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## **Fitch: Large U.S. Western Metros Continue Trend of Slower Recovery**

Fitch Ratings-New York-30 December 2020: Employment in U.S. metros rebounded from losses caused by the coronavirus pandemic, although the median recovery in Western metros is eight percentage points lower than the national rate. The recovery's sustainability may be vulnerable to surging COVID-19 cases and hospitalizations, according to Fitch Ratings' latest U.S. Metro Labor Markets Tracker.

The median jobs recovery rate among major MSAs improved between September and October, rising to 62% from 54%. Nationally, 81% of all metros have recovered at least 50% of their employment losses. The median Fitch-adjusted unemployment rate for major metros was 8.2% during October, a significant deviation from the median official national unemployment rate of 6.3% for major metros.

Time will tell if rising COVID-19 cases and hospitalizations present short-term challenges for metros to regain pre-pandemic employment levels. "High frequency metro data in addition to weaker national data in November and December point to the beginning of an economic slowdown," said Senior Director Olu Sonola.

Fitch foresees regional differences in the impact of surging coronavirus cases and hospitalizations given the varying policy responses across state and local governments. "Slowing employment growth or fresh declines as a result of renewed lockdowns could strain budgets even further and affect long-term tax revenue growth prospects," said Sonola.

Median job recovery rates for major metros differ by region. For instance, the 67% median recovery rate in the Northeast was the highest of the four main regions with the 54% median in the West as the lowest. However, Northeast recovery rates are in danger of reversing course or decelerating given high case counts and the possibility of further coronavirus-related restrictions.

Fitch's latest "U.S. Metro Labor Markets Tracker" is available at '[www.fitchratings.com](http://www.fitchratings.com)'.

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