



Labor Market Special Edition

March/April 2021

Labor Market Special Report

The [coronavirus outbreak](#) that began in February 2020 sent shock waves through the U.S. labor market, pushing the unemployment rate to [near record highs](#) and causing millions to [leave the workforce](#). A year later, a full recovery for the labor market appears distant.

This special labor report contains information that will touch on the topic of Unemployment but with what we have been through this report takes a deeper dive into the demographics of gender, race, age and education. The report looks at the industry sectors and even a closer look at California by itself. With Covid-19 and the pandemic having a worldwide effect it seemed only appropriate to look at the effect of the Coronavirus on unemployment.

Now that the vaccine is out it was only fitting to include some coverage on this topic. You will find some interesting feedback and Employment [in February 2021](#) was 8.5 million less than in February 2020, a loss that could take more than three years to recoup assuming [job creation](#) proceeds at roughly the same monthly rate as it did from 2018 to 2019. But a faster recovery is possible if the [job gains seen in March 2021](#) are sustained in the coming months.

As it rippled through the economy, the COVID-19 downturn affected some Americans more than others. Unemployment climbed [more sharply among women](#) than men, a reversal from the trend in the Great Recession. Young adults, those with less education, Hispanic women and immigrants also [experienced greater job losses](#). Unpartnered mothers saw a bigger drop in [the share at work](#) than other parents, and low-wage workers saw a particularly [sharp decrease in employment](#).

Here are six facts about how the COVID-19 recession is affecting labor force participation and unemployment among American workers a year after its onset.

- More women than men quit the labor force in the first year of the COVID-19 recession.
- Hispanic and Black women accounted for much of the decrease in labor force participation among women.
- The decrease in labor force participation suggests that the official unemployment rate understates the share of Americans who are out of work.
- After a sharper increase earlier in the pandemic, the unemployment rate for women likely was on par with the rate for men in February 2021.
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One reason Hispanic women may have been more likely to leave the labor force is that they have a [greater presence](#) than other women or men in the leisure and hospitality sector. This sector has [shed more jobs than any other sector](#) in the economy from February 2020 to February 2021. Pandemic-driven [pressures on parents](#) may also have [affected](#) Hispanic, Black and Asian women more than White women. Compared with other women with children at home, Hispanic and Black women are [more likely to be unpartnered parents](#).

There is little difference in how the labor force participation rate changed among White, Black, Hispanic and Asian men. White and Asian men experienced a similar drop in the labor force participation rate as White and Asian women – about 2 percentage points or less. But the decrease in the rate among Black and Hispanic men – roughly 1.5 points each – appears to have been less than the decrease among Black and Hispanic women, about 3.5 points each.

As business operations ramped up more recently, the unemployment rate decreased for all groups of workers. Among Black women, the unemployment rate dropped from a peak of 17.3% in May 2020 to 9.2% in February 2021. Among Black men, the rate fell from a high of 16.1% in June 2020 to 11.6% in February 2021.

White women saw a decrease in their unemployment rate from a peak of 14.2% in April 2020 to 4.7% in February 2021. Over the same period, White men's unemployment rate decreased from a peak of 11.6% to 5.6% in February 2021. Asian men and women also saw significant reductions from their peak unemployment rates of roughly 9 or more percentage points each. In February 2021, Asian women had an unemployment rate of 5.9%, while the rate for Asian men was 4.5%.

In April 2020, Hispanic women had a peak unemployment rate of 20.5%, while Hispanic men had an unemployment rate of 16.9%. But Hispanic women (8.9%) and men (9.0%) had unemployment rates similar to each other in February 2021.

Despite recent improvements, unemployment rates for all major racial and ethnic groups of workers were substantially higher in February 2021 than in February 2020. For example, while the unemployment rate for White women (4.7%) was lower than among other women, it was nearly double the rate they experienced in February 2020. That was also the case among Asian women, whose unemployment rate increased from 2.8% in February 2020 to 5.9% in February 2021.

From February 2020 to February 2021, employment among low-wage workers fell by 11.7%, from 28.1 million to 24.8 million. This compares with a loss of 5.4% among middle-wage workers, whose employment fell by 5.5 million over the period. Meanwhile, employment among high-wage workers was roughly unchanged, at slightly more than 28 million.

The reason for this pattern is that the COVID-19 recession is centered in the services sector, especially in the leisure and hospitality industry, which has been [hit hardest](#) in the pandemic and accounts for many of the low-wage jobs. The trend in the current recession [stands in contrast](#) with the Great Recession, which saw middle-wage occupations shed jobs at a higher rate than other occupations.

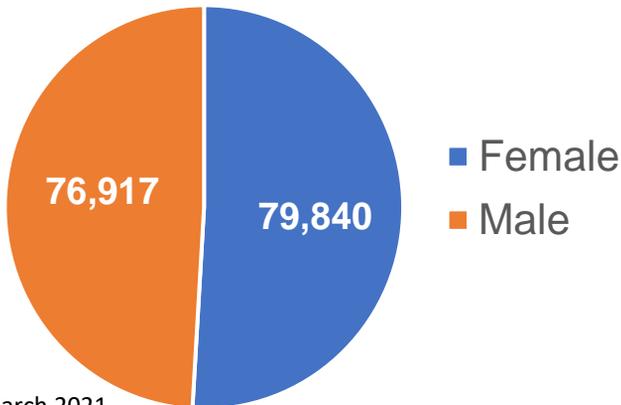
Source: <https://www.pewresearch.org/fact-tank/2021/04/14/u-s-labor-market-inches-back-from-the-covid-19-shock-but-recovery-is-far-from-complete/>

Monterey County Demographics Unemployment Insurance Claims

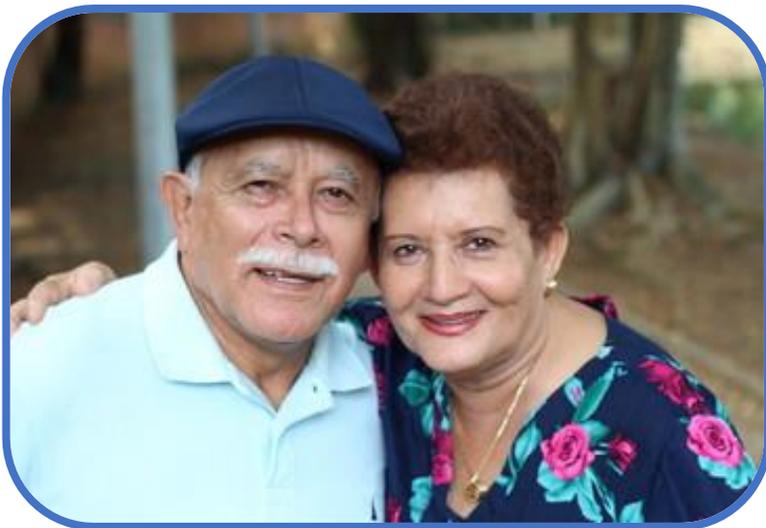
The Coronavirus Disease 2019 (COVID-19) pandemic has had a significant effect on Unemployment Insurance Claims (UI) in every state, industry, and major demographic group in the United States. The following Charts provides data on the claimants in Monterey County and which groups have experienced the largest increases in UI claims since the onset of the pandemic in 2020. Young workers, women, workers with low educational attainment, part-time workers, and racial and ethnic minorities have had a disproportioned share of the UI Claims.



**UNEMPLOYMENT CLAIMS BY GENDER
JANUARY 2020 – January 2021**



Source: EDD March 2021



The COVID-19 crisis in the labor market continues to have a disproportionate impact on women, younger workers, lower educated workers and Hispanic workers, By January 31, 45% of women in the labor force have filed initial UI claims for regular UI since the start of the crisis, compared to 43.% of men.

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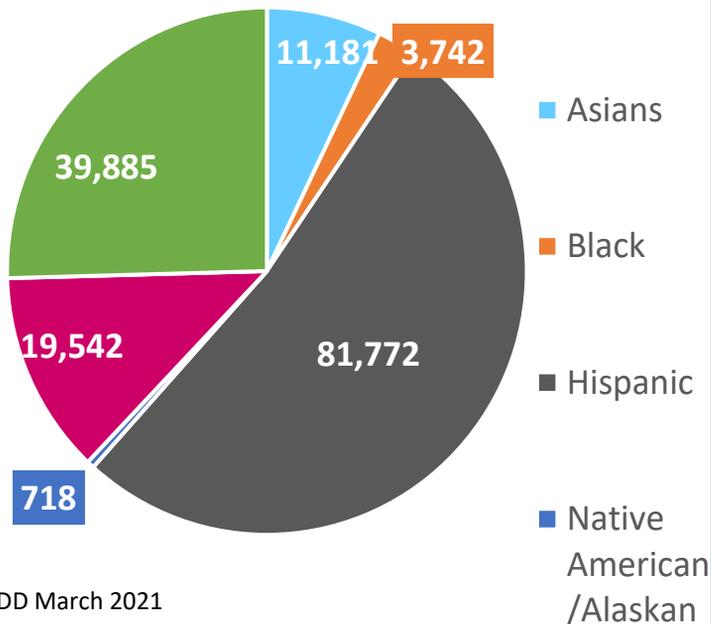
**The Brookings Gender
Equality Series
Why has COVID-19
been especially
harmful for working
women**

Based on our own analysis of 2018 American Community Survey data, before COVID-19, nearly half of all working women—46% or 28 million—worked in jobs paying low wages, with median earnings of only \$10.93 per hour. The share of workers earning low wages is higher among Black women (54%) and Hispanic or Latina women (64%) than among white women (40%), reflecting the structural racism that has limited options in education, housing, and employment for people of color.

For some women, jobs paying low wages don't present economic hardship—think of someone with a higher earning spouse or early in their career. But a substantial number of women support themselves and their families by working in low-wage jobs. Fifteen percent are single parents, 63% are in their prime working years (ages 25-54), and 57% work full time year-round, indicating the position is not a side activity. Forty-one percent live in households below 200% of the federal poverty level (equivalent to about \$43,000 for a family of 3) a common measure capturing the working poor. More than one quarter receive safety net benefits like SNAP, Medicaid, Social Security, or other public assistance income.

Source: <https://www.brookings.edu/essay/why-has-covid-19-been-especially-harmful-for-working-women/>

**UNEMPLOYMENT CLAIMS BY RACE
 JANUARY 2020 - JANUARY 2021**



Source: EDD March 2021



Hispanic workers have experienced a very high rates of initial claims, 52% of the Hispanic labor force has filed for unemployment benefits since the beginning of the crisis – above the statewide average of 45%.

**Latinos Face Disproportionate
 Health and Economic Impacts
 From COVID-19**

The COVID-19 pandemic and resulting recession have wreaked havoc on the United States’ Latino community. Due to Latino workers being overrepresented in industries that have been hit hardest by the pandemic, Latinos have faced large losses in employment, particularly among Latinos in the service industry. Hispanics and Latinos are 1.7 times more likely to contract COVID-19 than their non-Hispanic white counterparts, as well as 4.1 times more likely to be hospitalized from COVID-19 and 2.8 times more likely to die from COVID-19.

Hispanics or Latinos, along with other communities of color, have also been disproportionately harmed by the economic fallout: They accounted for 23 percent of the initial job loss due to the pandemic while making up only 16 percent of the civilian noninstitutional population—those 16 years and older who are not incarcerated or serving in the armed forces. Hispanic or Latina women have also seen disproportionate economic impacts. Women accounted for 100 percent of U.S. job losses in December, with Hispanic or Latina women alone accounting for 45 percent of that job loss. **Source:**

<https://www.americanprogress.org/issues/economy/reports/2021/03/05/496733/latinos-face-disproportionate-health-economic-impacts-covid-19/>

Effects of COVID-19 on Latino employment

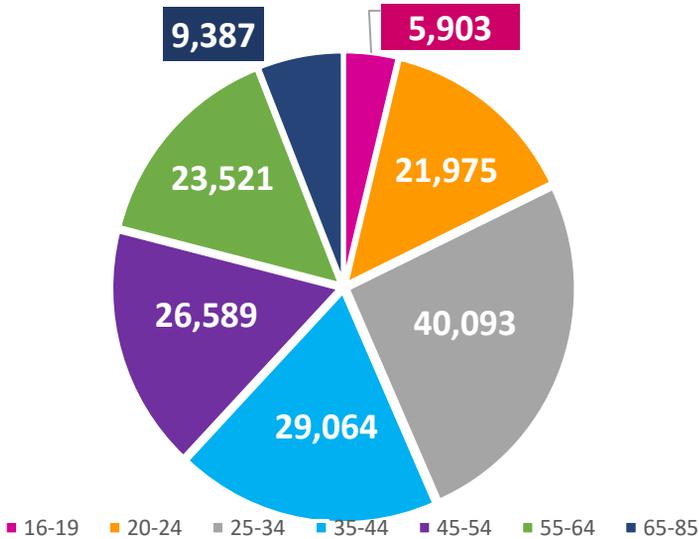
Latinos Face Disproportionate Health and Economic Impacts From COVID-19

- Hispanics or Latinos represent 18 percent of the U.S. workforce and are 1.7 times more likely to contract COVID-19 than their non-Hispanic white counterparts, as well as 4.1 times more likely to be hospitalized from COVID-19 and 2.8 times more likely to die from COVID-19.²
- Hispanics or Latinos, along with other communities of color, have also been disproportionately harmed by the economic fallout: They accounted for 23 percent of the initial job loss due to the pandemic while making up only 16 percent of the civilian noninstitutional population.
- Hispanics are overrepresented in food service occupations and account for 27 percent of total food preparation and serving-related occupations. They represent 37 percent of cooks,¹² yet are underrepresented in food service manager positions, representing just less than 20 percent of these roles. The situation for Latina workers is even bleaker, as they tend to be even more overrepresented in these employment categories than male Latino workers and are subjected to the intersection of gender and ethnic discrimination.¹³
- 9 percent of all Hispanic or Latino workers were employed in building and grounds cleaning and maintenance occupations, compared with just 3 percent of the total workforce.¹⁰ Latinas alone make up 1 in 10 workers in the leisure and hospitality industry.¹¹
- 13 percent of Hispanic or Latino households that responded to the U.S. Census Bureau's Household Pulse Survey expressed that they sometimes or often did not have enough to eat in the previous seven days, compared with just 5 percent of non-Hispanic white households.²⁷ And during the week of April 23, 2020, Hispanics or Latinos reported the largest increase in food insufficiency at 2.7 percentage points above their pre-pandemic level.
- Housing too has become more unaffordable for Hispanic or Latino families. Early in the pandemic, during the week of April 23, 2020, 40 percent of Hispanic or Latino renter households expressed slight to no confidence in being able to make next month's rent payment.
- Hispanics or Latinos accounted for only 11.5 percent of those who had received at least one vaccine dose, despite 53 percent of Hispanics or Latinos being high-proximity workers who must work in person and in close contact with others—the highest rate of any racial or ethnic category. Moreover, 31 percent of Hispanics or Latinos are essential workers.³³ Hispanic households also make up 18 percent of multigenerational U.S. households with high-proximity workers despite representing only 13 percent of such households overall.

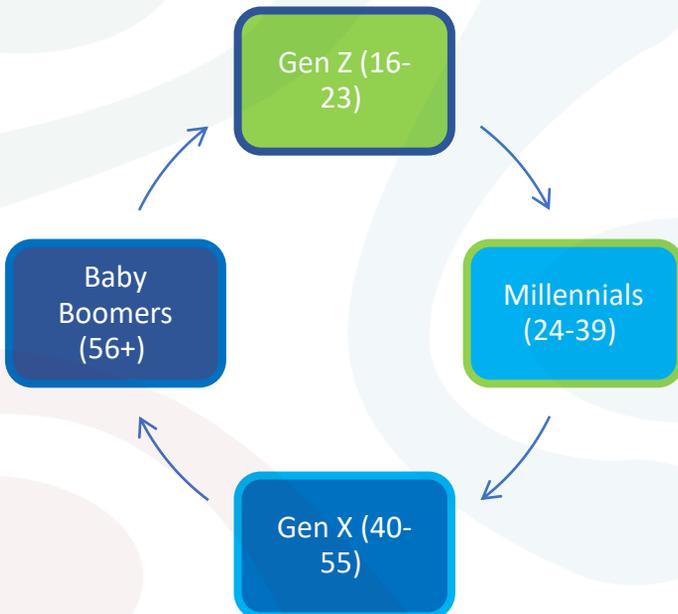
• **Source:** <https://www.brookings.edu/essay/why-has-covid-19-been-especially-harmful-for-working-women/>



**UNEMPLOYMENT CLAIMS BY AGE
 GROUP
 JANUARY 2020 - JANUARY 2021**

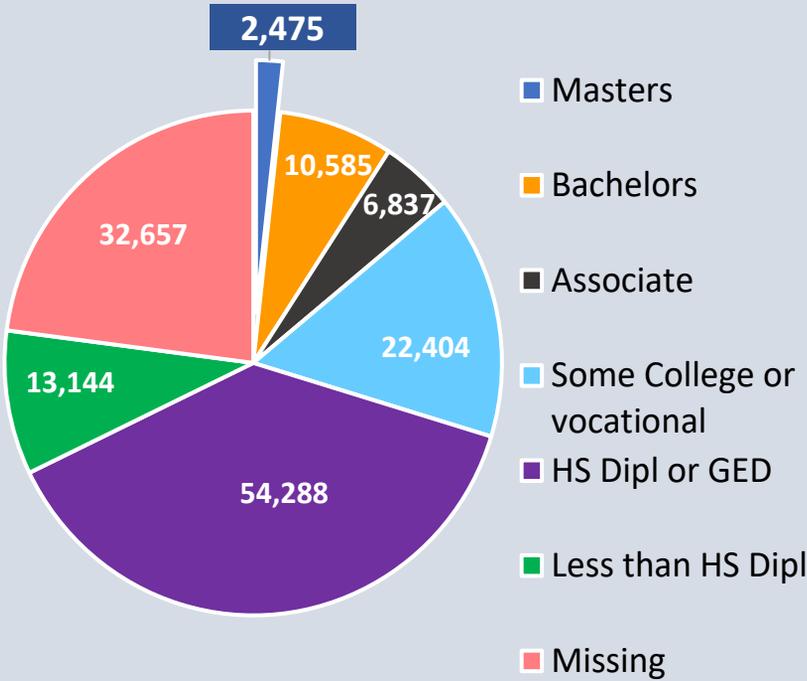


The age distribution of initial claimants had shifted since August, but at present roughly mirrors the distribution from earlier in the summer. Similarly, the racial and ethnic distribution of claimants also changed abruptly in late August and early September, but now appears more like earlier months of the pandemic.



Unemployment & Education

**UNEMPLOYMENT CLAIMS
 EDUCATION
 JANUARY 2020 - JANUARY 2021**



Source: EDD March 2021

Among the unemployed, bachelor's degree holders and older workers have higher long-term unemployment rates.

In the fourth quarter of 2020, 41% of unemployed workers with a bachelor's degree or more education had been out of work for more than six months, compared with about one-in-three unemployed workers with less than a high school education. College-educated unemployed workers also saw a greater increase in the long-term unemployment rate since the end of 2019.



The self-reported education for regular UI applicants showed that 38% of workers with a high school degree or less have filed for UI benefits over the course of the pandemic, compared to just 23% of those with a Bachelor's degree or more.

Industry Sectors Unemployment Claims Percent to Labor Force



The Percent to the Labor Force shows the impact of COVID-19 on different industries in California. The graph categorizes claimants by the major Industry Sector associated with the primary employer in their base period. Recent initial claims have continued to be concentrated in a few industries: Accommodations , Food Services and Agriculture, representing 25% of total claimants.



Industry Sector Unemployment Claims January 2020 - January 2021



- Although Accommodation and Food Services has always comprised a large share of initial claims, we had a high in March-May of 10,654 and a resurgence in October–January with 9,016 claims
- Arts, Entertainment, and Recreation had an average of 68 claims per week for the entire period
- Construction peaked in the early parts of the pandemic with 3080 claims by the end of April, then averaging 134 weekly claims for the rest of the period.
- Healthcare had a total of 11,424 Claims for the period with 77% of all claims from March - September
- AG had a total of 15,670 claims with 70% of all claims occurring during the later part of the year October 2020 - January 2021.



Covid-19

In California

Doses given

23.2M
+277K

Fully
vaccinated

8.55M
+127K

% of
population
fully
vaccinated

21.6%
+0.3%

Source: [covid-19-data/public/data/vaccinations/us_state_vaccinations.csv](https://github.com/owid/covid-19-data/blob/master/public/data/vaccinations/us_state_vaccinations.csv)
https://github.com/owid/covid-19-data/blob/master/public/data/vaccinations/us_state_vaccinations.csv



Vaccine small talk has trickled into Americans' daily conversations, now that 33 percent of adults have received their first dose



.Source:https://www.beckershospitalreview.com/public-health/do-intense-vaccine-side-effects-point-to-past-covid-19-infection-4-vaccine-claimsfactchecked.html?origin=BHRSUN&utm_source=BHRSUN&utm_medium=email&utm_content=newsletter&oly_enc_id=5778G2161345E9J

Maybe. Emerging evidence suggests fully vaccinated people are less likely to have asymptomatic infections and could be less likely to transmit the virus to others. That said, the research is ongoing, and the CDC has not shared a definitive answer to this question yet.

"The risks of SARS-CoV-2 infection in fully vaccinated people cannot be completely eliminated as long as there is continued community transmission of the virus," the CDC said in an April 2 brief. "Vaccinated people could potentially still get COVID-19 and spread it to others."

Yes. More women have reported side effects from the vaccine than men, according to CDC data published in February

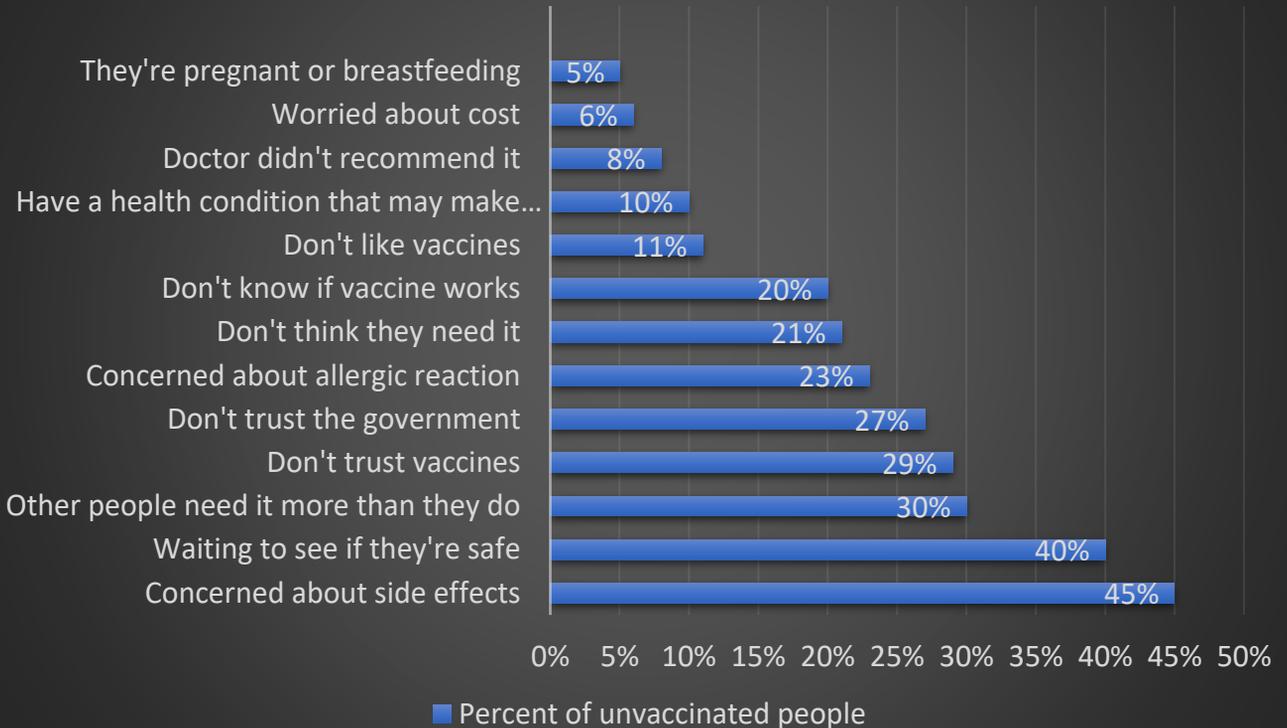
The researchers analysed data from 109 individuals receiving either Moderna's or Pfizer's vaccine, 41 of whom had had COVID-19 before. The researchers say those previously infected with COVID-19 were more likely to experience systemic side effects such as fatigue, headache, chills, fever and muscle or joint pain

Data from the FDA Pfizer clinical vaccine trial backs up this idea. For participants ages 18 to 55, 88.7 percent reported at least one local reaction, such as injection site redness or pain, compared to 79.7 percent of people older than 55. Systemic adverse events including fatigue, headache and muscle pain were reported by 82.8 percent of younger participants, compared to 70.6 percent of individuals in the older age group. Fever was more common after the second dose and in the younger group (15.8 percent) compared to the older group (10.9 percent).

Yes. Young people tend to have a stronger physical response to the COVID-19 vaccine than older people, Sujana Shrestha, PhD, a viral immunologist at La Jolla (Calif.) Institute for Immunology, told Scientific American

Common reasons unvaccinated people gave for not getting vaccinated

Percent of unvaccinated people



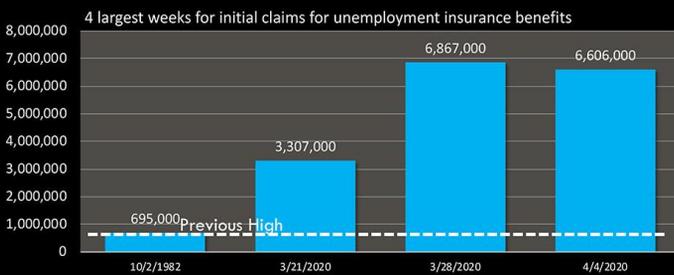
Some respondents hesitant about vaccination indicated general health concerns. **Forty-five percent of those who said they definitely would not get the vaccine feared side effects**, and **40 percent said they wanted to wait to see if vaccines were safe.** (The vaccines have been shown to be safe and have generally mild side effects under clinical trials.) Others cited more conspiratorial reasons, with **29 percent of people not wanting the vaccine saying they didn't trust vaccines** and **27 percent saying they didn't trust the government.** Meanwhile, **20 percent said they didn't think the vaccines work.** People could select multiple reasons for not wanting a vaccine.

Source: Delphi Group at Carnegie Mellon University in partnership with Facebook





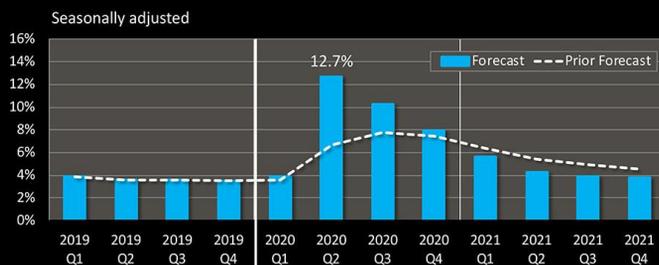
WORST WEEKS FOR UNEMPLOYMENT



FTR Transportation Intelligence

Source: U.S. Department of Labor, FTR

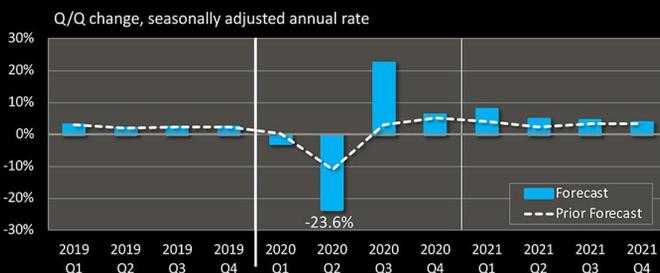
UNEMPLOYMENT RATE



FTR Transportation Intelligence

Source: Witte Econometrics, FTR, BLS

REAL GDP



FTR Transportation Intelligence

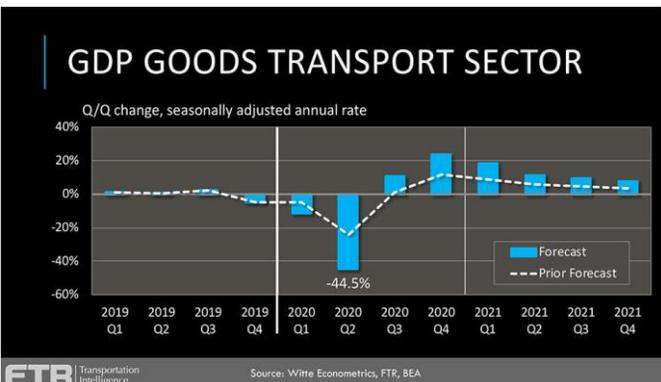
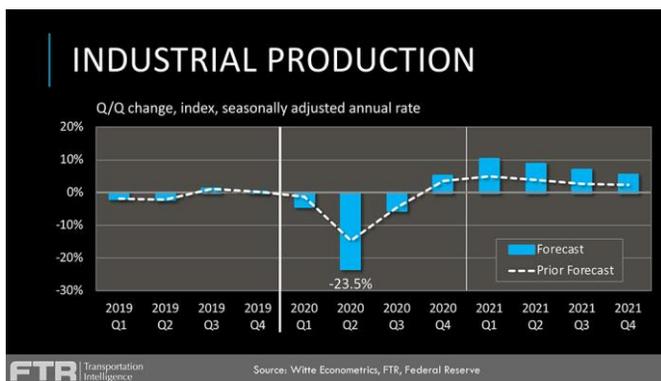
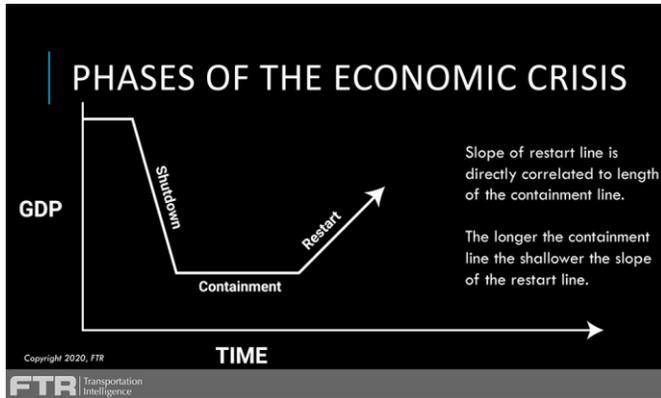
Source: Witte Econometrics, FTR, BEA

Why the COVID-19 recession won't be like the Great Recession

The forced shutdown of the U.S. and world economies by COVID-19 won't recover the same way past recessions have, according to FTR analysis. The rebound depends on when the containment ends — and it could take until mid-2021 before normalcy resumes.

<https://www.fleetowner.com/covid-19-coverage/article/21128570/why-the-covid19-recession-wont-be-like-the-great-recession>

Why the COVID-19 recession won't be like the Great Recession



OUTLOOK OVERVIEW

	Q1'20F	Q2'20F	Q3'20F	Q4'20F	2019	2020F	2021F	2022F
Real Gross Domestic Product (GDP)	-3.0%	-23.6%	22.1%	5.9%	2.3%	-2.1%	5.5%	3.1%
Industrial Production (IP)	-4.3%	-23.5%	-5.6%	-5.1%	0.9%	-6.2%	3.7%	4.2%
Goods Transportation Sector (GTS)	-11.1%	-44.5%	10.8%	23.6%	1.6%	-11.2%	9.7%	6.0%
Imports of Goods	5.8%	-28.7%	-21.0%	-1.8%	-1.5%	-6.1%	1.8%	13.4%
Unemployment Rate	3.8%	12.7%	10.2%	8.0%	3.7%	8.7%	4.4%	3.8%
Housing Starts (mils)	1.34	0.59	0.75	0.87	1.30	0.89	1.21	1.59

Source: Witte Economics, FTR; Copyright 2020, FTR

The looming pandemic recession won't compare to the Great Recession. The economic instability of more than a decade ago won't offer lessons for the COVID-19-driven economic crisis facing the U.S. and the rest of the world, according to economist Bill Witte of FTR Transportation Intelligence.

The worst weeks for unemployment in U.S. history were recorded over the past three weeks: 3.3 million were reported on March 21, 6.9 million on March 28 and 6.6 million on April 4. Before the pandemic, the previous worst unemployment week was recorded in October 1982 when 695,000 people filed jobless claims.

Witte said that the recent CARES Act, passed by Congress in response to the pandemic, which includes forgivable loans for small businesses to keep payroll and other expenses, could soften unemployment figures.

"As I look at the stimulus programs, particularly the small business stimulus program, these forgivable loans are really designed to get people back on the payrolls — even though they probably won't be doing much work in many cases, they're not going to be unemployed," he said. "It's not clear what the economic implications of that are, except that it keeps people tied to their jobs more closely. But it will affect these numbers as we go forward... Even with all that I've just been saying, these numbers are really bad."

Witte is expecting about 15 million jobless claims in the private sector during the second quarter of the year, which began April 1. His forecast shows the job market rebounding in the third quarter, followed by larger gains at the end of 2020 and start of 2021. "But we don't really get back to where we were until toward the end of 2021," he said.

These forecasts show an unemployment number greater than what the U.S. saw during the Great Recession — but not reaching the highs of the Great Depression. "There are forecasts out there that say we're going to hit those levels of unemployment of 25-30%," he added. "I think, at this point at least, that's too pessimistic."

<https://www.fleetowner.com/covid-19-coverage/article/21128570/why-the-covid19-recession-wont-be-like-the-great-recession>



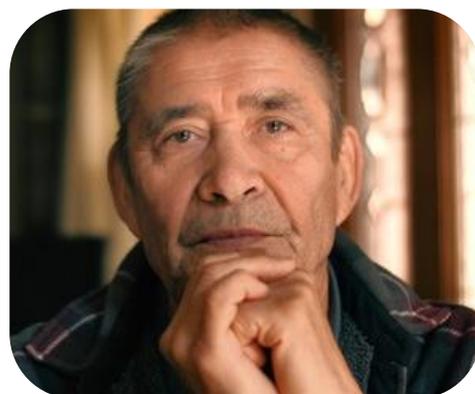
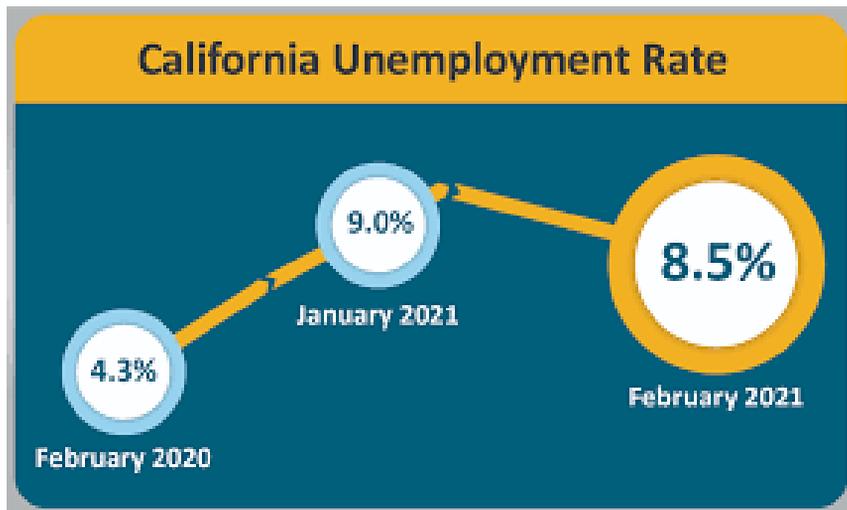
California Data



California unemployment rate improves to 8.5% in February

Employers gained 141,000 nonfarm payroll jobs

<https://www.edd.ca.gov/Newsroom/unemployment-february-2021.htm>



IMPORTANT NOTE: The employment data for the month of February 2021 is taken from the survey week including February 12. Data for the month of March is scheduled for release on April 16, 2021.

SACRAMENTO – California’s unemployment rate dropped 0.5 percentage points to 8.5 percent in February as the state’s employers gained 141,000 jobs¹, according to data released today by the California Employment Development Department (EDD) from two surveys. This comes after January’s downward-revised (-10,100 jobs) month-over loss of 80,000 jobs. December and January combined for a two-month total of 155,400 jobs lost, but February’s gain recovered nearly 91% of that loss. California has now regained nearly 39 percent of the 2,714,800 total nonfarm jobs lost in March and April 2020 due to the COVID-19 pandemic.

Source: EDD March 2021

California's Labor Market, by the Numbers...

- California's month-over unemployment rate improved from 9.0 percent in January to 8.5 percent in February² while at the same time month-over job gains (+141,000) recovered nearly all of December and January's combined losses (-155,400).
- Seven of California's 11 industry sectors gained jobs last month. Leisure & Hospitality (+102,200) had the state's largest month-over increase thanks in large part to Full-Service Restaurants. Other Services (+14,100) and Educational & Health Services (+13,000) also had large gains thanks to strength in Personal Care Services and Ambulatory Health Care Services, respectively.
- Government (-6,000) suffered the largest month-over job loss mainly being due to reductions in Federal Government jobs such as census and postal workers.
- February's month-over increase in farm jobs (+2,900) marks seven consecutive months of gains in that category.

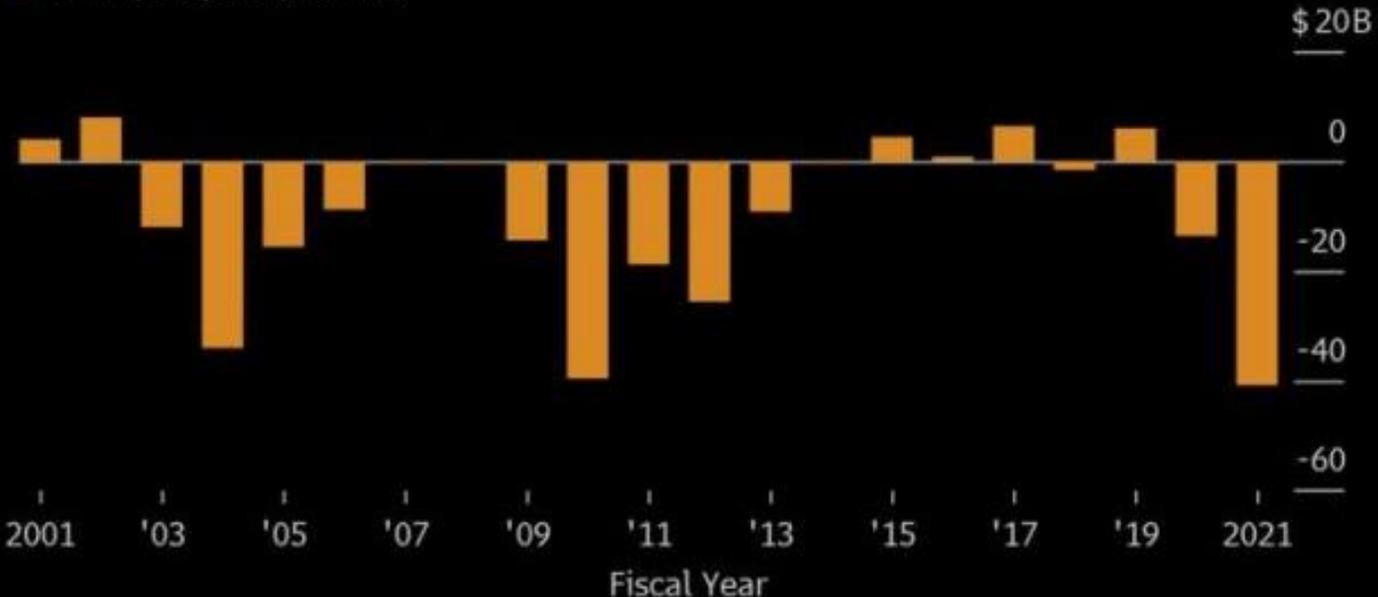
Source: EDD March 2021



California Swings Back to Red

Golden State reels from economic hit from the virus

■ Deficit/Surplus (billions)



Source: California Department of Finance

Note: Figures from initial budget proposals each January except 2020 and 2021

California Data Trends about Jobs in the Economy

Total Nonfarm Payroll Jobs

Source: EDD March 2021

This information comes from a monthly survey of approximately 80,000 California businesses that estimates jobs in the economy – seasonally adjusted.

•**Month-over** – Total nonfarm jobs in California’s 11 major industries totaled 15,998,900 in February – a net gain of 141,000 jobs from January. This followed a downward-revision of 10,100 jobs for a revised month-over loss of 80,000 jobs in January.

•**Year-over** – Total nonfarm jobs decreased by 1,662,000 (a 9.4 percent decrease) from February 2020 to February 2021 compared to the U.S. annual loss of 9,475,000 jobs (a 6.2 percent decrease).

- 1. The nonfarm payroll job numbers come from a federal survey of 80,000 California businesses.
- 2. The unemployment rate comes from a separate federal survey of 5,100 California households.

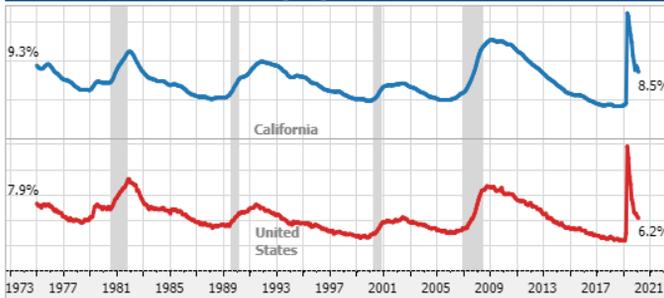


Labor Market Indicators

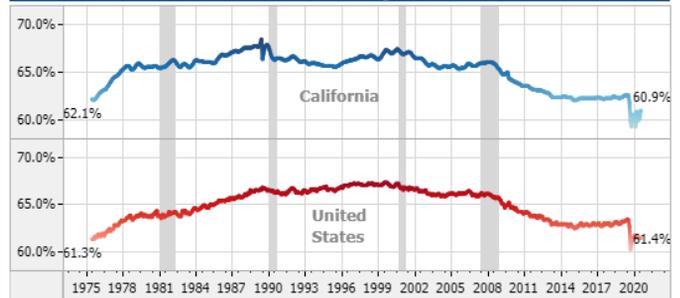
[Labor Force & Unemployment](#) |
 [MFG Hours and Earnings](#) |
 [Industry Employment](#) |
 [Labor Force Demographics](#) |
 [Unemployment Insurance](#) |
 [Initial Claims Trend](#)

CALIFORNIA SEASONALLY ADJUSTED LABOR FORCE, UNEMPLOYMENT RATE, AND LABOR FORCE PARTICIPATION RATE

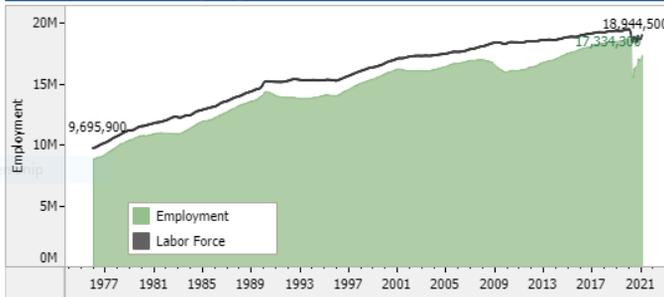
Unemployment Rate



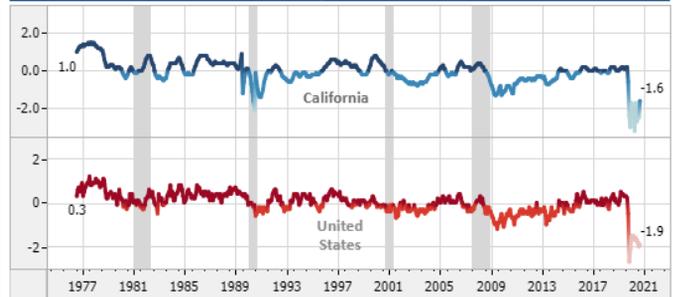
Labor Force Participation Rate



Employment and Labor Force



Labor Force Participation Rate Year-Over



California Data Trends about Jobs in the Economy

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California Industries Payroll Jobs by Biggest Month-Over Change

Major Industries	Month-over Change (Jan. 2021 - Feb. 2021)	Year-over Change (Feb. 2020 - Feb. 2021)	Total Payroll Jobs as of Feb. 2021
 Leisure and Hospitality	 +102,200	 -698,300	1,359,900
 Other Services	 +14,100	 -140,900	452,400
 Education and Health Services	 +13,000	 -125,000	2,737,500
 Manufacturing	 +8,900	 -76,800	1,251,000
 Trade, Transp., Utilities	 +8,200	 -106,100	2,960,900
 Professional and Business Services	 +5,400	 -156,200	2,615,100
 Construction	 +600	 -35,000	878,300
 Mining and Logging	 -700	 -4,000	18,300
 Financial Activities	 -1,900	 -41,700	807,100
 Information	 -2,800	 -61,700	519,400
 Government	 -6,000	 -216,300	2,399,000

Total Farm jobs – The number of jobs in the agriculture industry increased by 2,900 from January to 423,100 jobs in February. The agricultural industry had 2,300 more farm jobs in February 2021 than it did the February prior.

California Data Trends about Workers in the Economy

<https://www.edd.ca.gov/Newsroom/unemployment-february-2021.htm>

source: EDD March 2021

Employment and Unemployment in California

This information is based on a monthly federal survey of 5,100 California households which focuses on workers in the economy.

•**Employed** – The number of Californians with jobs in February was 17,334,300, an increase of 345,600 jobs from January’s total of 16,988,700, but down 1,253,500 from the employment total in February of last year.

•**Unemployed** – The number of unemployed Californians was 1,610,200 in February, a decrease of 69,600 over the month, but up by 764,900 in comparison to February of last year.

California Labor Force	Month-over Change (January 2021 - February 2021)	Year-over Change (February 2020 - February 2021)
 *Civilian Labor Force (18,944,500)	 +276,000	 -488,500
 Total Civilian Employment (17,334,300)	 +345,600	 -1,253,500
 Unemployment (1,610,200)	 -69,600	 +764,900

*Labor force by place of residence, including workers involved in trade disputes

Unemployment Insurance Claims (Not Seasonally Adjusted)

The following data is from a sample week that includes the 19th of each month: In related data that figures into the state’s unemployment rate, there were 794,348 people certifying for Unemployment Insurance benefits during the February 2021 sample week. That compares to 818,589 people in January and 351,766 people in February 2020. Concurrently, 90,662 initial claims were processed in the February 2021 sample week, which was a month-over increase of 32,285 claims from January, as well as a year-over increase of 55,533 claims from February 2020.

California Unemployment Insurance Claims	Month-over Change (January 2021 - February 2021)	Year-over Change (February 2020 - February 2021)
 UI Recipients (794,348)	 -24,241	 +442,582
 New UI Claims (90,662)	 +32,285	 +55,533

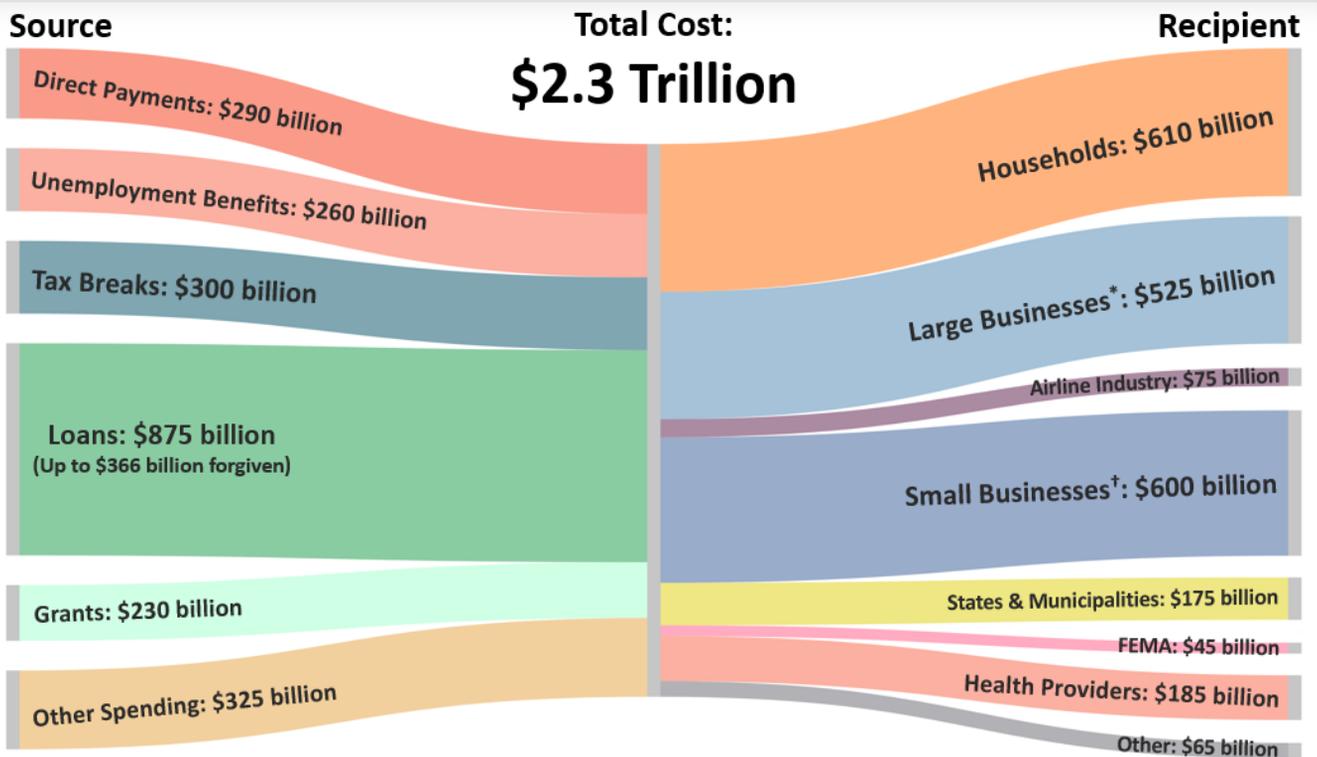


CARES Act
Coronavirus Aid, Relief, and Economic Security Act

**Coronavirus Aid, Relief, and
Economic Security Act**



A Visualization of the CARES Act



† This includes \$170 billion of tax cuts for businesses other than corporations, some of which are large companies.

* This includes \$454 billion to set up a \$4.5 trillion Fed facility, which could help support large businesses but also small businesses and state and local governments.

Source: Legislative offices, JCT, bill text, CRFB estimates.





Employee retention tax credit

- The CARES Act was designed to encourage eligible employers to keep employees on their payroll, despite experiencing economic hardship related to COVID-19, with an employee retention tax credit of up to \$28,000 per employee. The *American Rescue Plan* expands the employee retention tax credit through **December 31, 2021**. Employers can also now claim this credit against the employer share of payroll taxes, including Medicare taxes.
 - The Families First Coronavirus Relief Act (FFCRA) requires certain employers to pay sick or family leave wages to employees who are unable to work or telework due to certain circumstances related to COVID-19. Employers are entitled to a refundable tax credit for the required leave paid, up to specified limits. The same wages cannot be counted for both credits.
- (Source: IRS)**