



From Unemployment to Reemployment in 2020

**Examining the status of claimants
for unemployment compensation
from the onset of the COVID-19
pandemic at the end of 2020**

The COVID-19 pandemic caused unprecedented disruptions to the labor market.

To better understand the effects of the pandemic, unemployment insurance claims and wage records were linked to identify patterns in the jobs recovery.

How many people who lost their job at the beginning of the COVID-19 pandemic became reemployed by the end of 2020?

In which sectors were people who lost their job most likely to become reemployed?

How many became reemployed by the same primary employer? How many became reemployed with a different employer in the same sector?

How many transitioned to a new industry? What industry transitions were the most common?

Research Design



We study a cohort of 60,400 claimants filing for unemployment insurance who lost a job early in the pandemic

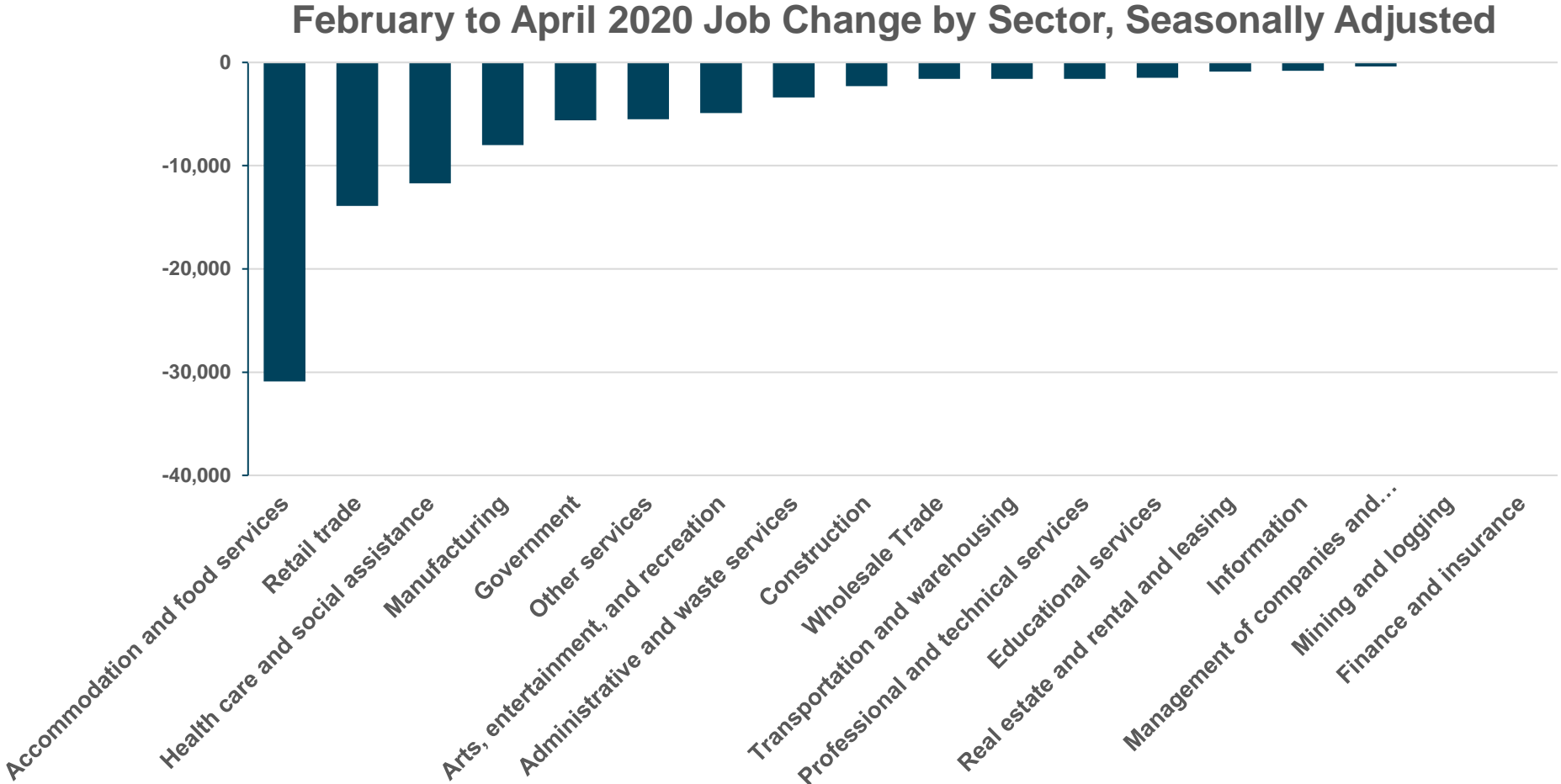


We follow these claimants over time to identify those who became reemployed in the following 6-8 months during the jobs recovery



And those who remain unemployed and continued to file claims for unemployment insurance

At the onset of the pandemic, half of net job loss was concentrated in the accommodation and food services, the retail trade, and the healthcare and social assistance sectors.



Continued claimants in April 2020 were matched to wage records to identify those that were reemployed in the fourth quarter of the year

Continued claimants in April with an initial claim after March 9th were selected to isolate job losses that occurred after the onset of the pandemic

Matched to 2020 Quarter 4 wage records

- Selected wage record from the individual's primary employer (highest wage)

****This research excluded wages earned in temporary staffing positions and those employed or laid off from positions at ski centers to identify industry transitions that were not related to temporary or seasonal employment patterns**

**In the 4th quarter of 2020,
of the 60,400 claimants in
the spring:**

- **49 percent** had returned to the same employer
- **7 percent** worked for a new employer in the same sector of the economy they previously worked in
- **8 percent** worked for a new employer in a different sector
- **16 percent** continued to file for unemployment compensation

****Those considered to be reemployed earned at least \$2,500 during the final three months of 2020. Sector transitions indicate that the job holder had not been employed in that sector before the pandemic and had not worked for that employer in the prior three years.**

****Those considered to be still receiving unemployment benefits filed claims in each of the final three months of 2020.**



49%

49% of claimants became reemployed with the same primary employer by the end of 2020.

The top 10 industries by number of claimants who returned to the same primary employer include:

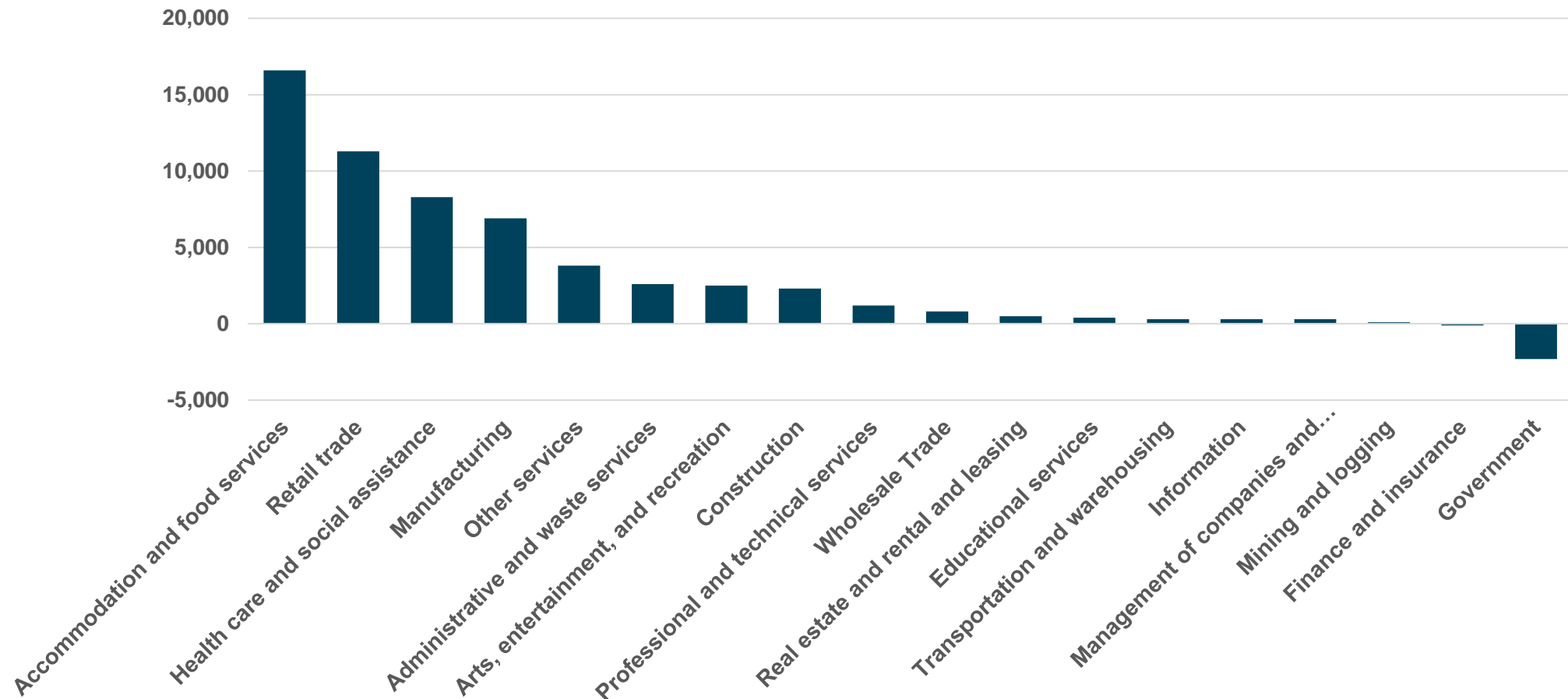
- 1. Accommodation and Food Services**
- 2. Health Care and Social Assistance**
- 3. Retail Trade**
- 4. Manufacturing**
- 5. Other Services (Except Public Administration)**
- 6. Construction**
- 7. Professional and Technical Services**
- 8. Wholesale Trade**
- 9. Educational Services**
- 10. Arts, Entertainment, and Recreation**

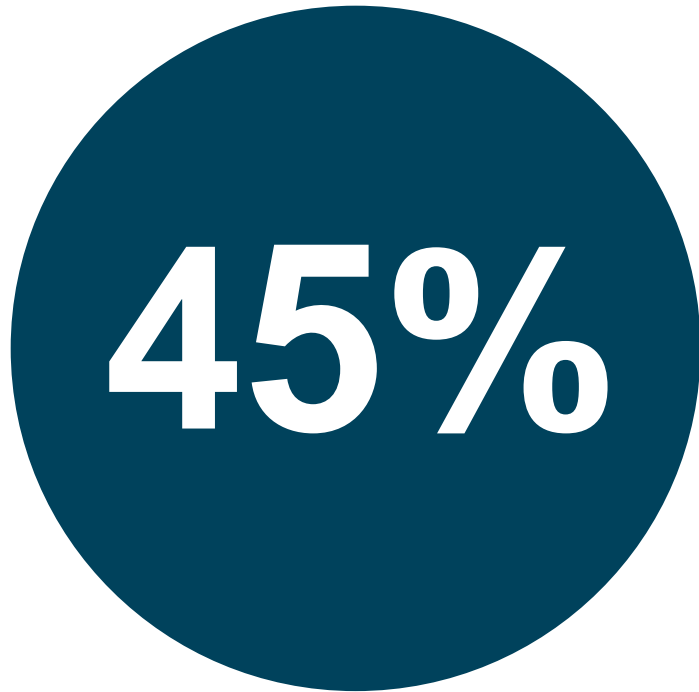
****Claimants had an initial claim date after 3/9/2020 and were not working for a temporary employer**

****Those considered to be reemployed earned at least \$2,500 during the final three months of 2020.**

Through December 2020, 59% of lost jobs had been recovered. Nearly two-thirds of those gains were in the sectors that were most impacted at the onset of the pandemic: the accommodation and food services, the health care and social assistance, and the retail trade sectors. Many of those gains were from workers returning to their previous job.

April to December 2020 Net Job Change by Sector, Seasonally Adjusted





45% of claimants who lost a job in the accommodation and food services, the arts, entertainment, and recreation, or the retail trade sector returned to the same employer

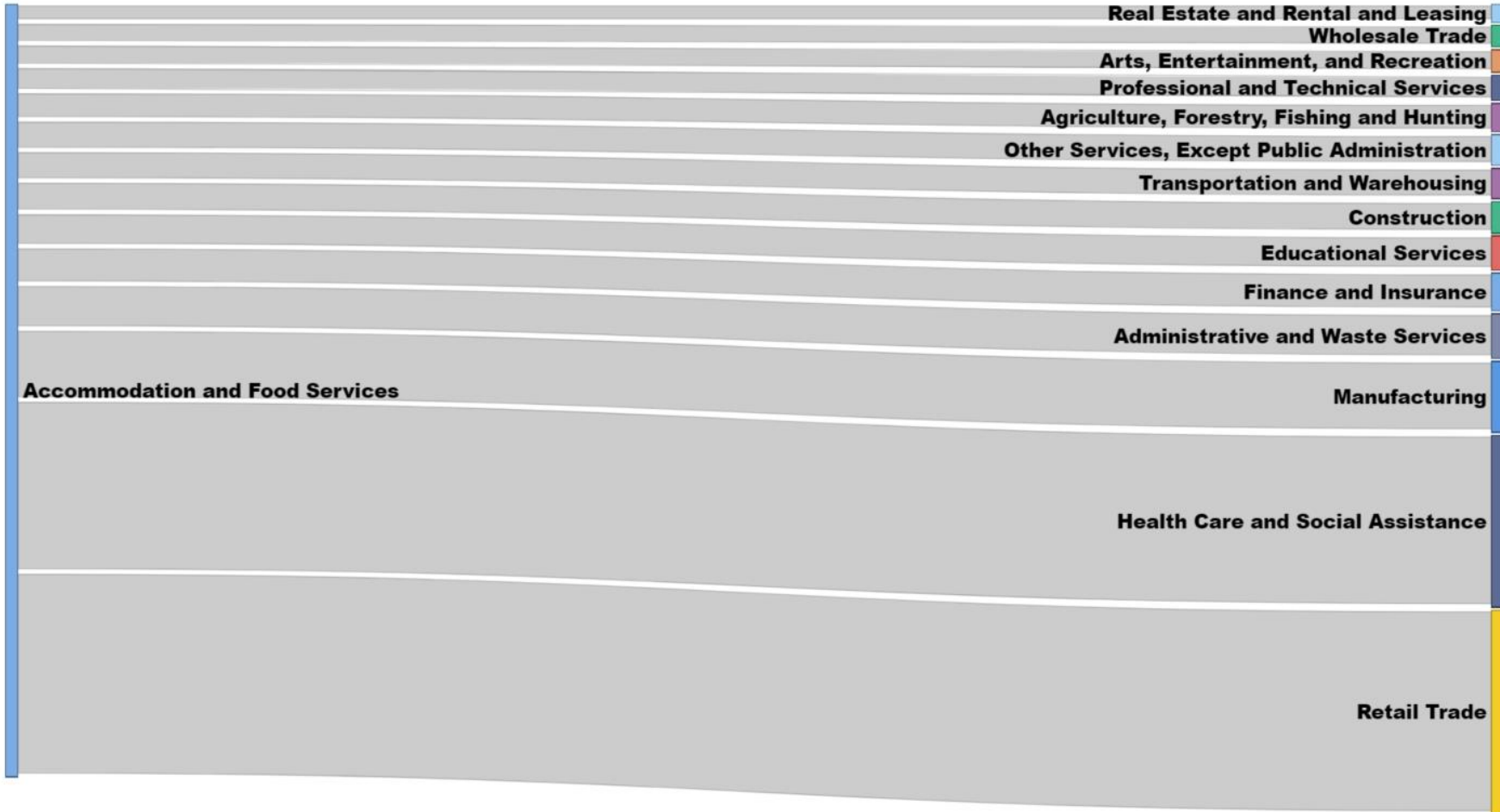
****Claimants had an initial claim date after 3/9/2020 and were not working for a temporary employer**

****Those considered to be reemployed earned at least \$2,500 during the final three months of 2020.**

8% of claimants within our cohort were reemployed in a new sector by the end of 2020. Many of the transitions were between sectors that both had large job losses early in the pandemic and a large rebound later in the year.

Workers displaced from **accommodation and food services** jobs were the most likely to have become reemployed in a different sector. The largest numbers of employment transitions were to jobs in retail trade, in healthcare and social assistance, and in manufacturing.

Industry Pair Transitions for Reemployed April 2020 Claimants



**To be counted as a new employer, the claimant could not have wages from that employer during the past three years.
 **Sector pairs have at least 20 claimants

8% of claimants within our cohort were reemployed in a new sector by the end of 2020. Many of the transitions were between sectors that both had large job losses early in the pandemic and a large rebound later in the year.

Workers displaced from **retail trade** were the next most likely to have become reemployed in a different sector. The largest numbers of employment transitions were to jobs in healthcare and social assistance, in manufacturing, or in accommodation and food services.

Industry Pair Transitions for Reemployed April 2020 Claimants



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8% of claimants within our cohort were reemployed in a new sector by the end of 2020. Many of the transitions were between sectors that both had large job losses early in the pandemic and a large rebound later in the year.

Workers displaced from **healthcare and social assistance** were the third most likely to have become reemployed in a different sector. The largest numbers of employment transitions were to jobs in educational services, in retail trade, or in professional and technical services.

Industry Pair Transitions for Reemployed April 2020 Claimants



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 **Sector pairs have at least 20 claimants