



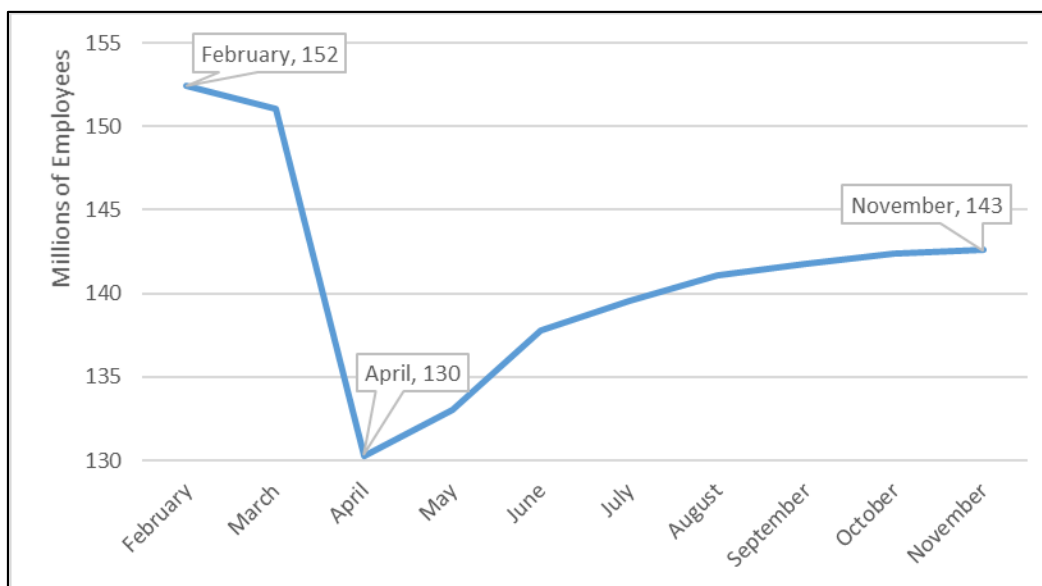
COVID-19: Employment Across Industries

January 5, 2021

The nature of the Coronavirus Disease 2019 (COVID-19) pandemic has caused differing economic outcomes across industries. Certain industries, such as those that require in-person contact, have been affected more than others by stay-at-home orders, social distancing mandates, and fears of the virus. This Insight discusses which industries have been hardest hit by the pandemic. For the overall economic effects of the pandemic, see CRS Report R46606, *COVID-19 and the U.S. Economy*, by Lida R. Weinstock.

Employment Situation

Total nonfarm employment decreased rapidly during the initial months of the COVID-19 pandemic and hit a low of 130 million employees in April, as shown in **Figure 1**. The employment situation has improved since April but remains worse than before the pandemic began, with approximately 143 million employed individuals in November as compared to 152 million in February.

Figure 1. Total Nonfarm Employment During COVID-19 Pandemic

Source: Bureau of Labor Statistics, Current Employment Survey (CES).

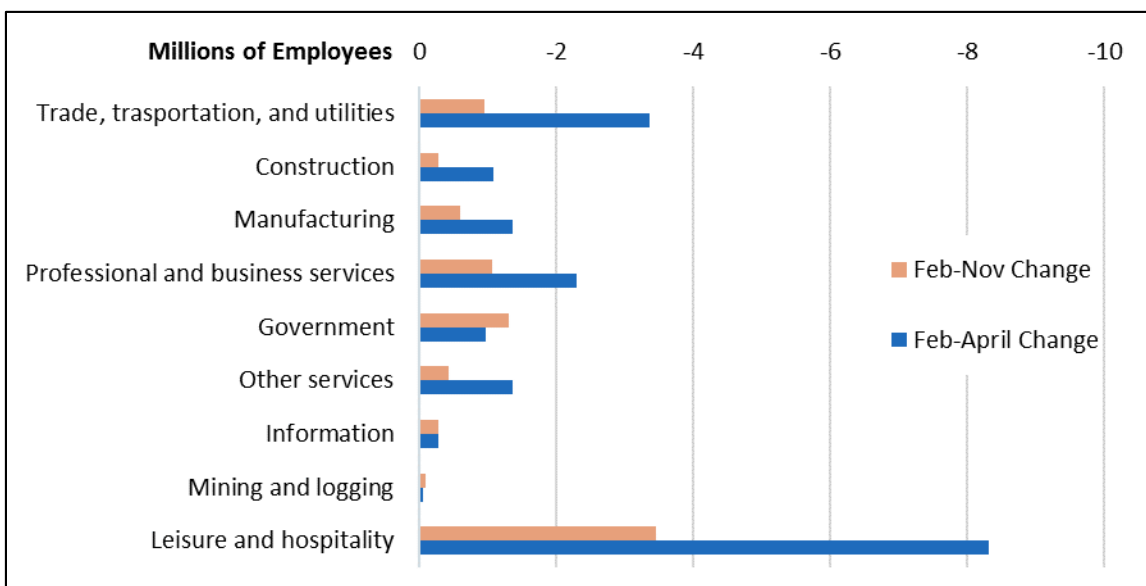
Note: Data seasonally adjusted.

Sector-Level Patterns

As categorized by the Bureau of Labor Statistics, there are nine “super sectors” in the economy, which have all been affected uniquely by the pandemic. **Figure 2** and **Figure 3** show job losses in each sector. The blue bars represent job losses in the first three months of the pandemic (February through April), when unemployment peaked in all but two sectors, while the orange bars represent losses over the more extended period from February to November. Most sectors lost a significant amount of jobs in the early months of the pandemic but have since recovered somewhat (represented by the difference between the blue and orange bars in the figures). The mining and logging and the government sectors were the only two not to recover. Both sectors experienced further job loss after April.

The [leisure and hospitality sector](#) experienced the most job loss not only as an absolute number of employees but also by the proportion of employees lost. The unemployment rate in this sector was 15% as of November, well above the national rate. Uneven as job loss was across sectors, all sectors showed some level of job loss over both time frames, illustrating the widespread effects of the pandemic.

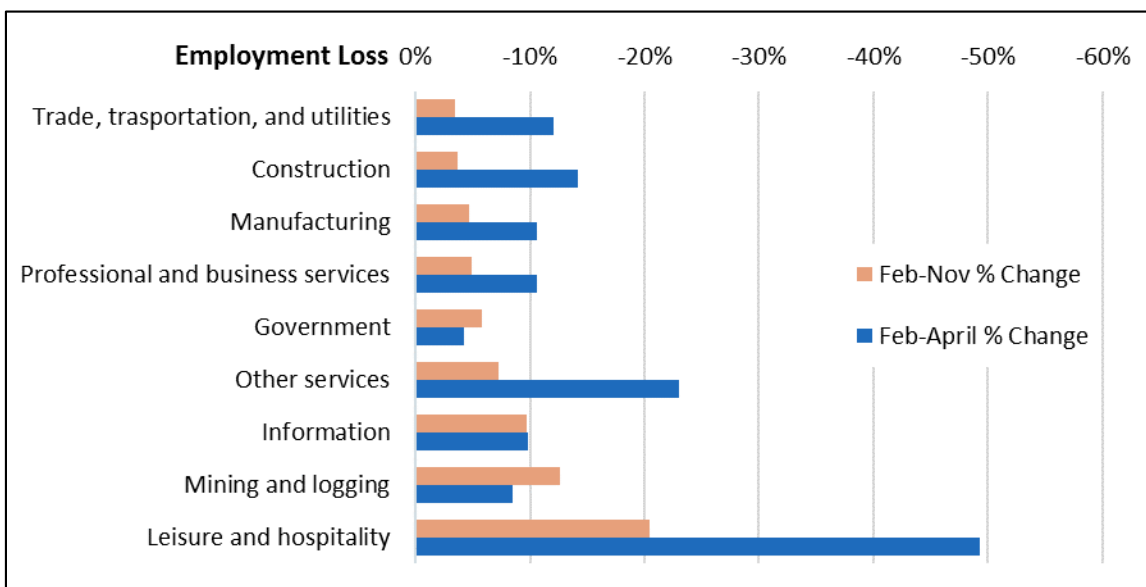
Figure 2. Employment Loss by Sector



Source: CRS calculations using data from [CES](#).

Note: Underlying data seasonally adjusted.

Figure 3. Percent Loss in Employment by Sector



Source: CRS calculations using data from [CES](#).

Note: Underlying data seasonally adjusted.

Industry-Level Patterns

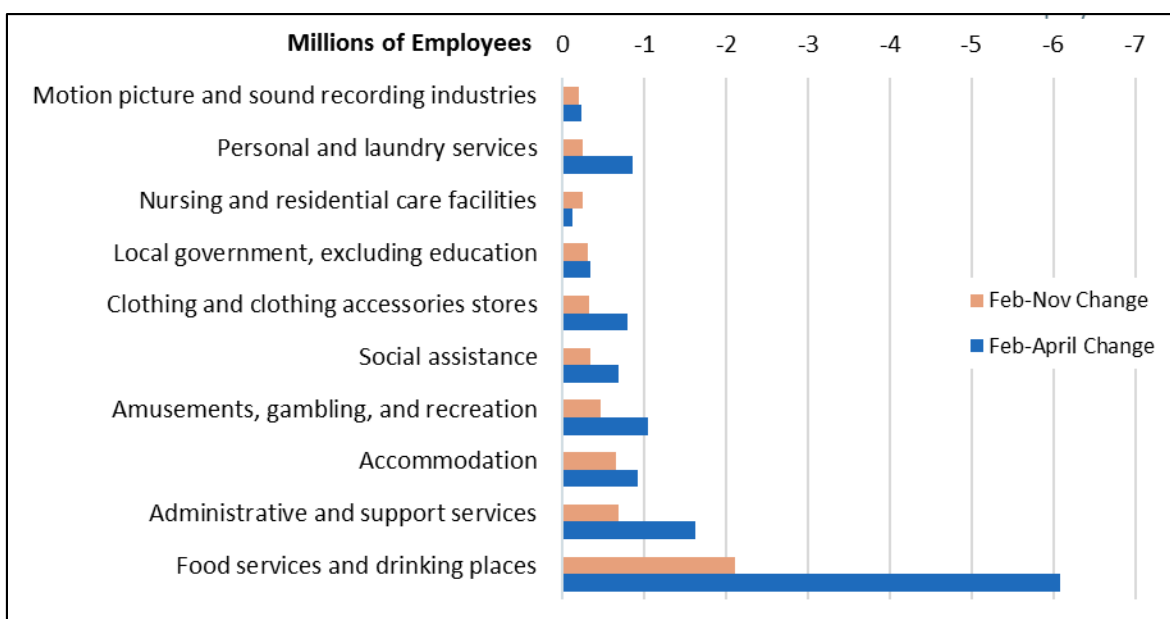
Each of the sectors shown above is composed of a [series of industries](#). While the leisure and hospitality sector showed significantly higher job loss than other sectors, both in the immediate shock of the public health crisis and over its course in 2020, this does not mean that only industries within this sector have been hard hit by the COVID-19 pandemic. This section discusses industry-level employment outcomes.

Employment

Figure 4 shows the top 10 industries (out of 77 at the three-digit NAICS code level) with the greatest loss of employment between February and November, again represented by the orange bars in the figure. (The blue bars represent the job losses between February and April.) Both in terms of immediate and longer-term impact, the food services and drinking places industry has suffered significantly more employment loss than others. By November, this industry had lost over 2 million employees since February, about 1.4 million more than the next hardest-hit industry (administrative and support services).

Food services and drinking places did recover a significant amount of jobs—roughly 4 million—between April and November. Other industries—such as the motion picture and sound recording industries, local government, and nursing and residential care facilities—lost fewer jobs in an absolute sense through April than the food services and drinking places industry but saw minimal recovery by November. Nursing and residential care facilities continued to lose jobs between April and November.

Figure 4. 10 Hardest-Hit Industries by Employment Loss, November 2020



Source: CRS calculations using data from [CES](#).

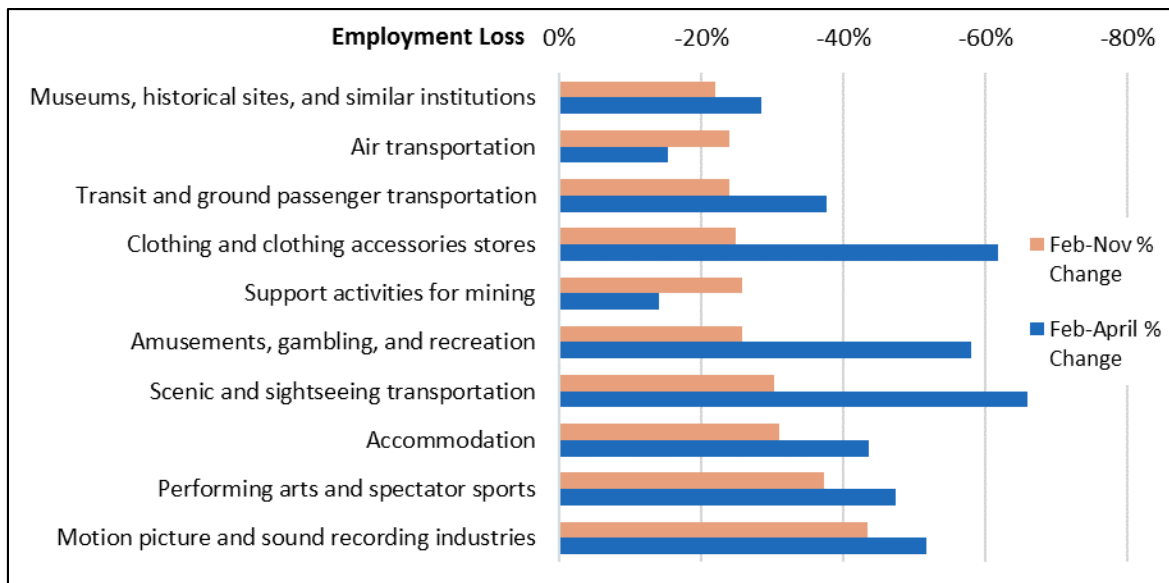
Note: Underlying data seasonally adjusted.

When looking at the proportional decline in employment during the pandemic, as measured by percent change in employment, the story changes somewhat. For example, the food services and drinking places industry is not among the hardest-hit industries by percent loss of employment as of November, despite a significant percent loss in April. This indicates that, despite the relative large absolute job loss in this industry as of November, the industry is large enough that the proportional loss was relatively smaller than other hard-hit industries shown in **Figure 5**. It is possible that this industry could see more losses this winter as colder weather makes outdoor dining options less feasible and increasing caseloads [prompt mandates](#) forbidding indoor dining.

Two of the three hardest-hit industries—performing arts and spectator sports and accommodation—are in the leisure and hospitality sector, in part explaining why this sector showed the highest percent loss in employment. Several industries in **Figure 5** are part of the trade, transportation, and utilities sector, underscoring the fact that individual industries across sectors have been relatively hard hit. Additionally, the differences in results between **Figure 4** and **Figure 5** show that the employment loss in some

industries may have been smaller in absolute terms, but relative to the size of the industry, the loss may have been significant. In this sense, it may be important to look at more than one measurement of employment loss to determine which industries have suffered the most during the pandemic.

Figure 5. 10 Hardest-Hit Industries by Percent Employment Loss, November 2020



Source: CRS calculations using data from [CES](#).

Note: Underlying data seasonally adjusted.

Policy Implications

Despite the severity of the employment losses seen in these sectors, the employment situation may have been improved in the short term by policies aimed at maintaining payroll, such as the [Paycheck Protection Program \(PPP\)](#). On December 27, 2020, President Trump signed H.R. 133, which included an extension of the PPP and other fiscal stimulus that could affect employment in 2021.

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