

# **Bond Case Briefs**

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## **Fitch: U.S. Job Recovery Maintains Remarkable Pace Despite Inflation and Recession Risk**

Fitch Ratings-New York-10 November 2022: Most states reported solid employment growth in 3Q22, with the state median jobs recovery rate at 98 percent – up six percentage points from 2Q22, according to Fitch Ratings.

Indiana, Nebraska, Missouri, New Jersey, Alabama, Arkansas, Florida, Georgia, Kentucky, North Carolina, South Carolina, Tennessee, Texas, Virginia, Arizona, Colorado, Idaho, Montana, Nevada, Oregon, South Dakota, Utah and Washington have all achieved full job recovery, while recovery lagged in Alaska, Hawaii, Louisiana and Vermont.

“The full post-pandemic employment recovery milestone was reached in July 2022. The latest U.S. unemployment rate is at 3.7 percent, just shy of the 50-year low of 3.5 percent,” said Olu Sonola, Head of U.S. Regional Economics. “The demand and supply imbalance is very significant, equal to approximately 2.9 percent of the labor force, or roughly 5 million workers.”

Job growth in Florida, Georgia, North Carolina and Texas has seen a marked shift in recovery toward high wage sectors. Forty states have fully recovered all high wage jobs lost to the pandemic; 16 states have recovered all mid-wage jobs; and 20 states have recovered all low wage jobs.

Wage growth, particularly in the lowest wage quartile where labor market shortages are most chronic, has surged since 2021. Elevated job openings-to-unemployed and quit rates further point to a very tight labor market.

The median unemployment rate of 3.4 percent at the end of 3Q22 remains below the February 2020 pre-pandemic median rate of 3.6 percent, and below pre-pandemic levels in 30 states.

For more information, Fitch’s report “U.S. States Labor Markets Tracker” is available at [www.fitchratings.com](http://www.fitchratings.com).