2020 May State Employment Monitor

National Association of REALTORS®
Research Group

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State Employment Monitor

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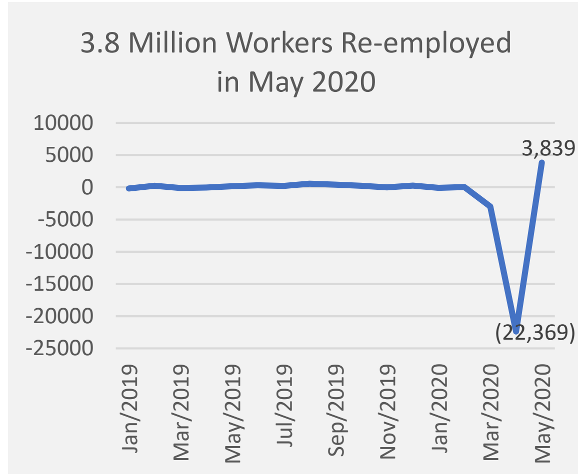
Employment and income are key factors affecting the demand for and supply of residential and commercial real estate. This month's report discusses the latest state employment and wage trends.

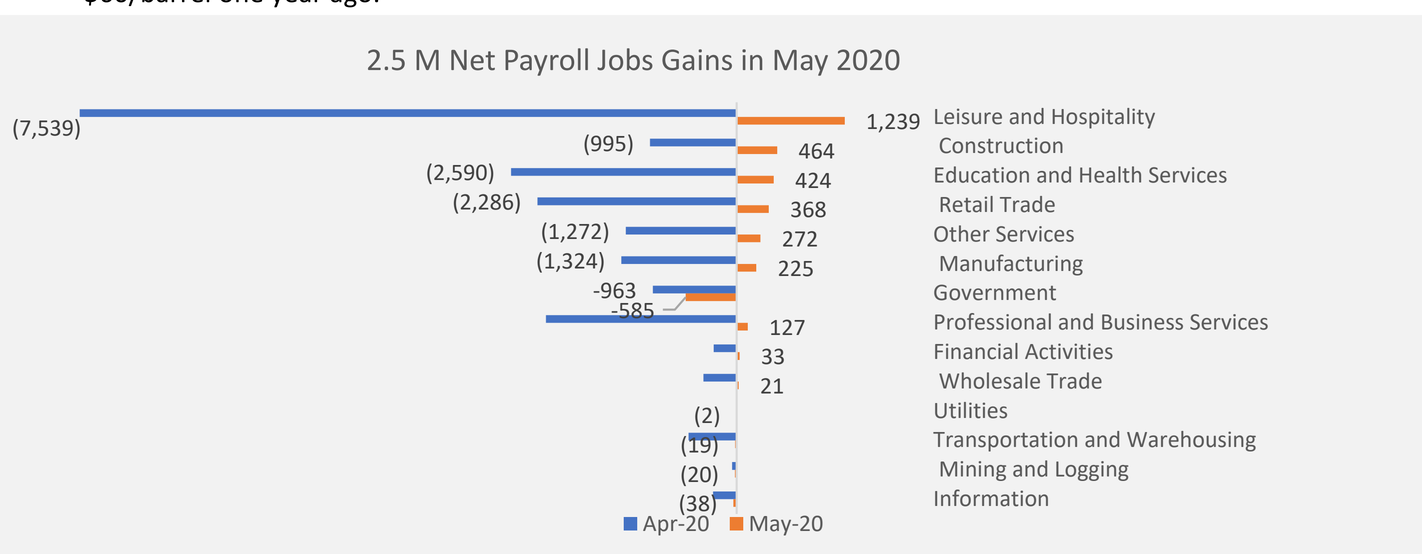
3.8 M workers returned to work in May 2020

- After two months of a contraction in the number of employed, 3.8 million workers went back to being employed in May, either on payroll or on self-employment (estimated from the BLS's Household Survey which includes self-employed and part-time workers). This is higher than the often-quoted 2.5 million figure which covers only net payroll jobs (estimated from the BLS's Establishment Survey which counts jobs and excludes the self-employed). While this is a strong one-month rebound, job recovery still has to go a long way with 25 million people becoming out of work in March and April.

- A more recent indicator of job recovery is the number of unemployed workers who dropped off claiming unemployment insurance. Claimants fell from nearly 25 million in the week of May 9 to 19.5 million in the week of June 13.

- Of the 2.5 million net new payroll jobs, half of those were in leisure and hospitality, recovering some of the 7.5 million lost jobs in April alone. Other industries that saw job gains were construction (464,000) education and health services (424,000), retail trade (368,000), other services (272,000), and manufacturing (225,000). The government sector continued to lose jobs, about 1.5 million in April and May alone. Transportation and warehousing jobs have not recovered, with transportation services still down by 20% y/y as of March. There was also no recovery in mining and logging with oil prices down by 50% to just under $30/barrel in May from $60/barrel one year ago.





Job recovery in 49 states in May 2020

- Payroll jobs (seasonally adjusted)) rose in 49 states in May compared to April. Only Hawaii and the District of Columbia did not see net payroll job gains.. Nationally, job growth was 2% in May from April.

- The top 10 states that had the strongest job growth in May compared to April Vermont (6.4%; 15,700), Michigan (5.2%; 178,200), Montana (4.0%), Pennsylvania (4.0%;198,300), Idaho (3.5%;24,300), South Carolina (3.5%;67,600), Tennessee (3.4%;93,900), Indiana (3.2%;87,500), Rhode Island (3.2%;13,100), and Wisconsin (3.0%;74,900).

- Payroll employment in leisure and hospitality rose in 49 states in May compared to April except in Hawaii and in the District of Columbia. The states that had the highest percentage gains were Montana, Rhode Island, North Dakota, Utah, and Idaho.

- Retail trade payroll employment recovered rose in 49 states, except California, and the District of Columbia. The strongest recoveries were in Michigan, Vermont, Rhode Island, New York, and Maine.

- Construction employment rose in 46 states , led by Michigan, Pennsylvania, Vermont, Washington, and New York. The jobs gains in construction indicate homebuilders are restarting stalled or delayed projects which should increase housing supply in the coming months.

- Compared to the construction, retail trade, leisure and hospitality, retail trade, and professional and business industries, employment has not recovered in as many states in the real estate retail and leasing industry, with only 31 states showing payroll employment gains in May compared to April. The strongest employment gains were in Utah, Colorado, Nevada, South Carolina, and Alabama. The broad industry sector of real estate, rental, and leasing includes the leasing of motor vehicles. Transportation services were down 20% in March from one year ago (US Census Bureau) and vehicle miles traveled was down 42% year-over-year as of April (Federal Highway Administration). Existing home sales were down 26% in May from one year ago as a result of the stay-at-home measures implemented by many states since March.

- Payroll employment in professional and business services rose in 41 states, with Vermont, Mississippi, and Michigan with the strongest job gains in May compared to April. Much of the growth in professional and business service was in administrative and waste services.

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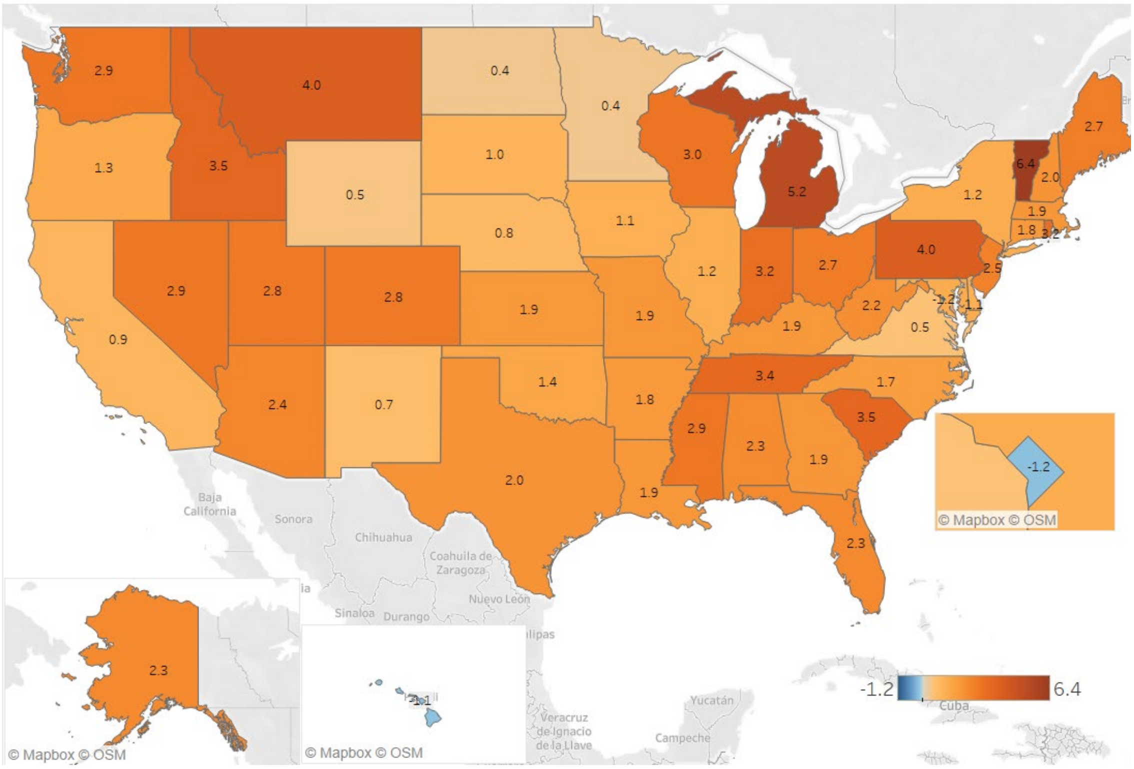
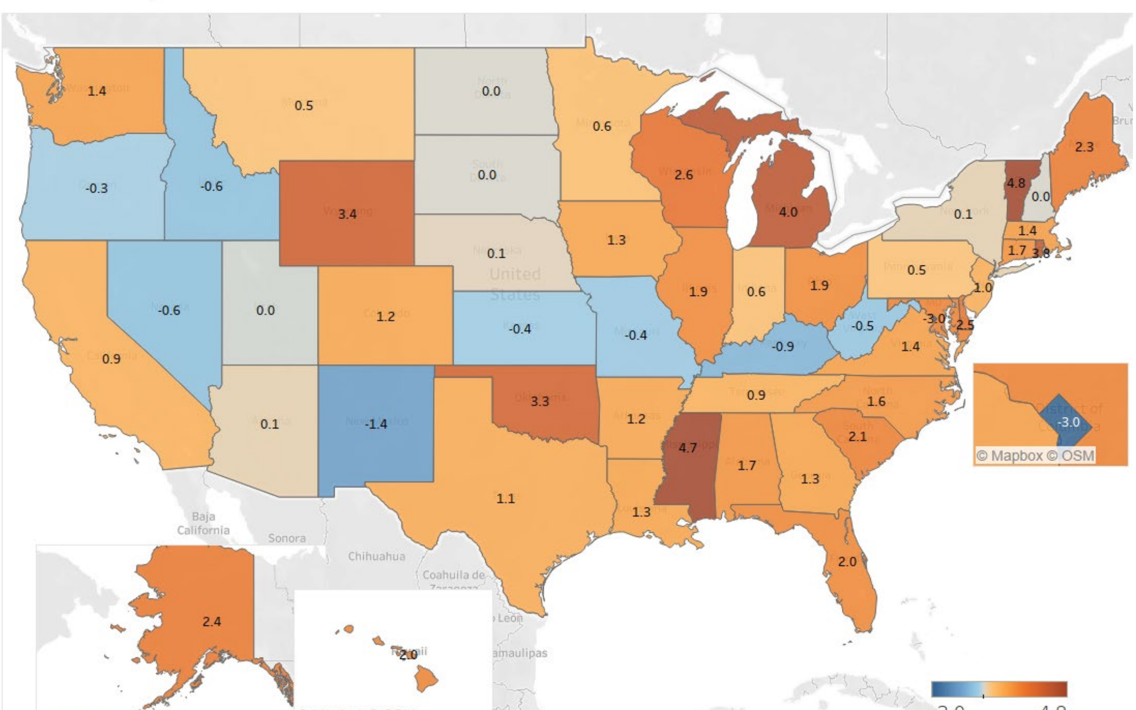
Percent Change in Non-farm Payroll Employment (Seas. Adj.) in May 2020 from April 2020



Percent Change in Professional and Business Services Payroll Employment (Seas. Adj.) in May 2020 from April 2020



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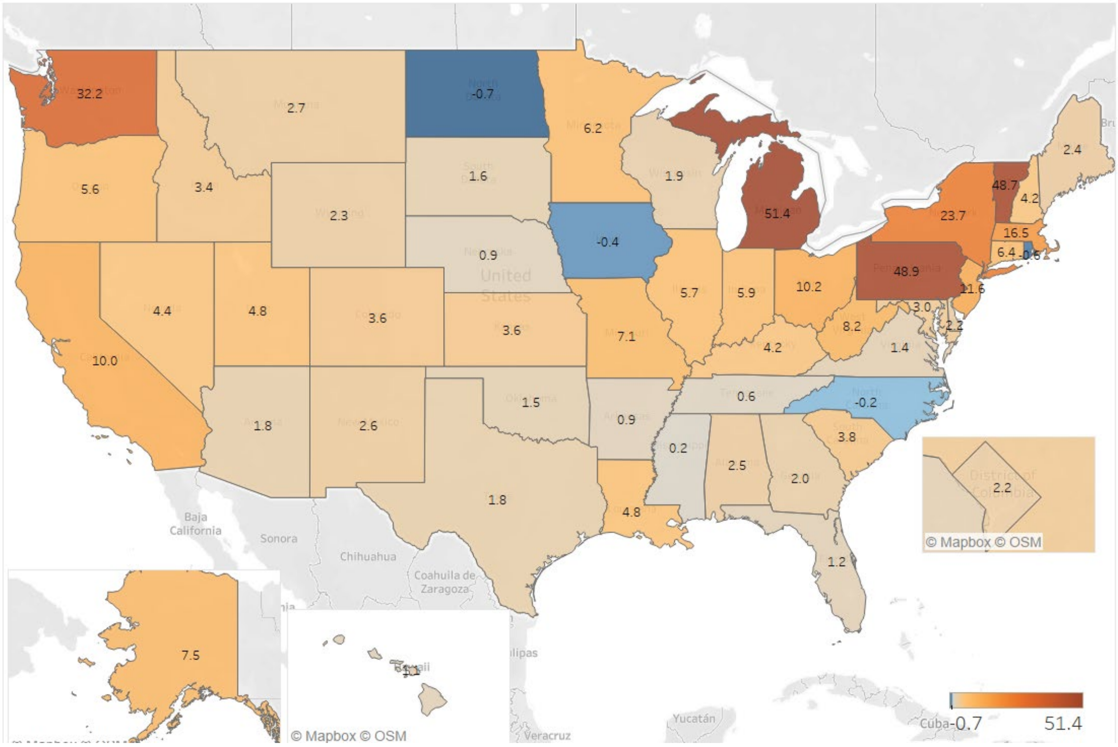
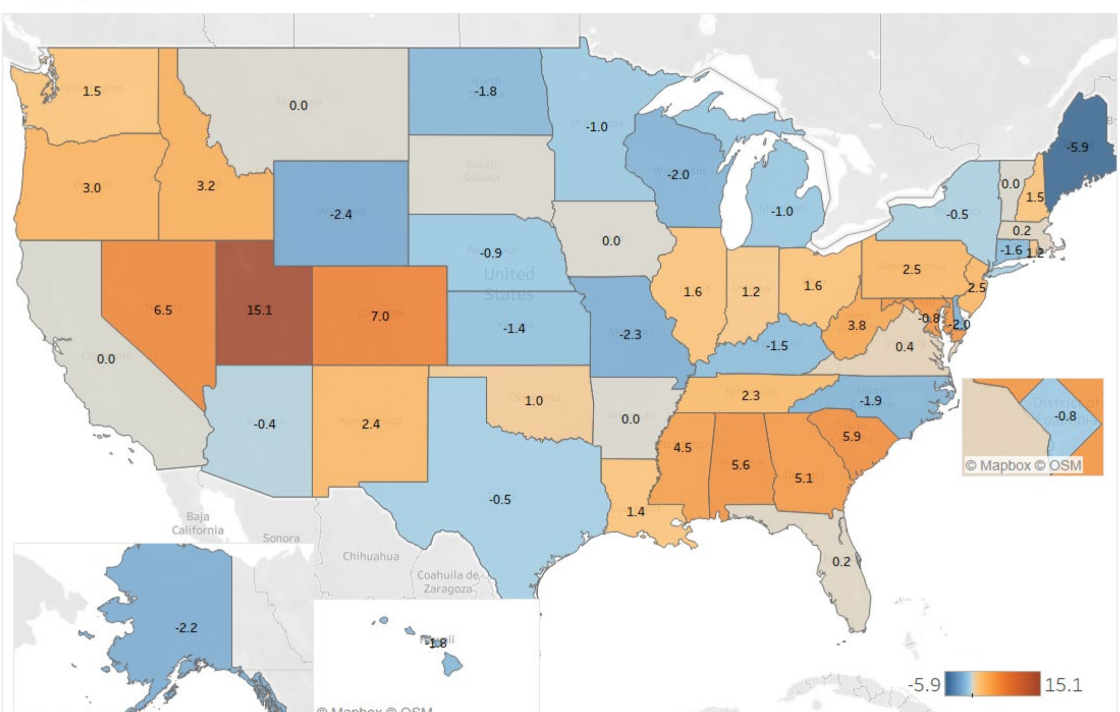
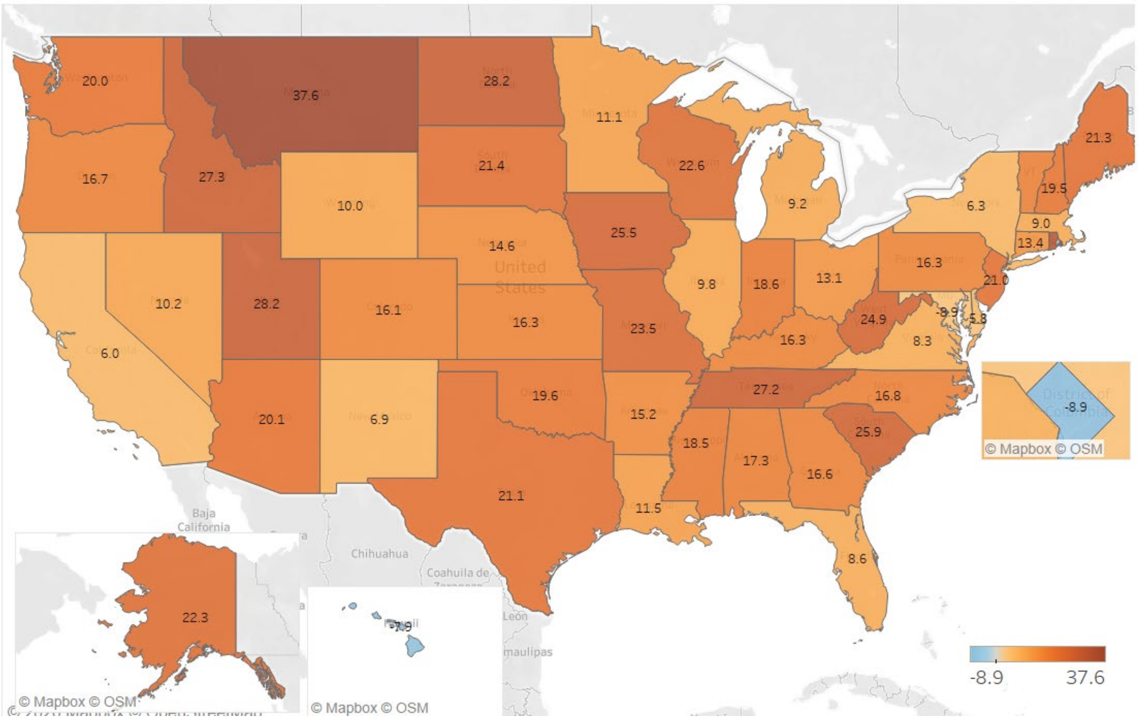
Percent Change in Construction Payroll Employment (Seas. Adj.) in May 2020 from April 2020



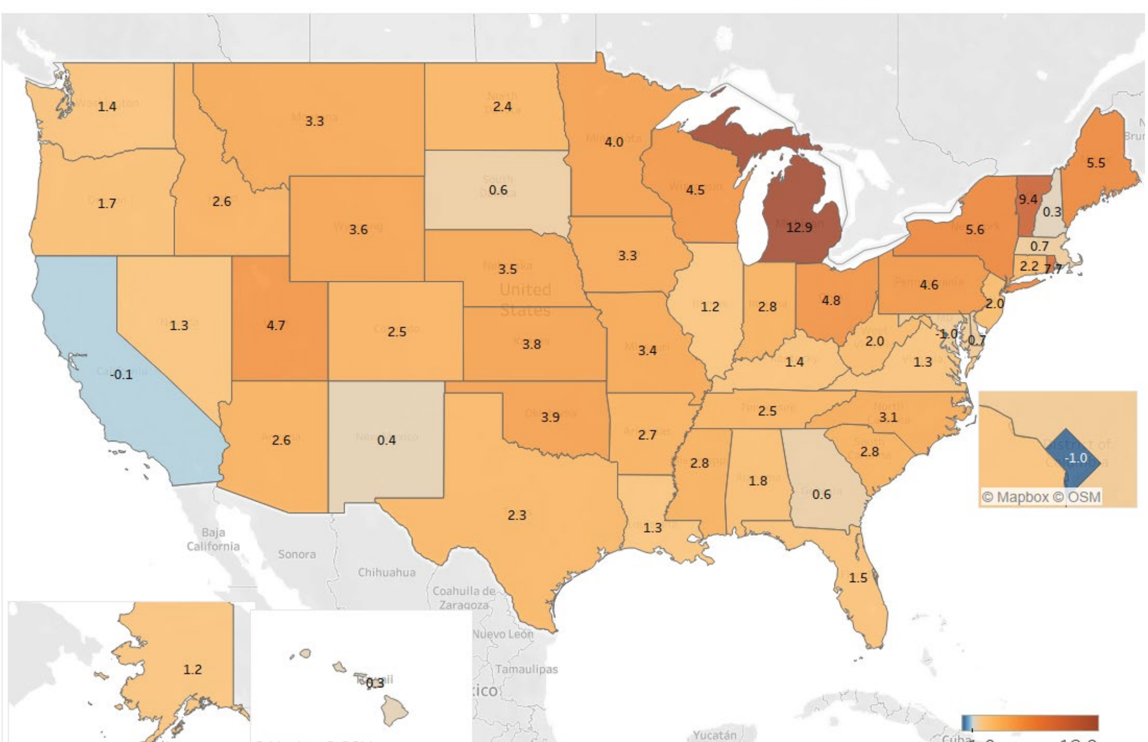
Percent Change in Real Estate, Rental, and Leasing Payroll Employment (Seas. Adj.) in May 2020 from April 2020



Percent Change in Leisure & Hospitality Payroll Employment (Seas. Adj.) in May 2020 from April 2020



Percent Change in Retail Trade Payroll Employment (Seas. Adj.) in May 2020 from April 2020



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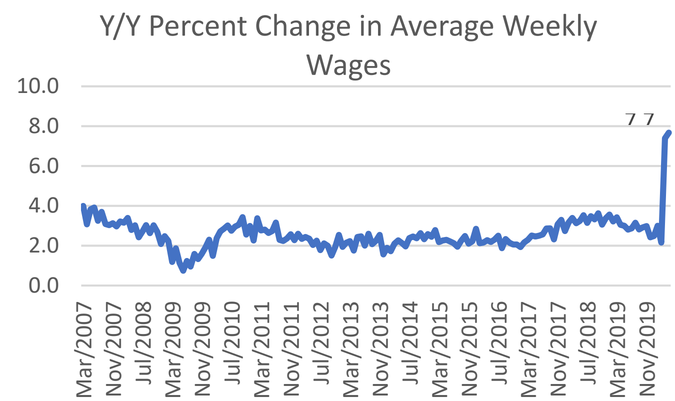
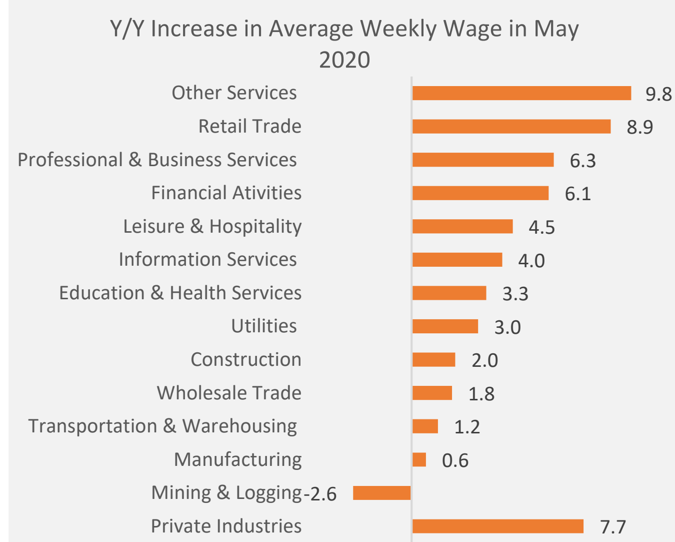
Average weekly wages rose nearly 8% in May 2020

- Average weekly wages among those employed in private industry rose 7.7% in May 2020 from one year ago, to $1,032. The average weekly wages growth has increased compared to the rates of two to three percent in past years. The average weekly wage rose due to the loss of lower paying jobs in leisure and hospitality, education and health services, professional and business service, and retail trade, who composed 13.5 million of the 20.5 million lost payroll jobs during March-May 2020.

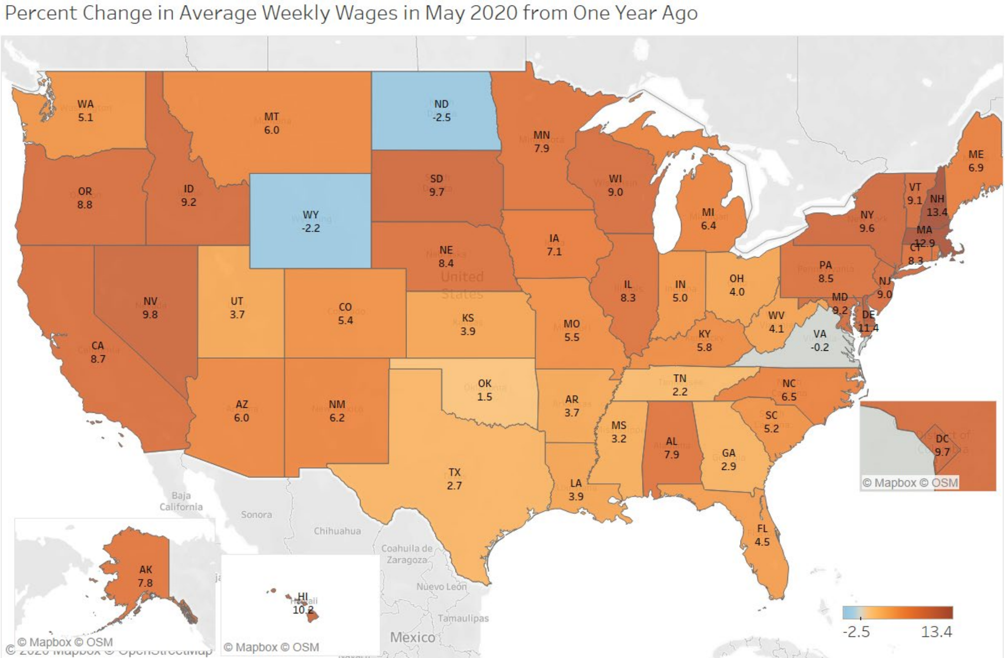
- While the total wage bill has shrunk with nearly 20 million out of work, a rising average wage indicates that the level of unemployment is temporary and that there is no fundamental excess supply of labor relative to demand.

- Wage rose in all states except in Wyoming, North Dakota, and Virginia. Wages fell in North Dakota on account of falling oil prices, with the WTI collapsing to $29/barrel in May from $60/barrel on year ago. The average wage also fell in the DC area due to the shutdown of many hotels and offices.





Percent Change in Average Weekly Wages in May 2020 from One Year Ago



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