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Fitch: Some U.S. States Seeing Renewed Job Losses

Fitch Ratings-New York-20 January 2021: State employment improved marginally in November 2020, though Fitch Ratings' latest U.S. States Labor Markets Tracker shows renewed job losses for some states that curbed some of the ground gained over the summer.

'With economic activity slowing in the fall, several states have recovered less than 50% of the jobs lost at the peak of the pandemic,' said Senior Director Olu Sonola. Among those states are Minnesota, Oklahoma, Massachusetts, Delaware, New York, Wyoming, New Hampshire, Illinois, California, New Mexico, North Dakota and Hawaii. Additionally, Fitch Ratings-adjusted unemployment rates for Massachusetts and California are more than 5.0 percentage points (pp) higher than their respective official unemployment rates.

Employment losses are still largely dominated by the leisure and hospitality industries, representing 36% of all job losses at November 2020, despite making up only about 11% of total employment before the onset of the pandemic. These sectors continue to show significant signs of weakness, given government travel restrictions and consumer reluctance to travel. Fitch anticipates sector weakness is likely to persist for several years.

Fitch's latest 'U.S. States Labor Markets Tracker' is available at 'www.fitchratings.com'.

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