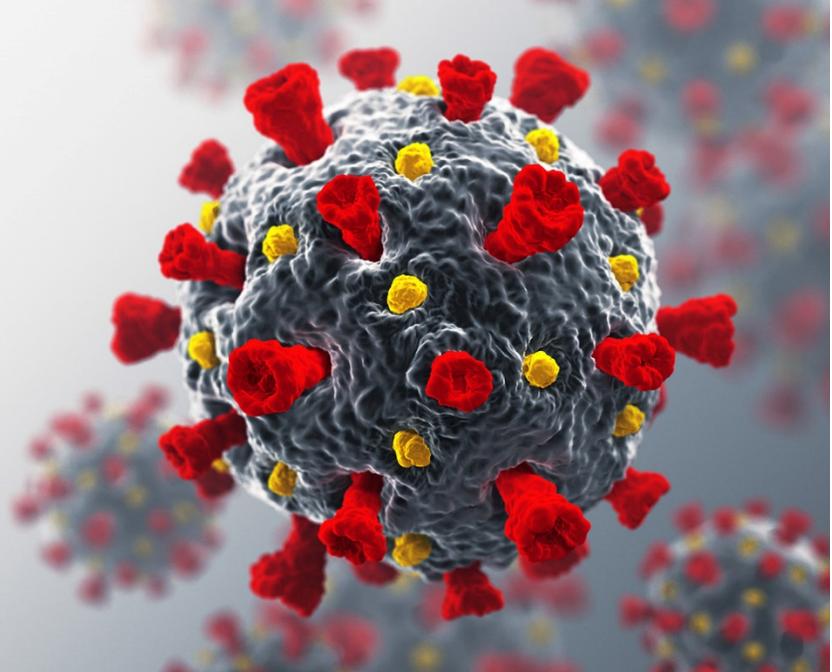


To: Clients  
From: Philip Jordan  
Vice-President, BW Research Partnership  
Date: August 21, 2020

## MEMORANDUM

US Energy Employment Initial Impacts from the  
COVID-19 Economic Crisis, July 2020



## INTRODUCTION

BW Research finds that the U.S. energy sector added 5,800 jobs in July, leaving over 1.14 million energy workers out of work despite nationwide re-openings. There remains a nearly 14 percent decline over pre-COVID-19 employment levels.

Unfortunately for the energy sector, June's job growth was short-lived. Concerns mentioned in previous jobs reports, such as high continued unemployment, casual or paused re-openings, and the exhaustion of many programs from earlier stimulus, were realized in this month's stagnant jobs report. At the current pace, it would take more than 16 years to recover the energy jobs lost since February.

The August 7 jobs report, which showed that the U.S. economy created 1.5 million new jobs over the previous month, covers the first two weeks of July. These new jobs primarily fall in industries unrelated to energy, such as government, food and accommodation, and education and health services. While the recent jobs report has some positive news for the economy, it also contains some alarming trends.

Initial weekly unemployment claims continue at an historic pace. The most recent week's claims data, released on August 6, showed a slight decline in initial jobless claims, but is still at a level more than 50 percent higher than any week in our history prior to March. At the same time, the long-term unemployment rate – defined as 27 weeks of consecutive unemployment – has risen sharply since March to 1.5 million, representing more than 9 percent of the 16.3 million currently unemployed overall. Also alarming is the rise in permanent unemployment over the same period, which was a tiny fraction of the initial job losses in the Spring but now represents 2.9 million job losses, or nearly 18 percent of the total unemployed.<sup>1</sup>

The economy is currently reacting to viral resurgence as well as the drag from extended unemployment and related economic losses. Consumer confidence, while up from its lows in April and May, dropped six points in July. The continued viral spread, reversal of travel advisories and reopening plans, and the exhaustion of many of programs from earlier stimulus have added to this volatility.

---

<sup>1</sup> BLS Employment Situation Summary, Aug 7. <https://www.bls.gov/news.release/empsit.nr0.htm>.

This report shows no state nor energy sector as a significant job loser or gainer. However, impacts of this pandemic are not being felt evenly throughout worker demographics. Black and Hispanic workers continue to feel disproportionately high levels of unemployment, and while white workers have seen slight job growth over the past month, Black workers saw no change.<sup>2</sup>

## IMPACTS

- Motor vehicles, the largest energy industry, increased by 2,700 jobs over July. The motor vehicles sector has suffered 367,600 lost jobs since the start of March, or more than a 14 percent decline.
- Fuels was the only sector to decline in July, losing almost 900 jobs. Job losses for fuels total 171,200 or 15 percent since the beginning of March, however, this is not limited to just the COVID-19 pandemic; tanking oil markets in the first quarter of 2020 also heavily impacted the US fuels sector.
- Energy efficiency, the second largest energy-related sector, followed closely behind motor vehicles, growing by 2,100 jobs in July. Energy efficiency has lost 360,300 jobs since the start of the pandemic for a 15 percent decline.
- Transmission, distribution, and storage and electric power generation experienced growth of about 1,100 and 800 added jobs, respectively. The transmission, distribution, and storage and electric power generation sectors have lost 141,500 jobs or 10 percent, and 99,900 jobs or 11 percent, respectively, since the start of the pandemic.
- Clean energy jobs added 3,200 jobs in July. The clean energy industry has lost 15 percent of its workforce since the start of the pandemic, or almost 511,100 jobs lost.
- Fossil and nuclear fuels and electricity generation, traditional transmission and distribution, and gas and diesel motor vehicles account for about 2,600 regained jobs in July but has dropped nearly 13 percent or 629,500 jobs since March.
- More than 1,100 jobs were lost in oil and gas generation, fuels, and transmission and distribution in July. This totals almost 105,900 oil and gas jobs lost since March, or a nearly 16 percent decline.
- Coal mining and electric power generation lost about 140 jobs in July, totaling about 12,100 jobs lost since the start of the pandemic or a 13 percent decline. This does not include the coal job losses in other activities like mining machine manufacturing and distribution and transportation.

California had the largest employment growth, adding more than 1,200 jobs in July's slight increase. Illinois, Michigan, New York, and Massachusetts followed, all adding more than 300 jobs. Massachusetts, Hawaii, North Carolina, and California saw the largest growth in terms of percent of their respective energy sectors, all with 0.2 percent energy employment gains over the past month. States that have fared worse than average so far include North Dakota and Wyoming, both losing about 50 energy jobs. For

---

<sup>2</sup> BLS Employment Situation Summary, Aug 7. <https://www.bls.gov/news.release/empsit.nr0.htm>.

more information about energy job growth by state, see Appendix A: State Energy Job Growth in July 2020 and Appendix B: Cumulative State Energy Job Losses Since Pre-COVID.

Of the almost 1,000 jobs added back to the traditional energy sector in July, California and Illinois grew the most, adding more than 400 and 100 jobs, respectively. Texas saw the largest traditional energy employment decrease in July, losing more than 300 jobs. North Dakota, Oklahoma, and New Mexico each lost under 100 traditional energy jobs as well. This is largely due to continued job losses in oil, gas, and coal production, generation, and transmission, distribution, and storage.

The BLS Employment Situation report shows us that in the overall economy, racial and ethnic minorities, women, young workers, and those with less educational attainment are currently suffering higher unemployment rates.<sup>3</sup> About 23% of all jobs in Automobile Manufacturing are held by Black or African-American workers (economy-wide representation is about 12%) and about a third of fossil extraction workers like roustabouts and rotary drill operators are Hispanic/Latino. New policies and programs must focus on equitable recovery given the diversity within many energy-related sectors.

## METHODOLOGY

BLS employment reports for June and July, as well as the DOL unemployment weekly summaries, were used to calculate the labor impacts for the month. Please see prior months' memoranda for a more complete explanation of the methodology.

## ABOUT BW RESEARCH

BW Research is a full-service applied research firm that is focused on supporting our clients with economic & workforce research, customer & community research, as well as strategic planning and evaluation services. For more information and analysis on economic impacts related to COVID-19, please visit: <http://bwresearch.com/covid>

---

<sup>3</sup> <https://www.bls.gov/news.release/empsit.nr0.htm>

## APPENDIX A: STATE ENERGY JOB GROWTH IN JULY 2020

State	Job Growth	Percent Growth	State	Job Growth	Percent Growth
Alabama	68	0.1%	Montana	13	0.0%
Alaska	-11	0.0%	Nebraska	35	0.1%
Arizona	97	0.1%	Nevada	33	0.1%
Arkansas	43	0.1%	New Hampshire	20	0.1%
California	1,244	0.2%	New Jersey	139	0.1%
Colorado	116	0.1%	New Mexico	-35	-0.1%
Connecticut	69	0.1%	New York	317	0.1%
Delaware	23	0.1%	North Carolina	290	0.2%
District of Columbia	23	0.1%	North Dakota	-50	-0.1%
Florida	292	0.1%	Ohio	252	0.1%
Georgia	94	0.1%	Oklahoma	-45	0.0%
Hawaii	32	0.2%	Oregon	96	0.1%
Idaho	20	0.1%	Pennsylvania	163	0.1%
Illinois	407	0.1%	Rhode Island	23	0.1%
Indiana	207	0.1%	South Carolina	77	0.1%
Iowa	50	0.1%	South Dakota	14	0.1%
Kansas	60	0.1%	Tennessee	150	0.1%
Kentucky	28	0.0%	Texas	-16	0.0%
Louisiana	19	0.0%	Utah	33	0.0%
Maine	16	0.1%	Vermont	20	0.1%
Maryland	98	0.1%	Virginia	157	0.1%
Massachusetts	314	0.2%	Washington	133	0.1%
Michigan	390	0.1%	West Virginia	-26	0.0%
Minnesota	86	0.1%	Wisconsin	97	0.1%
Mississippi	32	0.1%	Wyoming	-23	-0.1%
Missouri	104	0.1%	<b>US TOTAL</b>	<b>5,786</b>	<b>0.1%</b>

## APPENDIX B: CUMULATIVE STATE ENERGY JOB LOSSES SINCE PRE-COVID

State	Jobs Lost	Percent Decline	State	Jobs Lost	Percent Decline
Alabama	21,911	14.7%	Montana	4,101	13.4%
Alaska	5,896	20.6%	Nebraska	6,780	11.8%
Arizona	13,276	10.7%	Nevada	6,938	11.4%
Arkansas	6,591	10.3%	New Hampshire	2,457	7.9%
California	144,967	15.2%	New Jersey	21,330	14.6%
Colorado	14,552	9.0%	New Mexico	11,024	19.0%
Connecticut	9,178	12.1%	New York	31,673	9.2%
Delaware	2,872	12.5%	North Carolina	36,564	16.9%
District of Columbia	3,227	15.7%	North Dakota	8,285	16.6%
Florida	48,280	14.1%	Ohio	44,377	12.7%
Georgia	56,284	27.3%	Oklahoma	24,011	17.4%
Hawaii	5,967	23.3%	Oregon	11,135	11.5%
Idaho	3,259	9.9%	Pennsylvania	50,213	18.6%
Illinois	26,724	8.6%	Rhode Island	4,596	19.3%
Indiana	34,462	12.1%	South Carolina	18,596	13.2%
Iowa	9,256	10.7%	South Dakota	1,298	4.9%
Kansas	9,051	10.5%	Tennessee	19,019	8.9%
Kentucky	39,319	25.9%	Texas	99,455	10.4%
Louisiana	37,548	22.1%	Utah	5,635	6.5%
Maine	3,110	12.2%	Vermont	2,635	11.6%
Maryland	14,828	11.2%	Virginia	20,509	10.9%
Massachusetts	24,798	13.1%	Washington	30,584	19.7%
Michigan	69,433	16.6%	West Virginia	8,967	13.7%
Minnesota	17,061	13.3%	Wisconsin	15,832	10.4%
Mississippi	9,450	13.5%	Wyoming	4,686	10.6%
Missouri	18,544	11.5%	<b>US TOTAL</b>	<b>1,140,543</b>	<b>13.6%</b>