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Fitch: Utah and Idaho Stand Out as U.S. States' Job Growth Strengthens in July; August Growth Slows

Fitch Ratings-New York-10 September 2021: State employment recovery notably strengthened in July with two states now seeing job growth significantly exceeding pandemic related job losses, according to Fitch Ratings in its latest U.S. States Labor Markets Tracker. State gains slowed considerably in August based on the most recent national report.

The median jobs recovery for states increased in July to 73% from 69% in June. As of July, 45 states have recovered over 50% of the jobs lost at the peak of the pandemic. Hawaii, New Mexico, Wyoming, Louisiana, and Alaska remain below 50% jobs recovered, despite some improvement over recent months.

Job growth in Idaho and Utah is far outpacing all other states. "Utah job growth is up 130% since February 2020 while Idaho job growth has outpaced pre-pandemic levels by over 120%, making them the only two states to have exceeded the pre-pandemic employment levels of last February," said Senior Director Olu Sonola.

Conversely, Alaska, Wyoming and Kentucky remain notable job growth laggards. "Employment recovery in Alaska, Wyoming and Kentucky has declined between 1% and 3% from March of this year, a rather stark contrast to employment recovery rate for U.S. states as a whole, which is up by 10%," said Sonola. Job growth also fell in Oklahoma and Tennessee.

More recent national data for August shows employment growth slowed, largely due to the impact of the delta variant on pandemic-sensitive sectors such as leisure and hospitality (L&H). "The flat growth in national L&H employment in August does signal more downside risk for this sector," said Sonola. In July, gains in L&H had been the largest contributor to the employment recovery.

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

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