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Fitch: Major Metro Job Recoveries Hit 81%; South Leads Nation at 90%

Fitch Ratings-New York-17 February 2022: The December 2021 median jobs recovery rate among major metropolitan statistical areas (MSAs) rose to 81%, with Southern MSAs leading the nation with a 90% recovery, according to Fitch Ratings.

“The declining trend further indicates robust recovery in employment and some improvements in labor force participation in major metros,” said Olu Sonola, Head of U.S. Regional Economics. “All regions except the Midwest posted major metro median recovery rate gains for December, and the South led all regions with an increase of 4.1 percentage points.”

The median Fitch-adjusted monthly unemployment rate for major metros, which reclassifies employees who have left the labor force since the pandemic’s onset as unemployed, was 4.4% in December, down from 4.7% in November.

The median recovery rate for MSAs with populations under one million was 80.7% compared to 80.8% for major metros. Major metros, which saw more severe declines than their smaller peers, have almost entirely closed the gap with nonmajor metros after months of relative underperformance.

Payrolls in major metros remained below their February 2020 levels by 3.2 million jobs.

Regional trends include:

Midwest: The median recovery rate for MSAs fell to 81% from 81.5%. Milwaukee had the highest recovery rate increase at 4.0 percentage points. The median Fitch-Adjusted Unemployment Rate fell to 4.3% from 4.8%.

West: The median recovery rate for MSAs was 81%, slightly above the 78% recovery rate in November. Tucson posted the region’s largest recovery rate improvement, up 7.0 percentage points. The median Fitch-Adjusted Unemployment Rate is 4.3%.

Northeast: The median recovery rate for MSAs rose to 74% from 72%. The Northeast has the lowest recovery rate. New York City notched a recovery rate improvement of 2.0 percentage points, while Boston posted a 3.1 percentage point recovery. The Northeast had the highest regional median Fitch-Adjusted Unemployment Rate at 7.2%.

South: The median recovery rate for MSAs rose slightly to 90% from 86%. The South’s median employment recovery rate remains the highest. New Orleans finally passed the 50% employment recovery rate mark, and Raleigh is the latest metro to cross the threshold for full recovery of pandemic job losses, now at 103% of pre-pandemic employment. The median Fitch-Adjusted Unemployment Rate was 3.8%.

Fitch’s full report titled “U.S. Metro Labor Markets Tracker” is available at www.fitchratings.com.

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