

COVID 19 and the Effect on Jobs in 2020

Overview

Beginning in Q1 of 2020, BDRC with the support of the [Institute for Business & Entrepreneurship](#) in the [University of Wisconsin System](#) began receiving quarterly business data snapshots from Data Axle in an effort to track the dynamic changes in U.S. establishments and jobs in 2020 resulting from the COVID 19 pandemic. Subsequently, the YTS (Your-economy Time Series) database starting in 2020 will be assembled on a quarterly and annual basis.

Changes to Businesses

States restricted access to in-dining restaurants, theaters, concert halls, some retail stores and other non-essential businesses where large groups of people risk coming into close contact with one another. Additionally, public health officials have encouraged people to stay home as much as possible and avoid doing anything that requires close contact with others. Other businesses voluntarily closed to protect their employees and the public. Consequently, the **U.S. lost 10.7% of its businesses** in 2020, far exceeding any other business loss since our tracking began in 1997.

Summary of Jobs Change

The pandemic presented unprecedented challenges that have economic ripple effects across the country as more Americans than ever before are out of work or underemployed. However, there are areas where jobs sustained or increased.

The **U.S. showed a 4.6% loss in jobs** in 2020, outpacing job loss at the height of the 2009-2011 recession. We estimate that the majority of jobs lost in the crisis have been in service industries that pay low average wages, with the lowest-paying industries (restaurants, hotels, clothing, material, and convenience stores) **accounting for 44 percent of all jobs lost**. There were also significant declines in the Manufacturing, Construction, Transportation, and Health Care segments. Education and Government both sustained jobs **accounting for 100 percent of all jobs increase**.