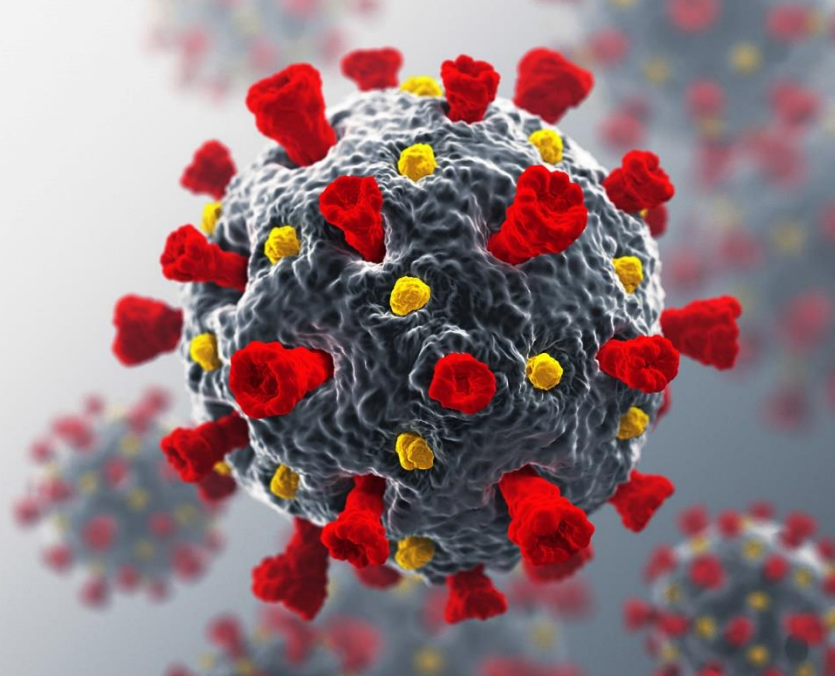


To: Clients  
From: Philip Jordan  
Vice-President, BW Research Partnership  
Date: October 7, 2020

## MEMORANDUM

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



## INTRODUCTION

BW Research finds that the U.S. energy sector added 31,700 jobs in September, 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 September, 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 October 2<sup>nd</sup> jobs report, which showed that the U.S. economy created 661,000 new jobs over the previous month, covers the first two weeks of September. While these new jobs primarily fall in industries unrelated to energy (leisure and hospitality, retail trade, and health services), job gains are also seen in energy adjacent industries, such as professional and business services. While the recent jobs report shows some positive trends for the economy, alarming trends remain.

Driven by job losses in education, public sector employment dropped significantly in this month's jobs report, reversing the strong, positive trends seen in previous months. Public sector unemployment is expected to continue to worsen in the coming weeks as Census work concludes and state economies strain under falling revenues and increased COVID-related expenses. Weekly unemployment claims continue at an historic high pace. The October 1<sup>st</sup> weekly claims data showed a slight decline in initial jobless claims, but is still at a level higher than any week in the data's recorded history prior to March, when new programs such as the Pandemic Unemployment Assistance Program are included.<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 2.4 million, representing about 19 percent of the 12.6 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 3.8 million job losses, 30 percent of the total unemployed.<sup>2</sup> Further, the "official" unemployment claims do not include people not currently looking for work, including, notably, parents who must remain home due to remote schooling of their children.

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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, Oct 2. <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 suffer from disproportionately high levels of unemployment.<sup>3</sup>

## IMPACTS

- Motor vehicles, the largest energy industry, increased by 10,100 jobs over September. The motor vehicles sector has suffered 330,800 lost jobs since the start of March, or a 13 percent decline.
- Fuels stayed relatively stagnant during September, adding less than 2,900 jobs. Job losses for fuels total 169,800 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 8,400 jobs in September. Energy efficiency has lost 338,800 jobs since the start of the pandemic for a more than 14 percent decline.
- Transmission, distribution, and storage and electric power generation experienced growth of about 6,800 and 3,500 added jobs, respectively. The transmission, distribution, and storage and electric power generation sectors have lost 127,200 jobs or 9 percent, and 91,100 jobs or 10 percent, respectively, since the start of the pandemic.
- Clean energy jobs added 12,500 jobs in September. The clean energy industry has lost 14 percent of its workforce since the start of the pandemic, or more than 477,900 jobs lost.
- Fossil and nuclear fuels and electricity generation, traditional transmission and distribution, and gas and diesel motor vehicles account for about 19,300 regained jobs in September but has dropped 12 percent or 580,000 jobs since March.
- About 1,800 jobs were gained in oil and gas generation, fuels, and transmission and distribution in September. This totals almost 106,900 oil and gas jobs lost since March, or a 16 percent decline.
- Coal mining and electric power generation gained about 250 jobs in September, totaling about 12,300 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 4,800 jobs in September's slight increase. Texas, Michigan, New York, Illinois, and Ohio followed, all adding more than 1,500 jobs. North Carolina and Hawaii saw the largest growth in terms of percent of their respective energy sectors, with 0.7 percent or more energy employment gains over the past month. States that have fared worse than average so far include Vermont, New Hampshire, Idaho, South Dakota, and DC, all adding less than 75

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

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

Of the 13,200 jobs added back to the traditional energy sector in September, California grew the most, adding more than 2,200 jobs. Texas added back nearly 1,800 traditional energy jobs while New York added more than 750 jobs. Vermont, DC, New Hampshire, and South Dakota all gained less than 25 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 August and September, 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 SEPTEMBER 2020

State	Job Growth	Percent Growth	State	Job Growth	Percent Growth
Alabama	413	0.3%	Montana	84	0.3%
Alaska	80	0.4%	Nebraska	175	0.3%
Arizona	429	0.4%	Nevada	128	0.2%
Arkansas	194	0.3%	New Hampshire	57	0.2%
California	4,797	0.6%	New Jersey	449	0.4%
Colorado	475	0.3%	New Mexico	226	0.5%
Connecticut	264	0.4%	New York	1,802	0.6%
Delaware	86	0.4%	North Carolina	1,262	0.7%
District of Columbia	73	0.4%	North Dakota	242	0.6%
Florida	1,059	0.4%	Ohio	1,562	0.5%
Georgia	450	0.3%	Oklahoma	294	0.3%
Hawaii	131	0.7%	Oregon	338	0.4%
Idaho	62	0.2%	Pennsylvania	1,222	0.6%
Illinois	1,740	0.6%	Rhode Island	119	0.6%
Indiana	964	0.4%	South Carolina	434	0.4%
Iowa	259	0.3%	South Dakota	65	0.3%
Kansas	279	0.4%	Tennessee	948	0.5%
Kentucky	520	0.5%	Texas	2,875	0.3%
Louisiana	525	0.4%	Utah	164	0.2%
Maine	77	0.3%	Vermont	48	0.2%
Maryland	391	0.3%	Virginia	552	0.3%
Massachusetts	914	0.6%	Washington	531	0.4%
Michigan	1,834	0.5%	West Virginia	236	0.4%
Minnesota	427	0.4%	Wisconsin	468	0.3%
Mississippi	268	0.4%	Wyoming	121	0.3%
Missouri	613	0.4%	<b>US TOTAL</b>	<b>31,729</b>	<b>0.4%</b>

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

State	Jobs Lost	Percent Decline	State	Jobs Lost	Percent Decline
Alabama	20,920	14.0%	Montana	3,889	12.7%
Alaska	5,761	20.1%	Nebraska	6,295	11.0%
Arizona	12,100	9.8%	Nevada	6,526	10.7%
Arkansas	6,005	9.4%	New Hampshire	2,266	7.3%
California	130,588	13.7%	New Jersey	19,866	13.6%
Colorado	13,110	8.1%	New Mexico	10,652	18.3%
Connecticut	8,322	10.9%	New York	26,319	7.6%
Delaware	2,632	11.5%	North Carolina	33,093	15.3%
District of Columbia	2,999	14.6%	North Dakota	8,000	16.0%
Florida	44,533	13.0%	Ohio	40,938	11.7%
Georgia	55,027	26.7%	Oklahoma	23,619	17.1%
Hawaii	5,643	22.0%	Oregon	10,079	10.4%
Idaho	3,054	9.2%	Pennsylvania	47,060	17.5%
Illinois	22,151	7.1%	Rhode Island	4,295	18.0%
Indiana	32,205	11.3%	South Carolina	17,490	12.4%
Iowa	8,633	9.9%	South Dakota	1,120	4.2%
Kansas	8,299	9.6%	Tennessee	16,894	7.9%
Kentucky	38,481	25.3%	Texas	93,769	9.8%
Louisiana	36,539	21.5%	Utah	5,188	5.9%
Maine	2,868	11.3%	Vermont	2,450	10.8%
Maryland	13,670	10.3%	Virginia	18,711	9.9%
Massachusetts	21,494	11.4%	Washington	28,984	18.7%
Michigan	65,445	15.6%	West Virginia	8,658	13.2%
Minnesota	15,983	12.5%	Wisconsin	14,657	9.6%
Mississippi	8,861	12.7%	Wyoming	4,550	10.3%
Missouri	17,120	10.6%	<b>US TOTAL</b>	<b>1,057,811</b>	<b>12.7%</b>