

COVID-19 RECOVERY QUARTERLY REPORT:

Behind the Numbers

Q2 2021



FEATURES:

Overview

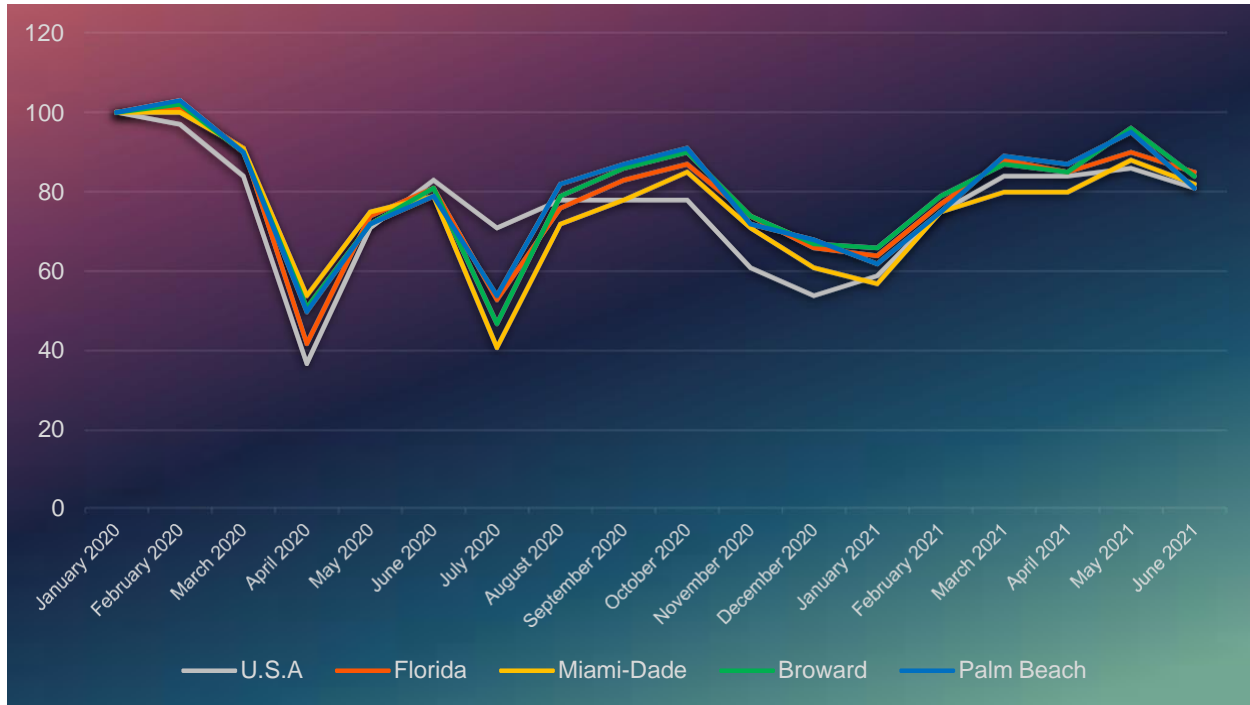
Trend Lines

The Uneven COVID Economic Recovery
Among Florida's Major Counties

COVID-19 Recovery Quarterly Report: 2Q/2021

Jorge M. Pérez FIU Metropolitan Center

COVID-19 Economic Recovery Index©



Overview

The monthly COVID-19 Recovery Index© is designed to track key indicators and measure the status of the economic recovery from the COVID-19 pandemic at the county level against state and national statistics. The monthly index includes 7 key COVID-19 health, economic performance, and housing affordability indicators. The quarterly series provides a deep dive analysis including 15 indicators and narrative on the COVID-19 pandemic, real unemployment, industry sector analysis, and housing market trends.

Trend Lines

As the COVID-19 pandemic is half way through its second year, we continue to track health, economic, and community impacts. In the past three months, the nation, the State of Florida, and the Tri-county Area have seen a reduction in COVID-19 infections, hospitalizations, and deaths. Job advertisements began to escalate in April, resulting in 1,050,434 new job postings in a month nationwide. The number of jobs in Florida was 8,698,200 in June 2021, up 358,300 jobs compared to a year ago. Nine of the ten major industries experienced positive year-over-year job growth in June. Meanwhile, the number of unemployment claimants drastically declined by more than 85 percent since last year, decreasing from 20 million to 2.5 million in the United States. Unemployment rates are significantly lower than the same time last year; however, they remain higher in comparison to pre-pandemic levels.

The Uneven COVID Economic Recovery Among Florida's Major Counties

As was often repeated during a series of 2020 webinars, “Beyond the Headlines: The Current and Future Community & Economic Impacts of COVID-19” sponsored by the Jorge M. Pérez FIU Metropolitan Center, the impacts of the coronavirus pandemic were deep, far reaching, and expected to extend well into the future. During the early months of the pandemic, job loss numbers were both stunning and unprecedented. South Florida lost over 677,000 jobs in the first months of the pandemic as the region’s major industries – leisure and hospitality, transportation, and retail were immediately impacted. Through 2Q/2021, much of the total job loss has been restored though South Florida still remains over 175,000 jobs short of where it was back in February 2020. Further, many South Florida businesses within the most impacted sectors faced with substantial loss of revenue were forced to close their doors.

South Florida and many regions of the US are still in the midst of a K-shape recovery in which the economy recuperates unevenly with a separate trajectory for two segments of society. How long the downward K-shape trend lasts will be determined by the spread of COVID variants and real changes in consumer demand triggered or accelerated by the pandemic. The divergent K-shape lines show some portions of the economy quickly recovering, such as the financial, communications, and technology sectors, while others such as travel, tourism, and hospitality continue to lag. The hardest hit sector continues to be leisure and hospitality, in which, nationally the accommodation and food services industry is still down 11.9 percent of its employment (1.7 million jobs) and the arts, entertainment, and recreation industry 18.4 percent (459,000 jobs) as of June. Professional, scientific and technical services, and finance and insurance, are the only two private industries that have returned to their pre-COVID level of employment nationally and have fully recovered in 31 and 20 states, respectively.

There are two main factors slowing South Florida’s economic recovery: 1) overall job loss in the leisure and hospitality sector, and 2) job loss among the self-employed. The economic impacts of the COVID-19 pandemic have hit those Florida counties with the highest total employment in leisure and hospitality, i.e., Miami-Dade, Orange Counties, especially hard. The slow recovery of jobs in the leisure and hospitality sector has significantly impacted both Miami-Dade and Orange Counties’ overall economic recovery and unemployment numbers. According to June 2021 Current Employment Statistics (CES) from the Florida Department of Economic Opportunity (DEO), Miami-Dade still has a deficit of 30,000 jobs in leisure and hospitality and Orange County still shows a deficit of 47,800 jobs in leisure and hospitality.

Florida County Total Employment: February 2020 – June 2021

Florida County	Total Employment Feb. 2020	Unemployment Rate Feb. 2020	Total Employment June 2021	Unemployment Rate June 2021	Total Employment Gain/Deficit Feb. 2020 – June 2021
Broward	1,022,090	3.3%	995,012	5.7%	27,078
Duval	477,181	3.3%	489,488	5.4%	12,307
Lee	348,716	3.2%	338,363	5.3%	10,353
Miami-Dade	1,362,845	1.6%	1,228,386	7.1%	134,459
Orange	747,321	3.0%	698,157	6.1%	49,164
Palm Beach	726,737	3.3%	712,820	5.3%	13,917
Pinellas	480,549	3.1%	488,988	4.9%	8,439
State of Florida	10,180,000	3.1%	9,975,000	5.7%	205,000

Source: Florida Department of Economic Opportunities, Local Area Unemployment Statistics (LAUS), February 2020 – June 2021. Table created by Jorge M. Pérez FIU Metropolitan Center.

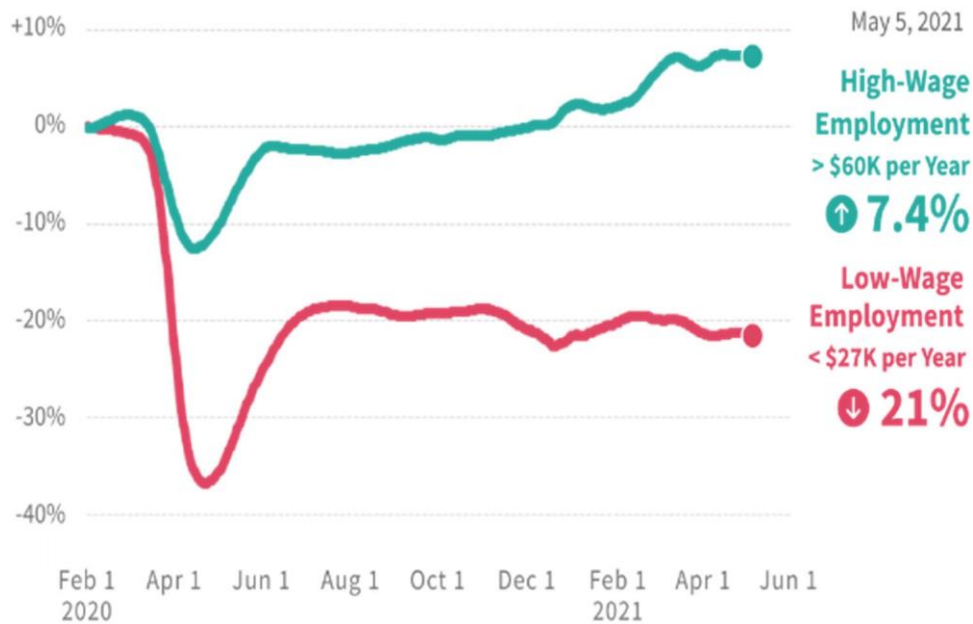
Another factor that has contributed to the high overall job loss numbers in Miami-Dade, and to a certain extent in other Florida counties, is the high number of self-employed. Self-employed worker job loss numbers have been the highest in states where businesses were hardest hit by the COVID-19 pandemic. According to MSN, the State of Florida lost 8,663 businesses during the COVID pandemic, the fourth highest among U.S. states.

According to new findings from the U.S. Census Bureau's experimental *Household and Small Business Pulse Survey*, self-employed workers are more likely to face economic hardships from the economic uncertainty related to COVID-19. The Census Bureau, along with other government agency partners, designed the Household Pulse Survey to collect and disseminate data in near real-time to provide vital insights into how American households are faring during the COVID-19 pandemic. Individual-level data on self-employment status, state of residence, receipt of free groceries or a free meal, food insufficiency, marital status, education, and age come from the Household Pulse Survey. According to the latest survey, the COVID pandemic has presented unique challenges for self-employed workers, from temporary closures to revenue losses. This new information on the self-employed, including independent contractors or gig workers, expands on a study from the University of Illinois, Chicago which highlights the precarious nature of the labor market. The study notes the rise in the self-employed worker is largely a continuation of a pre-existing trend rather than something brought about specifically by the pandemic. The study found that "precarious employment" rose by 9 percent between 1988 and 2016. These jobs are characterized by job insecurity, irregular hours, and low wages. Participation in the "gig economy" has grown rapidly over the past few years and expanded exponentially since the onset of the coronavirus pandemic, due in part to the increased reliance on gig workers to home-deliver necessities to consumers. The pandemic has upended the traditional 9-5 working world and caused many blue- and white-collar employees to pursue gig work for additional – or even primary – income during these unprecedented times.

During the COVID pandemic, the self-employed or gig worker filed more unemployment claims than any other occupational group including Miami-Dade County (171,097 workers), Broward County (103,488 workers), and Orange County (66,397 workers). In total, self-employed and other gig workers

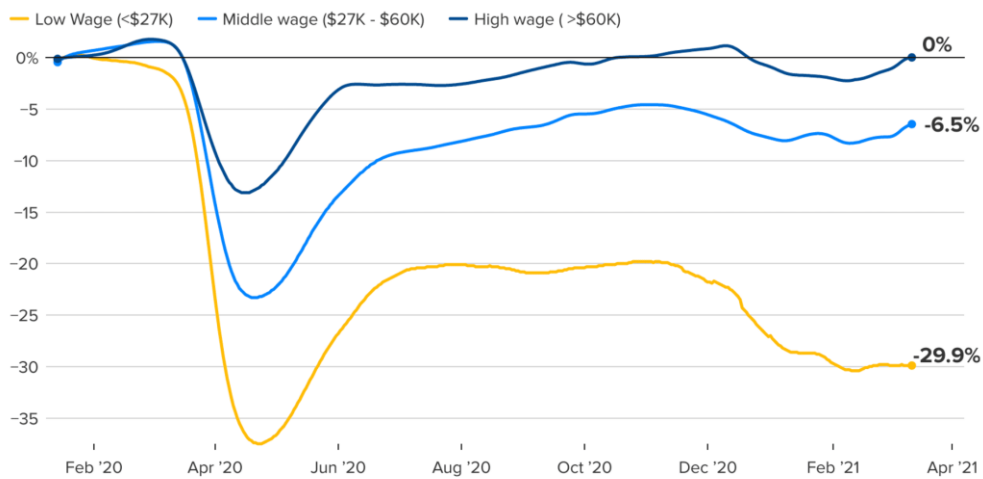
comprise 26.9 percent of all Florida initial claimants followed by unemployed workers in accommodation & food services industry (14.2 percent).

The recovery from the COVID-19 recession continues to play out unequally for different groups. Employment among low-wage workers is still down 30 percent nationally from pre-pandemic levels, according to Opportunity Insights. Higher earners have fully regained lost jobs. While employment rates have rebounded past pre-COVID-19 levels for high-wage workers, they remain significantly lower for low-wage workers.



Percent change in employment rates for all income levels

Employment for low-income earners is still down 30%



Source: Opportunity Insights



We now know a return to a pre-COVID economy will continue to be long and arduous and South Florida's economy remains highly vulnerable to future economic shocks or resurgences brought about by new COVID variants. Significantly, the economic recovery following the Great Recession masked disturbing trends in terms of economic resilience and opportunity. Despite healthy job numbers, South Florida's pre-COVID economy was marked by wage stagnation, an increasing number of working poor and growing levels of housing distress. With the rapid growth of unstable, low-paying jobs and the failure of even full-time work to pay family-supporting wages, the pre-COVID economy was already at a tipping point. There is now the growing realization COVID-19 impacts will ripple through the economy well into the future. Current data now shows the impacts on low wage workers has become highly evident. Given the severity of this economic fallout, the challenge going forward is to establish fresh outlooks with new determinants of economic growth and opportunity in a post-COVID environment where supply and demand factors and conditions have been significantly altered and where the conditions for low-wage worker remain highly tenuous.