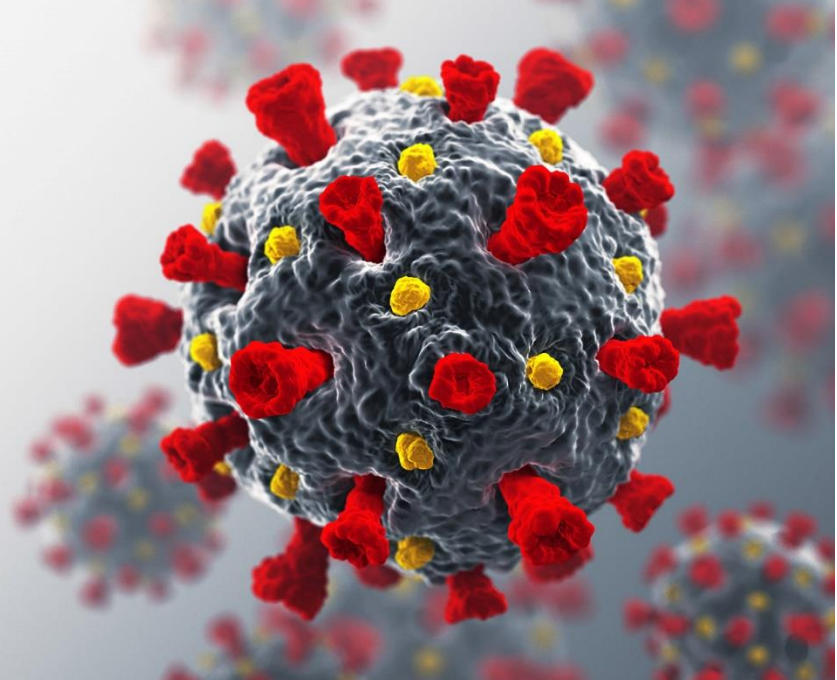


To: Clients  
From: Philip Jordan  
Vice-President, BW Research Partnership  
Date: September 21, 2020

## MEMORANDUM

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



## INTRODUCTION

BW Research finds that the U.S. energy sector added 38,000 jobs in August, leaving nearly 1.1 million energy workers out of work despite nationwide re-openings. There remains a 13 percent decline over pre-COVID-19 employment levels.

Tepid growth from the beginning of June through July continues in August, while concerns such as high continued unemployment and the exhaustion of many programs from earlier stimulus were realized in this month's jobs report.

The September 4 jobs report, which showed that the U.S. economy created 1.4 million new jobs over the previous month, covers the first two weeks of August. Most new jobs fall in industries unrelated to energy, such as food and accommodation and education and health services, however jobs were also added in professional and business 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 September 3<sup>rd</sup> weekly claims data showed a slight decline in initial jobless claims, but is still at a level more than 50 percent higher than any week in the data's recorded history prior to March.<sup>1</sup> At the same time, the long-term unemployment rate – defined as 27 weeks of consecutive unemployment – has risen sharply since March to 1.6 million, representing about 12 percent of the 13.6 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 3.4 million job losses, or a quarter of the total unemployed.<sup>2</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 another 7 points after its 6 point decline in July. The continued viral spread, reversal of travel advisories and reopening plans, and the exhaustion of many programs from earlier stimulus have added to this volatility.

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<sup>1</sup> Weekly unemployment claims data collection began in January 1967, <https://oui.doleta.gov/unemploy/claims.asp>.

<sup>2</sup> BLS Employment Situation Summary, Sept 4. <https://www.bls.gov/news.release/empsit.nr0.htm>.

This report shows no state, nor clean 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 suffer from disproportionately high levels of unemployment.<sup>3</sup>

## IMPACTS

- Motor vehicles, the largest energy industry, increased by 20,700 jobs over August. The motor vehicles sector has suffered 340,900 lost jobs since the start of March, or a 13 percent decline.
- Fuels stayed relatively stagnant during August, adding less than 500 jobs. Job losses for fuels total 172,700 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 8,200 jobs in August. Energy efficiency has lost 347,300 jobs since the start of the pandemic for an almost 15 percent decline.
- Transmission, distribution, and storage and electric power generation experienced growth of about 5,100 and 3,400 added jobs, respectively. The transmission, distribution, and storage and electric power generation sectors have lost 134,000 jobs or 10 percent, and 94,700 jobs or 11 percent, respectively, since the start of the pandemic.
- Clean energy jobs added 13,600 jobs in August. The clean energy industry has lost more than 14 percent of its workforce since the start of the pandemic, or more than 490,300 jobs lost.
- Fossil and nuclear fuels and electricity generation, traditional transmission and distribution, and gas and diesel motor vehicles account for about 24,400 regained jobs in August but has dropped more than 12 percent or 599,200 jobs since March.
- About 200 jobs were lost in oil and gas generation, fuels, and transmission and distribution in August. This totals almost 108,600 oil and gas jobs lost since March, or a more than 16 percent decline.
- Coal mining and electric power generation lost about 70 jobs in August, totaling about 12,500 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 6,800 jobs in August's slight increase. New York, Texas, and Florida followed, all adding more than 2,000 jobs. Massachusetts, New York, North Carolina, and California saw the largest growth in terms of percent of their respective energy sectors, all with 0.8 percent or more energy employment gains over the past month. States that have fared worse than average so far include Wyoming, Alaska, South Dakota, New Hampshire, Vermont, and Idaho, all adding less than 100 energy jobs. For more information about energy job growth by state, see Appendix

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<sup>3</sup> BLS Employment Situation Summary, Sept 4. <https://www.bls.gov/news.release/empsit.nr0.htm>.

A: State Energy Job Growth in August 2020 and Appendix B: Cumulative State Energy Job Losses Since Pre-COVID.

Of the 9,000 jobs added back to the traditional energy sector in August, California grew the most, adding more than 2,000 jobs. New York and Texas also added about 750 jobs each. Wyoming, New Hampshire, South Dakota, Maine, Vermont, Delaware, and North Dakota all gained less than 20 traditional energy jobs.

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>4</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 July and August, 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>

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<sup>4</sup> <https://www.bls.gov/news.release/empsit.nr0.htm>

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

State	Job Growth	Percent Growth	State	Job Growth	Percent Growth
Alabama	426	0.3%	Montana	100	0.4%
Alaska	80	0.4%	Nebraska	230	0.5%
Arizona	529	0.5%	Nevada	210	0.4%
Arkansas	295	0.5%	New Hampshire	89	0.3%
California	6,788	0.8%	New Jersey	702	0.6%
Colorado	707	0.5%	New Mexico	222	0.5%
Connecticut	437	0.7%	New York	2,840	0.9%
Delaware	103	0.5%	North Carolina	1,557	0.9%
District of Columbia	103	0.6%	North Dakota	155	0.4%
Florida	2,032	0.7%	Ohio	1,311	0.4%
Georgia	595	0.4%	Oklahoma	199	0.2%
Hawaii	120	0.6%	Oregon	502	0.6%
Idaho	98	0.3%	Pennsylvania	1,564	0.7%
Illinois	1,918	0.7%	Rhode Island	130	0.7%
Indiana	827	0.3%	South Carolina	498	0.4%
Iowa	251	0.3%	South Dakota	83	0.3%
Kansas	338	0.4%	Tennessee	842	0.4%
Kentucky	253	0.2%	Texas	2,840	0.3%
Louisiana	440	0.3%	Utah	209	0.3%
Maine	130	0.6%	Vermont	93	0.5%
Maryland	547	0.5%	Virginia	894	0.5%
Massachusetts	1,685	1.0%	Washington	770	0.6%
Michigan	1,277	0.4%	West Virginia	132	0.2%
Minnesota	460	0.4%	Wisconsin	487	0.4%
Mississippi	249	0.4%	Wyoming	65	0.2%
Missouri	577	0.4%	<b>US TOTAL</b>	<b>37,990</b>	<b>0.5%</b>

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

State	Jobs Lost	Percent Decline	State	Jobs Lost	Percent Decline
Alabama	21,333	14.3%	Montana	3,973	13.0%
Alaska	5,841	20.4%	Nebraska	6,470	11.3%
Arizona	12,529	10.1%	Nevada	6,654	10.9%
Arkansas	6,199	9.7%	New Hampshire	2,323	7.5%
California	135,385	14.2%	New Jersey	20,315	13.9%
Colorado	13,585	8.4%	New Mexico	10,878	18.7%
Connecticut	8,586	11.3%	New York	28,121	8.2%
Delaware	2,718	11.8%	North Carolina	34,355	15.8%
District of Columbia	3,072	14.9%	North Dakota	8,242	16.5%
Florida	45,593	13.3%	Ohio	42,500	12.1%
Georgia	55,477	26.9%	Oklahoma	23,913	17.3%
Hawaii	5,774	22.5%	Oregon	10,417	10.8%
Idaho	3,117	9.4%	Pennsylvania	48,283	17.9%
Illinois	23,891	7.7%	Rhode Island	4,414	18.5%
Indiana	33,169	11.6%	South Carolina	17,924	12.7%
Iowa	8,892	10.2%	South Dakota	1,184	4.4%
Kansas	8,578	10.0%	Tennessee	17,841	8.4%
Kentucky	39,002	25.6%	Texas	96,644	10.1%
Louisiana	37,064	21.8%	Utah	5,352	6.1%
Maine	2,945	11.6%	Vermont	2,498	11.0%
Maryland	14,061	10.6%	Virginia	19,263	10.2%
Massachusetts	22,408	11.9%	Washington	29,515	19.0%
Michigan	67,279	16.0%	West Virginia	8,894	13.5%
Minnesota	16,409	12.8%	Wisconsin	15,126	9.9%
Mississippi	9,128	13.0%	Wyoming	4,671	10.6%
Missouri	17,733	11.0%	<b>US TOTAL</b>	<b>1,089,540</b>	<b>13.0%</b>