

# Missouri Economy Indicators

## Unemployment Trends During COVID-19

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The number of Missourians filing for — and receiving — unemployment benefits spiked in April 2020 as the COVID-19 pandemic shook the economy. Since then, it has steadily declined. Unemployment claims came from all sectors of Missouri’s economy, and job loss affected Missourians across the board. Data from the Missouri Department of Labor and Industrial Relations (DOLIR) help to understand who was most affected and the work they did before the recession. These data also provide insights on getting people back to work.

### Changes in Unemployment Claims

Immediately before the recession, the number of unemployed Missourians by industry sector showed mixed results. Some sectors saw declines in the year-over-year number of unemployed people. Others saw slight increases.

When the recession started, all industry sectors, especially those related to tourism, had substantial unemployment increases.

By January 2021, the number of people unemployed was still elevated from year-ago levels, but unemployment was much lower than in most of 2020. This was especially true for manufacturing.

### Select Industry Year-over-Year Changes in Missouri Unemployment Claims

Industry Sector	March 2019 - March 2020	April 2019 - April 2020	August 2019 - August 2020	January 2020 - January 2021
Accom. & Food Services	11%	4696%	1341%	220%
Arts, Entertainment, & Rec.	19%	3702%	1331%	37%
Retail Trade	-8%	1779%	541%	143%
Manufacturing	3%	1712%	340%	-15%
Healthcare & Social Assist.	-9%	1371%	530%	224%
Transp. & Warehouse	8%	1367%	379%	76%
Educational Services	-27%	1249%	944%	192%
Utilities	-26%	363%	123%	70%
Finance & Insurance	-3%	270%	183%	55%
Ag./Forest/Fishing/Hunting	-14%	223%	214%	33%

Source: Missouri Dept. of Labor & Industrial Relations

### Year-Over-Year Change in Unemployment Recipients

The COVID-19 pandemic and attendant recession had rapid and very significant impacts on Missouri’s workforce. As Missouri’s economy quickly ground to a halt, many Missourians faced substantial hardships including job loss. These workers flooded into Missouri’s unemployment system for support. The number of Missourians receiving unemployment benefits increased by 1,076% from March to April 2020.

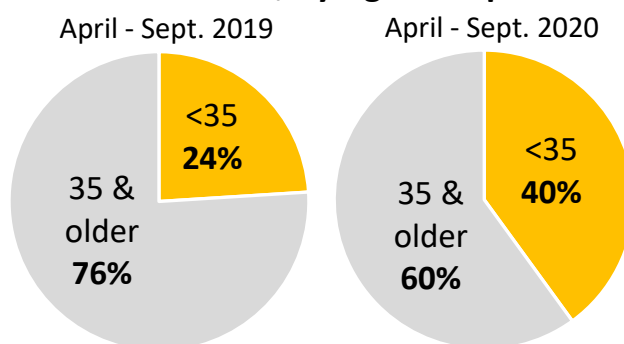
In all industry sectors reported by DOLIR, the number of people receiving unemployment benefits grew by at least 200% when compared with year-ago levels. However, the increases in unemployment were not spread evenly across the economy. In particular, two industry sectors — *Accommodation & Food Services* and *Arts, Entertainment & Recreation* — saw the number of people receiving unemployment benefits increase by more than 3,000% in April 2020 compared with April 2019. These two sectors also contributed significantly to the overall number of Missourians receiving unemployment benefits in April 2020. One out of every four people receiving unemployment benefits at that time had worked in these two industry sectors.

Although all economic sectors felt the recession's impacts, industries such as *Utilities, Finance & Insurance* and *Agriculture/Forestry/Fishing/Hunting* had much smaller unemployment increases than other industries compared with the previous year. By January 2021, *Manufacturing* unemployment was 15% lower than a year earlier — evidence that the production surge during the latter part of 2020 raised demand for workers. Manufacturers often need employees who have specialized skills and work on fixed schedules. As a result, they can't easily match open jobs to laid-off service sector employees in the short term.

## Impact on Younger Workers

Early in the pandemic, a higher percentage of those receiving unemployment benefits were workers younger than 35. During the first six months of the pandemic, they represented 40% of the people receiving unemployment benefits — up from 24% of people receiving benefits during the same period in 2019. Given the industries reporting the most unemployment claims filed during the COVID-19 pandemic, this is not surprising.

## Percent of Unemployment Benefit Claimants, By Age Groups



Source: Missouri Dept. of Labor & Industrial Relations

## Employment Outlook

The recession's impacts have not been felt evenly across sectors of the economy nor age groups. Several factors, however, point to positive hiring trends in the coming months.

For example, tourism-related businesses and restaurants will benefit as the vaccine rollout and warmer weather continue. According to Opportunity Insight's [Economy Tracker](#), Missouri consumer spending jumped in January 2021 — due in part to federal stimulus checks. Federal spending in the new, larger stimulus bill will likely have similar positive impacts on consumer spending and spur hiring in consumer-facing services that were hard hit by the recession.

## Additional Resources

- **Missouri Department of Labor & Industrial Relations** provides the data used in this brief at [labor.mo.gov](http://labor.mo.gov)
- **Missouri Small Business Development Centers** provide confidential business assistance at [sbdc.missouri.edu](http://sbdc.missouri.edu)

All Missouri Economy Indicators briefs in this series are available at [tinyurl.com/ExceedEconomyIndicators](http://tinyurl.com/ExceedEconomyIndicators)

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