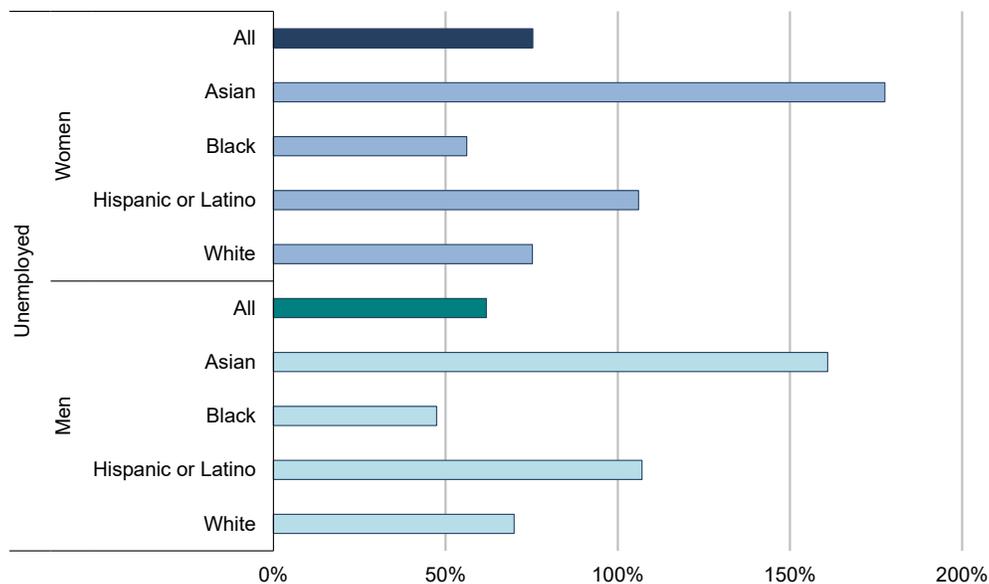
Race Information Often Unknown in Unemployment Claims

Unfortunately, significant portions of unemployment insurance claims information is missing or unknown by race. Options for claimants to identify their race when filing a claim are presented as a series of checkboxes that allow for multiple categories to be selected. The selections can be removed if a claimant decides they want to leave the race information blank. This likely contributes to the incompleteness of the race data.

By contrast, claimants can select between two mutually exclusive ethnicity options – Hispanic or Latino, or Not Hispanic or Latino – in the regular unemployment benefits application. A person can change their ethnicity selection, but once selected, they may not remove the ethnicity selection without beginning the application again. These differences in design may be one reason ethnicity information is more often available than race.

Two-thirds (68%) of Oregon's pre-pandemic claims have no race information attached. While greatly improved, more than one-third (36%) of pandemic claims information includes no race indicator for the claimant. This prevents meaningful conclusions about pandemic recession impacts specific to Oregon.

**U.S. Pre- and Post-Pandemic Change in Unemployed Workers
April 2019 and April 2021, Unadjusted**



Source: Oregon Employment Department and U.S. Bureau of Labor Statistics

Based on U.S. data, we would expect to see increased unemployment claims activity across all race and ethnic categories, for both men and women, relative to pre-pandemic levels. Civilian labor force totals rebounded for both men and women, but remained about 1% lower a year after the deepest part of the pandemic recession than they were a year beforehand. That means 915,000 fewer men and 801,000 fewer women were in the U.S. labor force in April 2021 than in April 2019.

Within the labor force, unemployment totals remained 68% higher for men and 75% higher for women in April 2021 when compared with April 2019. Unemployment numbers remained more than twice their pre-pandemic baseline for Asian men and women, and for men and women of Hispanic or Latino origin.



Potential Barriers to Access

Limited access to computers, internet, in-person assistance, and timely information in languages other than English, among other things, served as barriers that may have prevented potential claimants from filing for unemployment insurance. The pandemic reduced some options for filing an unemployment claim. Employment Department offices, where potential claimants normally can receive some in-person assistance, were closed for public health and safety reasons. Likewise, public libraries were closed; they serve as a space where those without home internet access could typically use a computer to file a claim.

In addition to these pandemic-related barriers, information about new unemployment insurance programs, and multiple legislative changes to existing ones, required additional time to translate into languages other than English. Also, Oregon's online initial application form was only available in English at the onset of the pandemic recession. That meant those needing to file in another language, or with reduced access to public resources, likely needed to file claims by phone. The Oregon Employment Department received more than 20 million incoming phone calls in April 2020 alone, which created difficulty receiving assistance by phone.

During the pandemic, the Oregon Employment Department added a dedicated language assistance hotline and language access inbox to supplement its existing translation services. In addition, the agency actively partnered with organizations to allow advocates or caseworkers to assist claimants with limited English proficiency. Unemployment claim information and applications were also added to the agency's website in 15 languages other than English.

Labor Force's Ability to Speak English by Race and Ethnicity in Oregon, 2019

| Race/Ethnicity | All English Abilities | Speaks English but Less than "Very Well" | Does Not Speak English | Limited English Proficiency | % With Limited English Proficiency |
|---|-----------------------|--|------------------------|-----------------------------|------------------------------------|
| All | 2,095,541 | 115,212 | 15,299 | 130,511 | 6.2% |
| Some Other Race | 70,798 | 22,396 | 2,451 | 24,847 | 35.1% |
| Asian, Native Hawaiian, or Other Pacific Islander | 108,283 | 28,316 | 1,726 | 30,042 | 27.7% |
| Black or African American | 39,909 | 2,798 | 251 | 3,049 | 7.6% |
| American Indian or Alaska Native | 23,049 | 1,309 | 144 | 1,453 | 6.3% |
| Two or More Races | 83,651 | 3,522 | 435 | 3,957 | 4.7% |
| White | 1,769,851 | 56,871 | 10,292 | 67,163 | 3.8% |
| Hispanic or Latino | 266,968 | 70,293 | 12,841 | 83,134 | 31.1% |
| Non-Hispanic or Latino | 1,828,573 | 44,919 | 2,458 | 47,377 | 2.6% |

Source: Oregon Employment Department and IPUMS-USA, American Community Survey

Note: Limited English Proficiency is defined in this analysis as speaking English less than "very well"

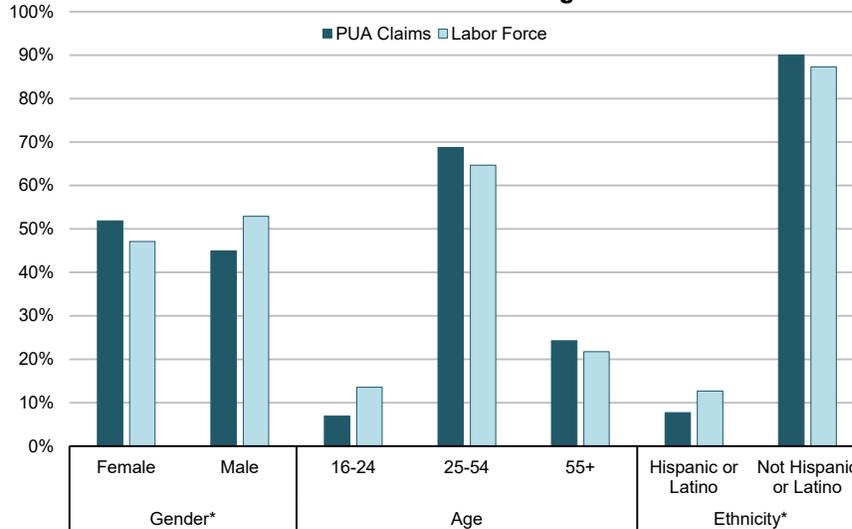
At some point in the process, access barriers still could have affected unemployed workers among the 130,500 (or 6%) in Oregon's labor force with limited English speaking proficiency. Limited English speaking proficiency was indicated at much higher rates for those identifying as some other race (35%), for the Hispanic or Latino labor force (31%), and for Asian, Native Hawaiian or other Pacific Islanders (28%).

These groups also have high shares of their populations that were born outside of the United States. Looking at adult populations in Oregon, six out of 10 (61%) Asians, four out of 10 (38%) people who are some other race, and three out of 10 (30%) Native Hawaiian or other Pacific Islanders were foreign born on average from 2015 to 2019. Nearly half (47%) of the adult Hispanic or Latino population in Oregon was foreign-born during the same period. This compares with just 9% of all adults in Oregon. Foreign-born populations may have experienced additional barriers to understanding information about the unemployment insurance system or navigating Oregon's systems if sufficiently different from in those potential claimants' countries of origin.

Self-Employed and Gig Workers

The Coronavirus Aid, Relief, and Economic Security (CARES) Act and subsequent legislation opened unemployment benefits to self-employed, gig, and other workers not covered by regular unemployment insurance. Examples of workers newly covered by Pandemic Unemployment Assistance include self-employed workers, payroll business owners who opt themselves out of regular UI, freelance or contract ("1099") workers, and artists or entertainers without another payroll job, among others. PUA claims provide a lens to see how the pandemic affected these workers' livelihoods as well.

Shares of Pandemic Unemployment Assistance Claims and Labor Force in Oregon



Sources: U.S. Census Bureau, American Community Survey, and Oregon Employment Department, Unemployment Insurance Claims *excludes unknown

As with regular unemployment insurance claims, women represented an outsized share of PUA claims (52%) relative to their share of the labor force (47%). Younger workers' share of PUA claims (7%) was about half the size of their labor market share (14%). That makes sense, as business ownership and freelance work tend to be concentrated among more experienced, and thus older, workers.

Hispanic or Latino workers were also underrepresented among PUA claims. They accounted for 13% of the labor force, but only 8% of PUA claims. This was a bit surprising, as Hispanic or Latino business owners are more highly concentrated in leisure and hospitality. Many business owners, including those with payroll employees, opt not to include themselves in unemployment insurance coverage. That made PUA the only unemployment benefits option for those owners during the public health shutdowns. Yet the Hispanic and Latino population is younger, on average, than the white population, and younger workers represented a low share of PUA claimants. The same access issues covered earlier for regular unemployment benefits may also be a factor in PUA claims too.

More than one-fifth (22%) of data for Oregon's PUA claimants lacks race information. Most of the missing data appears to be for white workers, as their PUA claims were about 19 percentage points below their share of the labor force. Still, the information gaps make conclusive findings difficult. From the available dataset, Black or African American workers' share of PUA claims was nearly twice their share of the labor force. At the same time, the share of PUA claims by Asian workers was nearly half the size of their labor force share.

Pandemic Unemployment Assistance Claims and Share of Labor Force in Oregon by Race

| Race | PUA Claims | % PUA Claims | Labor Force | % Labor Force |
|---|---------------|--------------|------------------|---------------|
| All Races | 90,505 | 100% | 2,097,381 | 100% |
| Black or African American alone | 3,285 | 3.6% | 40,532 | 1.9% |
| American Indian or Alaska Native alone | 1,034 | 1.1% | 22,639 | 1.1% |
| Asian alone | 2,482 | 2.7% | 99,192 | 4.7% |
| Native Hawaiian or Other Pacific Islander alone | 321 | 0.4% | 9,477 | 0.5% |
| Some other race alone | - | - | 70,110 | 3.3% |
| Two or more races | 3,987 | 4.4% | 82,192 | 3.9% |
| White alone | 59,516 | 65.8% | 1,772,583 | 84.5% |
| Unknown | 19,880 | 22.0% | - | - |

Sources: Oregon Employment Department, U.S. Census Bureau American Community Survey

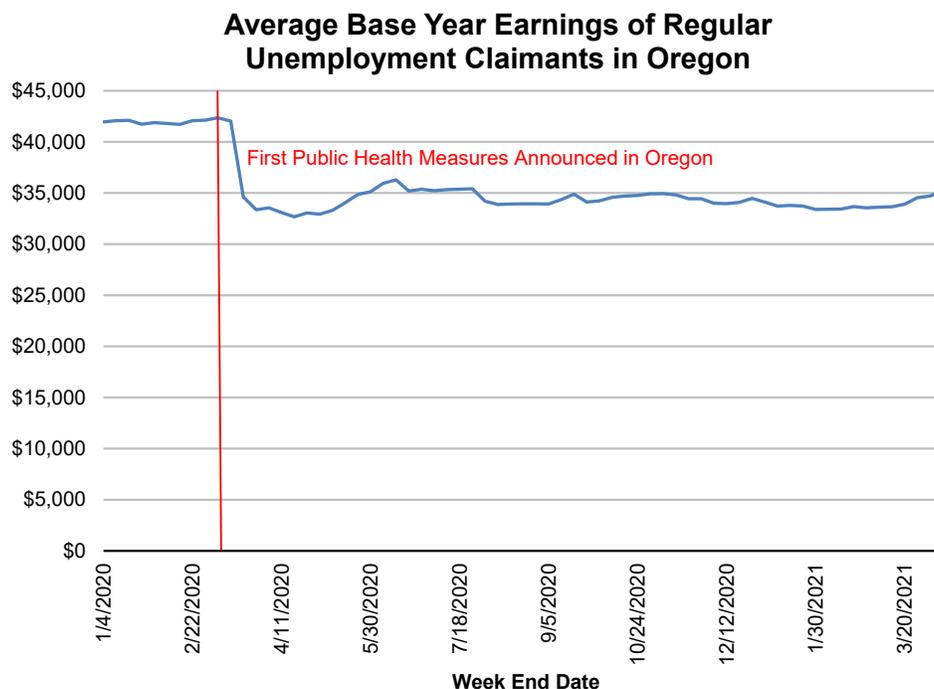
Unemployment benefits served as a safety net of support for lower-earning workers during the pandemic.

Benefit Lifeline to Lower-Wage Workers

The safety net provided by unemployment benefits was significant, particularly for those who lost jobs. Research from the [Federal Reserve](#) shows that 13% of adults nationwide indicated they lost a job in March 2020. An additional 6% either had their hours cut back or took unpaid leave. In April 2020, 18% of adults in the U.S. did not expect to be able to pay all their bills in full. Nearly twice the share (35%) of adults who lost part or all of their work reported an inability to pay all their bills. Roughly half (48%) of those who lost their job or experienced cutbacks indicated they were either struggling to get by or just getting by, compared with one-fourth (24%) who remained employed.

Likewise, unemployment benefits served as a safety net of support for lower-earning workers during the pandemic. In Oregon, the average “base year,” or prior 12 months of on-the-job earnings, for those receiving regular unemployment benefits was \$42,000 prior to public health restrictions that shuttered businesses due to COVID-19. Within the first month following the closures, average base year earnings of unemployment insurance claimants dropped by 22% to \$32,700. This decrease in average base earnings reflected the disproportionate effect of the pandemic on lower-wage earners. Nationwide, two out of five workers (39%) in households with income below \$40,000 lost jobs in March 2020.

Throughout the rest of 2020 and the first quarter of 2021, various levels of public health restrictions remained in place – especially related to leisure and hospitality. The Federal Reserve’s Report on the Economic Well-Being of U.S. Households also shows nearly half (46%) of those working in leisure and hospitality experienced income volatility prior to the pandemic, compared with one in 10 adults overall. That’s the highest of any sector. One-third of those experiencing income volatility struggled to pay their bills during the year.



Source: Oregon Employment Department, Unemployment Insurance Benefits

WORKING IN A PANDEMIC: DISPARATE IMPACT ON THE JOB

The focus of any economic downturn often falls first on those who lost their livelihoods. The pandemic recession also created disease exposure risks to those who remained working at in-person or high-contact jobs. Much like those who were more likely to suffer pandemic-related job losses, data suggest that lower-wage earners, younger workers, and workers from communities of color who remained employed appear to have had relatively less opportunity to telecommute. This creates another disparate impact of the pandemic on the workforce.

A pre-pandemic survey from the U.S. Bureau of Labor Statistics shows workers' options to work from home by demographics and occupation. Nationally, the majority of workers (60%) in management, business, and financial occupations could work from home. The next highest rate was for jobs in professional and related occupations (43%). About one out of four sales and related (28%) and office and administrative support jobs (24%) could be worked from home.

In three broad occupational groups, less than one out of 10 jobs could be teleworked. These included jobs in transportation, material moving, and production (4%), services jobs (6%), construction and extraction or installation, maintenance, and repair workers (9%). Heading into the pandemic, workers from Oregon's communities of color were disproportionately represented in the occupational groups with the lowest likelihood to work from home.

Pre-Pandemic Ability to Work from Home and Distribution of Occupational Employment by Race and Ethnicity in Oregon

| Occupational Group | U.S. Share Could Work at Home | 2019 Occupational Employment in Oregon | | | | | | | |
|--|-------------------------------------|--|-------------|---------------|-------------|-----------------|-------------|--------------------|-------------|
| | | All Races or Ethnicity | | Black | | Some Other Race | | Hispanic or Latino | |
| All | 29% | 2,045,338 | 100% | 38,878 | 100% | 77,864 | 100% | 273,490 | 100% |
| Management, business, and financial occupations | 60% | 326,505 | 16% | 5,586 | 14% | 5,612 | 7% | 24,954 | 9% |
| Computer, engineering, and science occupations | 43% | 141,387 | 7% | 2,801 | 7% | 888 | 1% | 7,701 | 3% |
| Education, legal, community service, arts, and media occupations | 43% | 240,421 | 12% | 5,627 | 14% | 6,300 | 8% | 21,141 | 8% |
| Healthcare practitioners and technical occupations | 26% | 118,669 | 6% | 2,453 | 6% | 1,578 | 2% | 6,969 | 3% |
| Sales and office occupations | 26% | 409,588 | 20% | 7,099 | 18% | 13,608 | 17% | 44,546 | 16% |
| Natural resources, construction, and maintenance occupations | 9% | 176,720 | 9% | 715 | 2% | 13,239 | 17% | 46,400 | 17% |
| Service occupations | 6% | 371,204 | 18% | 9,331 | 24% | 19,631 | 25% | 70,654 | 26% |
| Production, transportation, and material moving occupations | 4% | 260,844 | 13% | 5,266 | 14% | 17,008 | 22% | 51,125 | 19% |

Sources: U.S. Bureau of Labor Statistics and U.S. Census Bureau, American Community Survey

Overall, almost one out of eight jobs (13%) in Oregon were in either production or transportation and material moving. Yet, about one out of five workers who identified as some other race (22%) or as being of Hispanic or Latino origin (19%) held jobs in these occupations. Workers identifying as some other race and Hispanic or Latino workers also held higher shares of jobs (17% each) relative to all workers (9%) in construction and extraction jobs. One out of four jobs for Oregon's Black or African American workers (24%), workers identifying as some other race (25%), and Hispanic or Latino workers (26%) were in service-related occupations, compared with 18% of all workers.

Lower-wage earners were also less likely to have a work from home option. Nationally, about one out of seven workers (15%) earning less than the median wage could work from home. At the same time, about half (49%) of workers earning above median wage could work from home. In addition, 7% of workers ages 15 to 24 could work from home, compared with 29% for all workers ages 15 and older.

IMPLICATIONS FOR OREGON'S WORKFORCE AND RECOVERY

Some of the workers who were hit hardest by the pandemic recession are among the same demographic groups who took the longest to experience the benefits of the last economic expansion. In Oregon, the unemployment rate approached or hit 20% for Black and Indigenous workers in the wake of the Great Recession. Likewise, the rate topped 20% for Oregon workers ages 16 to 24.

Regardless of the point in the business cycle, unemployment rates remain consistently higher for young workers and workers with less educational attainment. These same workers tend to earn less on average. And we know that job losses in the pandemic recession affected lower-wage workers the most, due to the disproportionate losses in leisure and hospitality, and more widespread losses of lower-wage jobs across the economy.

As Oregon's economy moves toward fully re-opening, the workers disparately impacted due to pandemic-related job losses may also be more likely to need the assistance getting back to – and feeling safe on – the job. While the pandemic brought unparalleled job losses in scale and speed, economic recovery is also expected to move faster than in past downturns, with a return to peak employment within three years of the recession's onset.

APPENDIX A: UNEMPLOYMENT CLAIM DEFINITIONS

Pre-Pandemic Regular Unemployment Insurance Claims: When an initial claim is filed and then deemed eligible for benefits, the claimant typically has 26 weeks' worth of benefits they can claim within 52 weeks. These claimants were sorted by their benefit year end (BYE) date. The BYE is typically 52 weeks after a person's initial claim, and is assigned once they are deemed eligible for benefits. Once a BYE has passed, a claimant can no longer receive benefits related to that initial claim. To capture a pre-pandemic comparison group, we selected all claims types (excluding PUA), and narrowed the group down to those with a BYE between the eighth week of 2020 and the seventh week of 2021. This would capture those claimants who first experienced unemployment (i.e., filed an initial claim) between the eighth week of 2019 and the seventh week of 2020.

Pandemic-Era Regular Unemployment Insurance Claims: To capture this group, we used a similar method to the pre-pandemic era regular claims. The BYE was narrowed to the eighth week of 2021 and forward. We only counted claimants who had a last week paid within 2020 or 2021, to make sure we were only counting those who received benefits. To avoid double counting claimants who may have been receiving regular unemployment insurance and Pandemic Unemployment Assistance (PUA), or perhaps had multiple claims filed, we filtered the using an administrative flag that ties the characteristics from a person's most recent claim to them, even if those demographics differ from one claim to the next.

Pandemic Unemployment Assistance: Looked at all PUA claimants who had a last week paid sometime in 2020 or 2021, with an IVR status=Yes, to avoid double counting claimants.



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