

Coronavirus Pandemic Effects on North Port-Sarasota-Bradenton Employment:
Division of Labor and Job Loss

Marina Sidlow

Faculty Mentor: Dr. Sarah Hernandez

New College of Florida

INTRODUCTION

Research shows that the economic downturn beginning in early 2020 due to the coronavirus pandemic has caused high unemployment rates in the United States.¹ Additional research has shown that although workers from all social classes have been affected to some degree, the job loss rates have not necessarily been equitable.² Workers considered essential or who can work from home have been able to continue working while others have not had such opportunities. As restaurants, movie theaters, and other businesses close down and employees are laid off, many individuals are losing their sources of income. On the other hand, employees that are considered essential, such as grocery store clerks, face additional risks of contracting the virus by interacting with large amounts of people daily. The North Port-Sarasota-Bradenton tri-city area differs from most economies in that it relies heavily on tourism, which has declined dramatically due to travel limitations beginning in Spring 2020. My research explores which nonfarm labor industries had experienced an increase in unemployment, which had not changed, and which, if any, had experienced an increase in employment by April 2020. At this point, the unemployment rate had reached its peak.

My research set out to demonstrate that by April 2020, the coronavirus pandemic had created a noticeable decline in almost all industries within the labor force of the North Port-Sarasota-Bradenton tri-city area. Additionally, I was curious about the extent to which lower-income workers, who are disproportionately women and people of color, had been affected most negatively by job loss due to the decline of certain jobs considered non-essential. By analyzing the data, I conclude the extent to which job loss has been equitable and whether marginalized groups have been disproportionately affected.

LITERATURE

The related literature includes an analysis of the economic effects of the 1918 influenza pandemic within the United States. According to one study, the 1918 pandemic had modest effects on the United States economy, while the 2020 coronavirus pandemic has caused much more significant downturns. Despite its high death toll of around 50 million lives worldwide, the economic effects of the 1918 influenza pandemic on the United States economy were only temporary. Benmelech and Frydman write that the distinction can be attributed to the fact that “the coronavirus arrived to the US at a time of booming stock market values.” In contrast, the influenza pandemic arrived at a time of economic downturn. Additionally, the coronavirus pandemic has resulted in the implementation of social distancing measures. Many jobs that cannot be performed from home have been deemed “non-essential” and come to a halt entirely due to the potentiality of unsafe work environments. During the 1918 pandemic, on the other hand, many unsafe jobs continued despite social distancing measures being impossible. At the time, “businesses were under pressure by the US government to fulfill demand for products and commodities that were needed for the war effort.”³ Therefore, increased production was chosen over worker safety and even human lives, mirroring a central aspect of the current debate around shutting down the economy.

The social density of occupations has increased since the 1910s, meaning that workers are now, more than ever, more likely to be interacting with a more considerable amount of people. James and Sargent conclude that a pandemic in the 21st century would have a much more significant impact on the economy and the safety of workers within the labor force. Because workers are more likely to hold jobs in which social distancing measures would be

difficult or impossible, these employees are more likely to either lose their jobs or be forced to work in an unsafe environment.⁴

James and Sargent's prediction seems to have been correct, as studies surrounding the effects of the coronavirus demonstrate distinct impacts on the economy. Not only are the economic effects drastic, they conclude, but low-income workers, who are disproportionately women and people of color, are more likely to be affected. Saenz and Sparks conclude that people of color have been disproportionately affected by job loss. Their research into unemployment trends in the United States demonstrates that in April 2020, "Latinos had the highest unemployment rate at nearly 19 percent, followed by Blacks at 16.4 percent"; on the other hand, "whites had the lowest unemployment level at approximately 13 percent."⁵ Other studies demonstrate the increased risks that essential workers face during the pandemic. For example, "low-wage work is often characterized by a high level of social intensity as it necessitates frequent contact with coworkers and customers due to high density, close proximity, and duties that require regular interaction."⁶ Additionally, minority groups face additional risks of contracting the virus because of factors including "living conditions, work circumstances, underlying health conditions, and lower access to care."⁷ Low-income workers are more likely to hold those jobs that require them to interact with a large number of people. Minorities within that group have a higher risk of facing health issues.

Langston et al. conclude that Black and Latinx workers, specifically women of color, have been most significantly impacted by the coronavirus pandemic. The study looks at the economic decline of ten major cities and how race and gender groups have been affected within those cities. Not only are people of color "overrepresented in the non-essential jobs hit first and hardest by the economic downturn," they conclude, but Miami's economy took the hardest hit because of its heavy reliance on tourism. Indeed, the number of job opportunities for jobs considered non-essential decreased by 60% between March and April 2020.⁸ As a popular tourist destination, Miami's economy suffered much more dramatically than any other city within the study.

Chaganti et al. look at New England, finding that service workers are the group hit hardest economically by the pandemic; these workers have jobs such as food preparation, hospitality, cleaning, and maintenance. The study finds that these workers "tend to be among the lowest-paid, least likely to have benefits, less likely to have health insurance, and, for the lowest-paying, least secure jobs, they are disproportionately people of color."¹⁰ On top of that, women make disproportionately lower wages in the same service jobs as men.¹¹ Another study finds that service workers in the United Kingdom "are disproportionately likely to be female – 65 percent of key workers are female compared to 47 percent of the whole working population." Additionally, it concludes that "job-related economic and health risks are concentrated among the lower paid, the lower qualified, the young and women." By looking at which jobs are more likely to be shut down and thus engage in layoffs, the study concludes that workers in retail, hotels, and restaurants are most likely to lose their jobs.¹²

My research will look at the North Port-Sarasota-Bradenton area in order to understand the economic effects of the pandemic on a tourist economy, adding to the general understanding of the effects of the downturn on workers within the United States.

METHODS

In order to better understand how the coronavirus has affected jobs in the North Port-Sarasota-Bradenton area, I performed unobtrusive research by looking at available data

from the U.S. Census Bureau and the U.S. Bureau of Labor Statistics (BLS). I studied the number of employees lost per industry between April 2019 and April 2020 and compared how the composition of the labor force changed within this time frame. I then looked at the 12-month percentage change in the number of employees within each industry from April 2018 to April 2019 and April 2019 to April 2020 to understand which industries grew and which ones declined. The data revealing the 12-month percentage change in employees from April 2019 to April 2020 were juxtaposed with the average salaries per industry to see whether lower-income and higher-income workers endured the same or differing job loss rates. The average salaries per industry used national data and were calculated using average hourly wages and average hours worked per week.

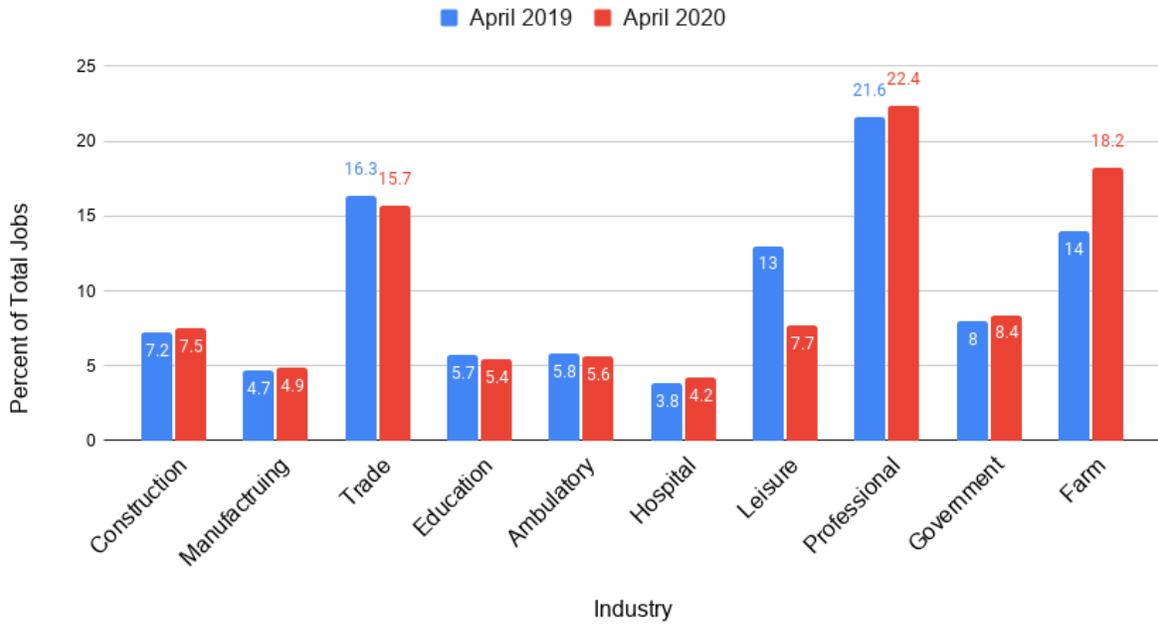
The industries I included as part of the labor force data consisted of both farm and nonfarm industries. In addition, I combined the overarching category of professional services with the smaller categories of financial activities, information, and any other services. The data regarding 12-month percentage changes and the number of jobs lost within the year consisted of all nonfarm categories to understand how the most socially dense industries have been affected.

When analyzing each industry's race and gender compositions, I used occupation data acquired from the American Community Survey (ACS) of the U.S. Census Bureau. Because the industries of "leisure and hospitality," "education," and "trade, transportation, and utilities" endured the highest 12-month percentage change in the number of employees, I used these three categories to investigate specific effects on different demographic groups. Specifically, I looked at how whites, Blacks, Asians, and Hispanics, and men and women within these industries were affected differently by the economic crisis. In order to adjust the industry categories to be as accurate as possible, I combined different job types from the ACS in order to be most compatible with the appropriate Bureau of Labor Statistics industries. Thus, I combined the ACS categories of "food preparation and serving related occupations" with "arts, design, entertainment, sports, and media occupations" for the industry of "leisure and hospitality." The category of education used ACS data for "educational instruction and library occupations." Finally, the "trade, transportation, and utilities" industry data consisted of the following categories: "architecture and engineering occupations," "sales and related occupations," "installation, maintenance, and repair occupations," "transportation occupations," and "material moving occupations." These categories were chosen based on the BLS descriptions of the types of jobs included in each industry.

RESULTS

Labor Force Composition April 2019 vs. April 2020

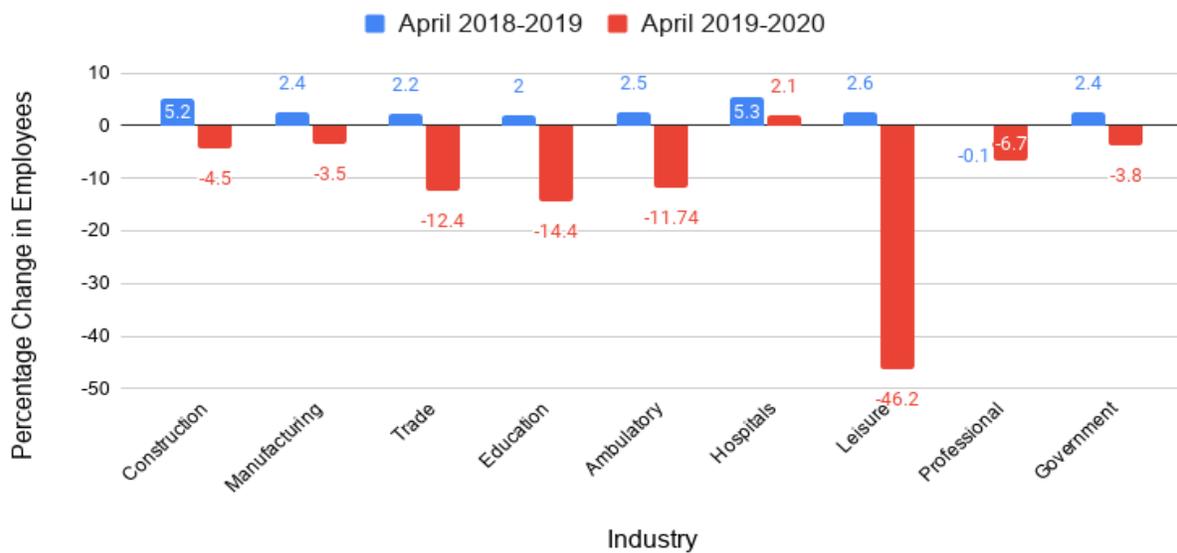
Figure 1



Based on data from the Bureau of Labor Statistics for the North Port-Sarasota-Bradenton area

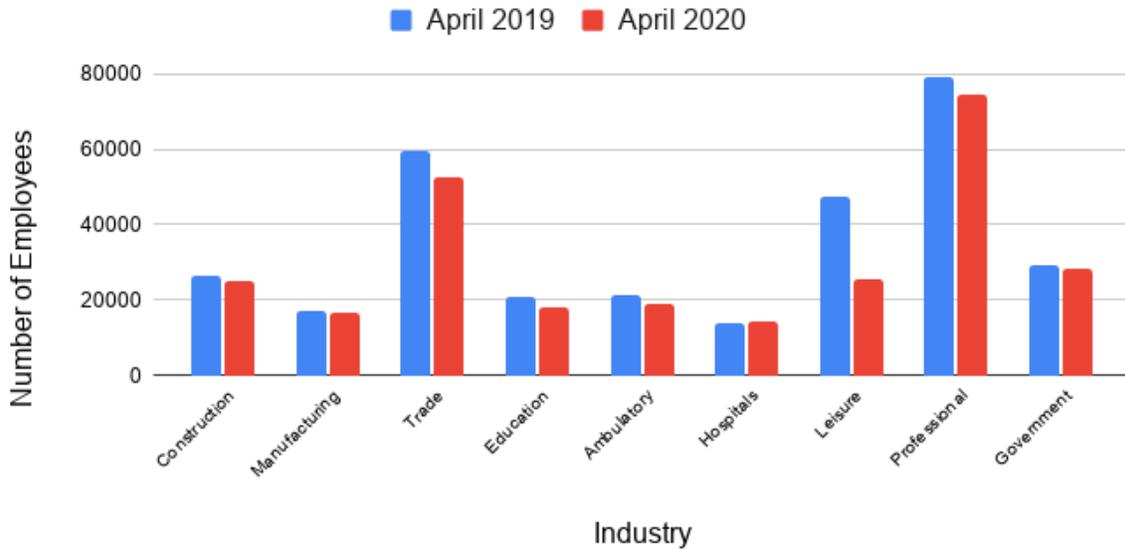
12-Month Change in Number of Employees April 2019 vs. April 2020

Figure 2



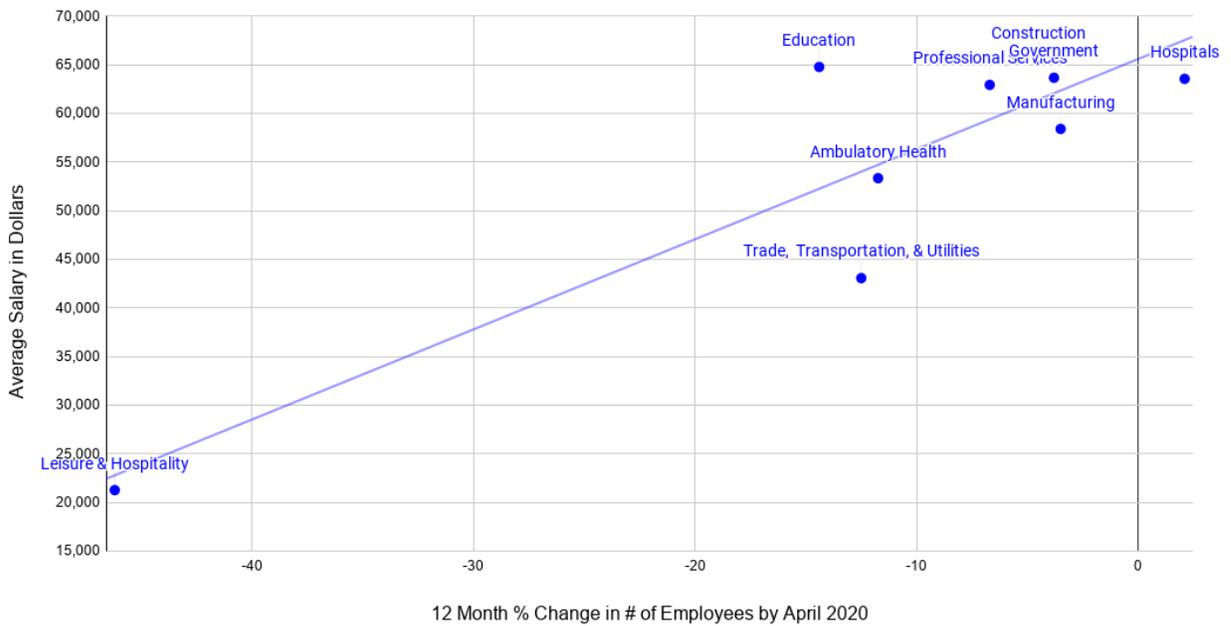
Based on data from the Bureau of Labor Statistics for the North Port-Sarasota-Bradenton area

Number of Employees Per Industry April 2019 vs. April 2020
Figure 3



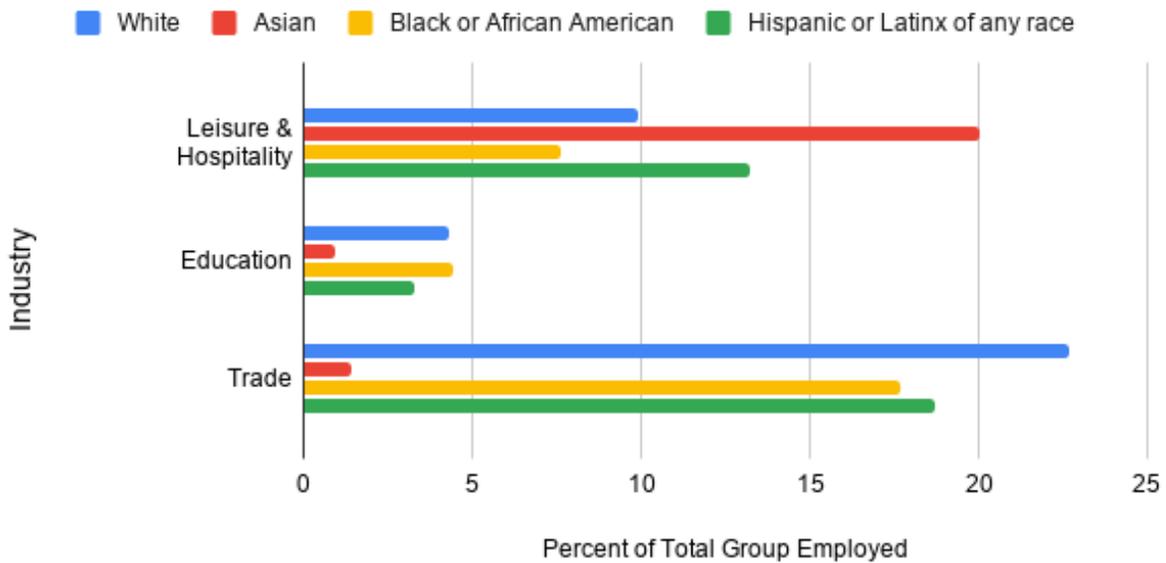
Based on data from the Bureau of Labor Statistics for the North Port-Sarasota-Bradenton area

12-Month Percent Change in Employees Per Industry by April 2020 vs. Average Salary
Figure 4



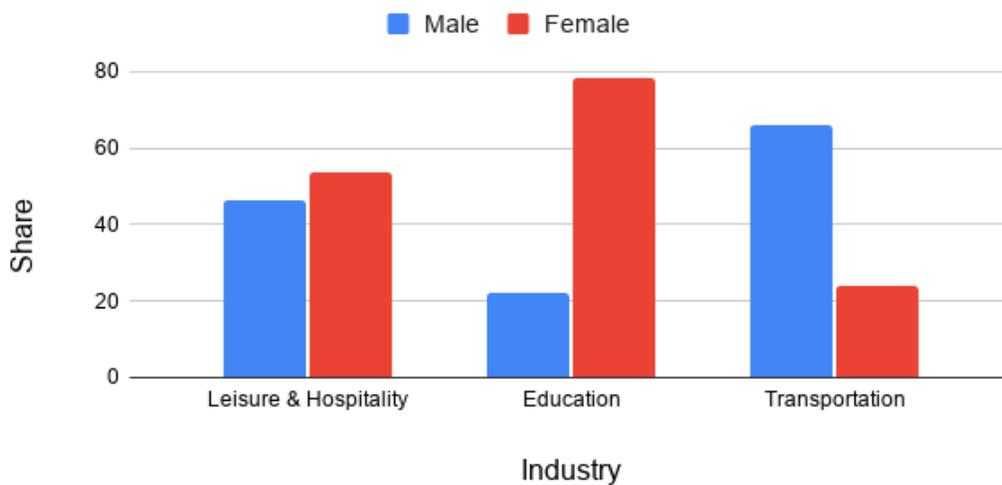
Based on data from the Bureau of Labor Statistics for the North Port-Sarasota-Bradenton area and nationwide

Percentage of Population of Each Racial Group in Most Impacted Industries
Figure 5



Based on data from the U.S. Census Bureau 2015 5-year Estimates American Community Survey for Sarasota County

Percentage of Male vs. Female Employees in Most Impacted Industries
Figure 6



Based on data from the U.S. Census Bureau 2019 American Community Survey 1-year Estimates for Sarasota County

DISCUSSION

The drastic changes in the economy of the North Port-Sarasota-Bradenton region are evident. My findings demonstrate the dramatic decline of the labor force and the disproportionate effects of its decline on low-income workers in the service industry.

The composition of industries within the labor force endured significant changes between April 2019 and April 2020. The total number of employees in the labor force was 462,951 in March 2020 and declined to 414,734 by April 2020, meaning 48,217 individuals in the region

lost their jobs within the month. Leisure and hospitality jobs within the North Port-Sarasota-Bradenton economy, which is based heavily on tourism, had begun at 13% of the total labor force and shifted to only 7.7% of the labor force (see Figure 1). This change makes sense considering changes in restaurant protocol (ex. shifting to take-out only or simply closing) as well as travel limitations affecting hotels and other accommodations (ex. Canadian visitors unable to enter the country). Additionally, this category consists of arts and entertainment jobs that have lost much of their demand as individuals have been recommended not to leave the house for recreational activities. The entertainment industry may have lost much of its regular clientele as temporary residents and tourists have chosen not to stay in the area for safety purposes.

Looking at the percentage of each industry lost by April 2020, there is a dramatic difference between the leisure and hospitality industry and any other industry (see Figure 2). In addition, this group earns the lowest average salary of all the industries in the area. On the other hand, hospital employees were the only group to grow by the time the unemployment rates had hit their peak, which is one of the highest-paid groups. A requirement for additional hospital workers can explain the continued growth in the number of hospital employees as the region prepared for the number of coronavirus cases to rise. This industry had the highest percentage of growth the previous year, likely due to the increasing elderly population in the area and an increased need for medical support and specialists. Although these workers kept their jobs, they faced increased health risks as the number of cases in the area rose.

Notably, the industry of leisure and hospitality, in which almost half of all employees lost their jobs by April 2020, is disproportionately composed of Asian, Hispanic/Latinx, and female workers. Approximately one in five Asians in Sarasota County work in food services in particular; this is striking because the literature mentioned very little about Asians being disproportionately affected by the pandemic. Additionally, the education industry, which lost almost 15% of its employees, is overrepresented by Black/African American and female workers. Slightly over half of employees in the leisure and hospitality industry are women, but they are dramatically overrepresented in the education industry, composing almost 80% of employees with education jobs.

The disproportionate number of people of color and women in these positions can also be juxtaposed with higher poverty rates for these groups. According to Census Bureau data for the North Port-Sarasota-Bradenton region, 24% of Black/African Americans, 20% of Hispanics/Latinx, 17% of Asians, and only 10.5% of whites are living in poverty. Women are also more likely than men to live in poverty; the average male salary in our region of interest is \$62,250, while the average salary for a female in our region of interest is \$46,612.¹³ Therefore, workers within the leisure and education industries who have experienced a higher risk of job loss were earning less than their white, male counterparts.

Despite the overrepresentation of women and people of color in the two most impacted industries, these groups are not the only ones who have suffered from high job loss rates due to the pandemic. This conclusion is evidenced by the disproportionate percentage of whites and males within the trade, transportation, and utilities industry (see Figures 5 and 6). This industry is also the largest among the three industries analyzed; in fact, compared to any other race or ethnicity examined, the white population in Sarasota County has the highest percentage of total workers employed in one of the three most impacted industries. Therefore, we ought to understand unemployment as a phenomenon that has affected low-income workers from all racial, ethnic, and gender groups.

My data analysis does present certain limitations. The analysis of the racial representation in job industries may be missing certain jobs, including accommodation, because industries are not counted in the same way between the Bureau of Labor Statistics and the Census Bureau. Additionally, these data look at the entirety of Sarasota County instead of the specific tri-city area in which the other data represent. Finally, the analysis does not account for the different types of jobs within each industry. For instance, there is a possibility that leadership positions experienced more or less job loss than other types of positions. Despite the challenges, the data can be generalized because the numbers are based on average trends; the potential findings would likely be very similar even with more precise data.

The data do not immediately demonstrate how difficult or easy the transition has been for the members of each industry, which is certainly a limitation of my research. For instance, many workers can continue their positions from the safety of their homes; others, such as waiters and cashiers, do not have the option to do so. It can be inferred that continuing jobs in industries such as leisure, hospitality, trade, and transportation from home is almost impossible, likely a leading cause of the dramatic decrease in employment by April 2020. Additionally, workers who were able to keep their jobs are at a higher risk of contracting the virus due to increased interaction with clients compared to, for example, workers in professional services such as finance and information. On the other hand, some employers have implemented increased safety measures or hazard pay for jobs in which they deem it necessary to do so.

Potential further research into the coronavirus effects on jobs in the area could look more closely at each industry to understand how individuals with the same or similar jobs but from a different race or gender group have been affected differently. The limited data available for the North Port-Sarasota-Bradenton region demonstrate that whites, on average, earn higher salaries than people of color even when working the same job. In our region of interest, whites earn more than any other racial group in manager and retail jobs, according to the ACS PUMS 1-Year Estimate. Additionally, they earn more than their Black counterparts in retail, customer service, and cashier jobs.¹⁴ Despite a clear difference in average salaries, whether or not any racial group experienced higher job loss rates within their respective industries is still unknown. Because of limitations surrounding the type of data that are currently available, further research is necessary.

My research into the North Port-Sarasota-Bradenton region demonstrates that the economic downturn of the coronavirus pandemic has exacerbated existing inequalities between lower and higher-income workers. Similar to the findings of Langston et al. concerning Miami's tourist economy, the leisure and hospitality industry in the North Port-Sarasota-Bradenton tri-city area endured a significantly higher percentage of job loss than any other industry in the area. Workers within this industry earn the lowest salary compared to any other industry and are disproportionately Hispanic/Latinx, Asian, or female. Although the nation as a whole did not go into total economic shutdown, and instead shutdowns varied by region, government response to the pandemic has been distinct from the responses in previous pandemics. Benmelech and Frydman's analysis of the 1918 pandemic concluded that government pressure for increased production led to a more stable economy at the potential cost of human lives. On the other hand, the current economy has suffered greatly but has likely saved many lives. The dramatic yet disproportionate effects of the pandemic on the economy demonstrate the necessity for further government assistance to account for underlying inequalities.

Endnotes

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