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Jordan Neese  
*Olivet Nazarene University*

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## **EFFECTS OF THE COVID-19 PANDEMIC ON U.S. EMPLOYMENT RATES**

JORDAN NEESE, OLIVET NAZARENE UNIVERSITY  
MENTOR: KAYLA BRUCE

### **Abstract**

The current coronavirus pandemic has caused a multitude of jobs and lives to be lost globally. While COVID-19 has affected everyone in some way, certain demographics have been affected more than others in terms of employment. Industries, women, LGBTQ+ people, and people ages 16–25 have been most economically affected by the pandemic. COVID-19, a respiratory disease, has spread widely in a short time, and the spread of the virus was predicted to get even worse in the winter of 2020–2021. With a large second wave coming, more jobs were expected to be lost and the to be hit hard once again. Although regulations were in place, not everyone followed them consistently, or at all. With a president who downplayed the virus tremendously and did not consistently wear a mask—and was even infected by SARS-CoV2, the virus that causes COVID-19—Americans were in a war with each other about the severity of the virus.

Although the pandemic has had many negative impacts on everyone, this paper discusses the impact of COVID-19 on employment rates in the United States of America. It addresses the groups who have been most economically affected by the coronavirus, and examines unemployment rates prior to COVID-19 and in late 2020.

According to the World Health Organization (WHO, 2020), SARS-CoV-2, the virus that causes COVID-19, spreads mainly through droplets of saliva or discharge from the nose when someone who is infected coughs or sneezes. Most people who are infected with the coronavirus experience mild symptoms that affect the respiratory system (WHO, 2020). Older people and those who are immunocompromised are more likely to experience harsher symptoms and are more likely to die from being infected with the coronavirus. The WHO states that the best way to prevent the spread of COVID-19 is to frequently wash or sanitize your hands, wear a mask, and participate in social distancing.

This coronavirus has affected people globally, with 1.15 million deaths and 42.8 million cases worldwide as of November 2020. As these numbers change daily, Americans can easily find updated statistics on the *New York Times'* coronavirus updates page. In the United States as of November 2020, there had been 225,000 deaths and 8.4 million cases, meaning that America's COVID-19 cases and deaths made up almost 20% of global cases and deaths at the time (Almukhtar et al., 2020). These numbers were predicted to only get larger as the winter went on, which is why everyone must take the proper precautions to help prevent the spread of coronavirus.

As of October 7, 2020, an estimated 14.7 million jobs had been lost in the United States because of the pandemic (Fronstin & Woodbury, 2020). This paper will address how COVID-19 has affected American employment, as well as which groups of people have been most affected by unemployment. This paper addresses three research questions:

1. What were the employment rates in the United States prior to COVID-19?
2. How has COVID-19 affected Americans' employment?
3. Who have been the main groups of people affected by the coronavirus with regard to unemployment?

The coronavirus has affected everyone in some way, myself included. With most classes moving online, students were forced to try to adapt as quickly as possible to the plethora of changes. Teenagers and those without compromised immune systems began doing the grocery shopping for those who no longer felt safe venturing outside of their homes and into crowded stores and public places. Online shopping has been at an all-time high, with large corporations like Amazon thriving while local businesses go out of business because of their inability to keep up supplies to meet demand. In short, the coronavirus has affected everyone in similar yet different ways, and with how the coronavirus has affected local communities and loved ones, everyone should be willing to learn about and properly educate themselves on the impacts of the pandemic.

### **How COVID-19 Has Affected Unemployment Rates in the United States**

With the spread of COVID-19 across the nation, implications for American workers have been staggering. In February 2020, the unemployment rate in the United States was 3.8%, which skyrocketed to 13.0% by the end of May after reaching its all-time high in April, when 14.4% of Americans were unemployed (Kochhar, 2020). The unemployment rates fell further after April 2020, with only

7.9% of Americans being unemployed in the month of October. With COVID-19 spreading rapidly in the autumn of 2020, however, the percentage was expected to only increase throughout winter (Kochhar, 2020).

Because of the coronavirus pandemic, the FFCRA (Families First Coronavirus Response Act) was implemented by the U.S. Department of Labor. This act provides regulations to the workforce in light of businesses and schools reopening. According to the U.S. Department of Labor (2020), “The FFCRA helps the U.S. combat and defeat the workplace effects of the coronavirus by giving tax credits to American businesses with fewer than 500 employees to provide employees with paid leave for certain reasons related to the coronavirus.” Under the FFCRA, workers are qualified to use paid leave “only if work would otherwise be available to them” (U.S. Department of Labor, 2020). This essentially means that employed workers who have been infected with the coronavirus may receive paid leave. The act also states that an employed worker who must provide care to someone in their household who has been infected with the coronavirus may receive paid leave. Nothing is definite, because it is up to employers to decide, but workers have the right to receive paid leave because of the coronavirus pandemic.

The CDC (Centers for Disease Control, 2020) provided a list of suggestions for businesses during the COVID-19 pandemic. Some of these suggestions consist of conducting daily health checks, conducting a hazard assessment of the workplace, encouraging employees to wear cloth face coverings when appropriate, implementing social-distancing policies, and improving buildings’ ventilation systems. These suggestions are not followed by all businesses and restaurants, however, specifically small, locally owned businesses, given the mass amounts of profits they have lost because of COVID-19 and resulting restrictions. This does not mean that all small businesses do not follow these restrictions, but the fact is that chain businesses, including restaurants, can afford to limit the capacity of their consumers, while small businesses cannot. Although the CDC has provided some tips for small businesses during this pandemic, those tips are hard to successfully enact because of the loss of profit. Small business owners must keep their employees in mind and keep them afloat while also keeping their businesses running. Employee compensation can be hard to maintain because of the loss of profit, and many small business owners refuse to lay off their employees because they do not want their workers to become unemployed and face even harder financial consequences of COVID-19.

In Illinois, the state where I reside, Governor Pritzker announced that many of the state’s regions would face restrictions on restaurants and bars due to the spike

of COVID-19 in these regions. Many small businesses refused to close the indoor dining areas of their restaurants, however, because their businesses would not be able to survive. Just the other day, I went out to lunch with my grandma at one of the restaurants that refused to close. For purposes of anonymity, I will not disclose this restaurant's name, but the restaurant did appear on the news, with the owner saying the restaurant was going to remain open because the owner had a business and 30 employees to take care of. When my grandma and I showed up, there was a wait to even enter the little restaurant. We waited for about 15 minutes, and while we waited, a man waiting outside with us said, "I really hope this works out for her. She's a good person, and I just really hope this all works out for her." This is the attitude that a lot of people have in regard to local businesses. Regardless of political affiliations, communities are coming together to help their local businesses in whatever way they can. Quite frankly, this was the busiest I had seen this restaurant in years! Although the coronavirus has had more negative effects than positive, it has brought communities together in some ways.

Depending on who you talk to, you will receive different responses on this question, which is why this section as brief as possible. The information I have read about how President Trump handled the coronavirus pandemic comes from former national security advisor John Bolton, including from his book *The Room Where It Happened*, in which he touches on how Trump reacted to COVID-19, but the majority of the information in this section comes from an interview of Bolton on CNN. The lack of quotes from Bolton's book in this section is a result of the book being criticized for releasing classified information and because of future court dealings, but I suggest that everyone read the book before it is possibly too late.

In his book, Bolton criticizes President Trump for many different actions, but he also praises Trump for others. One of the actions that Bolton continues to criticize President Trump for is his handling of COVID-19. In a June 2020 interview, Bolton told CNN:

I think there is an empty chair in the Oval Office, because the President did not want to hear bad news about Xi Jinping, his friend. He did not want to hear bad news about the cover-up of the virus in China, or its potential effect on the China trade deal that he wants so much. And he didn't want to hear about the potential impact of a pandemic on the American economy and its effect on his reelection. Turning a blind eye to all these early signs I think hampered the country's ability to deal with this, and continues to do so. (Cohen & Atwood, 2020).

According to Bolton, President Trump was worried only about the American economy, not the health of the American people. This was proven true by Trump himself. Trump did not like listening to the doctors and instead wanted to reopen the country so the economy could recover. Experts, however, had predicted that even if the country were to reopen, the American economy would not recover that quickly.

Throughout his book, Bolton discusses foreign policies that Trump enacted, as well as Trump's friendships—including failed friendships—with other countries' leaders. Bolton discusses his time in the White House and how sporadic dealings could be at times. Although Bolton's credibility has been debated by those who support Trump, that does not change the fact that he was in close contact with President Trump for many months.

### **Employment Rates in the United States Prior to COVID-19, and Whom COVID-19 Has Affected Most**

Certain states' employment have been affected by the coronavirus pandemic more than others, as recognized by *Forbes*. In May 2019, the unemployment rate in Nevada was 4.0%, but a year later, during the coronavirus pandemic, it rose to 25.3%. In Hawaii, the unemployment rate in May 2019 was 2.7%, which had risen to 22.6% a year later because of the coronavirus pandemic. Other states were not doing nearly so badly, including Nebraska, whose unemployment rate rose from 3.1% to 5.2% (Patton, 2020).

Typically, the states that had not faced serious consequences regarding unemployment due to the pandemic do not rely heavily on industries that have been negatively affected, or they have more diverse economies. The leisure and hospitality industries have been most negatively affected, with the unemployment rate for these industries rising 618%, from 5% in May 2019 to 35.9% in May 2020 (Patton, 2020).

With regard to age groups, the greatest rise in unemployment coincided with workers under the age of 25. The largest spike in unemployment belonged to the 16–19 age group, and the second largest spike belonged to the 20–24 age group. This is because younger workers tend to be in minimum-wage jobs because these jobs are easily accessible for students and those without high school and college degrees. Younger workers tend to have fewer marketable skills and less seniority and are therefore typically the first group of people to be laid off, according to *Forbes* (Patton, 2020). Minimum-wage jobs are typically defined as “unskilled

jobs,” meaning that anybody can participate in them because they require no special degree. These jobs have therefore been hit the hardest during the coronavirus pandemic; businesses can afford to lay off workers in these positions because they are not necessarily essential to the business. Nursing, teaching, and other jobs requiring degrees, as well as jobs that belong to unions, have not been hit as hard during this pandemic. That does not mean they have not been affected, however. Nurses and teachers are defined as essential workers, while McDonald’s employees are not.

The coronavirus pandemic has also had a large impact on employment rates by race and ethnicity. Prior to COVID-19, the unemployment rate for African Americans was at a record low, only 5.1% in October and November 2019. That rate as of May 2020 was 16.8%. As of May 2020, the unemployment rate was 17.6% for Hispanics and Latinos, 15% for Asians, and 12.4% for Whites (Patton, 2020).

Women have been more affected than men by the coronavirus pandemic in terms of unemployment (Madgavkar et al., 2020). Women’s jobs are 1.8 times more vulnerable to being lost during this pandemic. One reason is that the virus has greatly increased the burden of unpaid care, which is carried mainly by women. Another reason that women are more likely to be negatively economically affected by the coronavirus pandemic is preexisting gender inequalities in the workplace. Prior to COVID-19, women made up 46% of the workforce (Madgavkar et al., 2020); it is estimated that 54% of the total jobs lost during this pandemic have been those worked by women. A third reason that women are losing jobs at a higher rate than men is that women and men tend to work different jobs. I am not saying that this is all the time, but for reference, most people think of nurses as being women and not men—that is just a small example of the big picture here. One study shows that jobs women are working are 19% more at risk than those worked by men because “women are disproportionately represented in sectors negatively affected by the COVID-19 crisis. We estimate that 4.5 percent of women’s employment is at risk in the pandemic globally, compared with 3.8 percent of men’s employment, just given the industries that men and women participate in” (Madgavkar et al., 2020). With this information in mind, we will next move on to how COVID-19 has economically affected LGBTQ+ people.

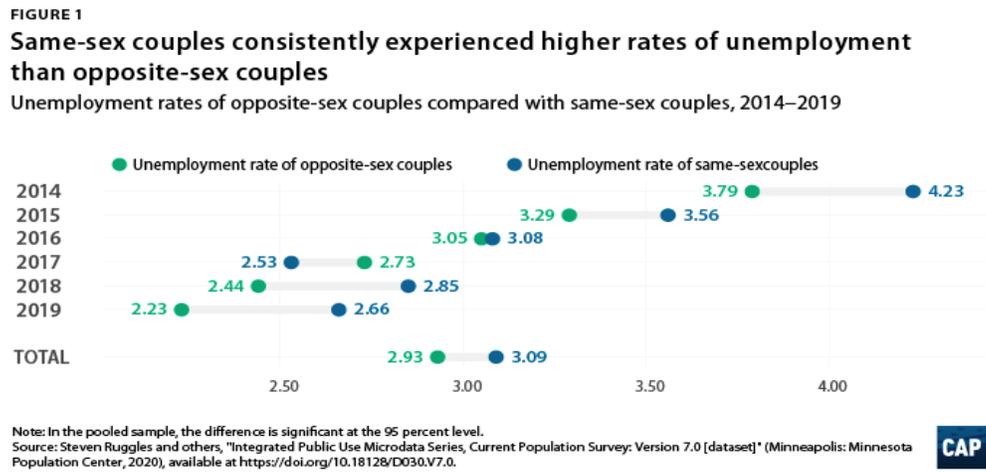


Figure 1. Same-sex couples consistently experienced higher rates of unemployment than opposite-sex couples.

Regardless of COVID-19, LGBTQ+ people face higher unemployment rates during economic crises than do people not of sexual or gender minorities (Gruberg & Madowitz, 2020). Figure 1, from Gruberg and Madowitz’s article, shows how same-sex couples have been affected economically compared to opposite-sex couples, with green representing opposite-sex couples and blue representing same-sex couples. This figure shows that for 2014–2019, households with opposite-sex couples faced lower unemployment rates than did households with same-sex couples. Households with same-sex couples are also more likely to receive Supplemental Nutrition Assistance Program (SNAP) benefits than are households with opposite-sex couples. Discrimination is also a large part of why LGBTQ+ people face higher unemployment rates than do people not of sexual or gender minorities. Many businesses, whether large or small, discriminate against LGBTQ+ people, not allowing them to even enter the building, let alone work there. Some businesses, such as Hobby Lobby, have been known to discriminate against LGBTQ+ people, and some small business owners have been known to not allow LGBTQ+ people to enter their businesses because of “religious freedoms.” The unemployment rate of LGBTQ+ people compared to that of people not of sexual or gender minorities has not been greatly affected by COVID-19 per se, because economic crises in general affect LGBTQ+ people more. Although COVID-19 has caused a large economic crisis, this impact is unfortunately not entirely new to LGBTQ+ people.

## My Interviews With People Working During the Coronavirus Pandemic

I conducted an interview on October 25, 2020, with two people I know who were working from home for the most part during the coronavirus pandemic. Kim P. is an executive assistant for a small company in Chicago, and Darin N. is a signals and communications manager for the Canadian National (CN) Railway.

To start the interview, I first asked, “What is it like working during a global pandemic?” Kim responded, “It is a unique experience, given everyone’s working from home. Trying to keep the team morale amongst employees virtually has been difficult but doable.” Darin answered, “At first, it was a lot harder because trying to get field people to work with safer conditions was difficult. Locating where to purchase hand sanitizers and masks in mass amounts was hard.” Working during a pandemic is hard, according to both. Luckily, it has become easier for some, but that does not mean that others are not still struggling.

For my second question, I asked, “Is it easier working from home or in the office?” Kim responded, “Personally, it is better [at home] because you don’t have the long daily commute. Professionally, it’s not easier because the days become longer. You’re expected to be online 24/7 because you happen to be working from home. There’s no real balance—it’s not like a 9-to-5 job anymore.” Darin responded simply, “There is no real difference.”

I followed up by asking, “Is it more stressful working from home?” to which Kim responded that it is and Darin responded, “No, because there are less face-to-face interactions with coworkers.” As read above, the *working* aspect of working at home is harder, but personally, being home is easier. Or, if you’re like Darin, there is no real difference.

For my fourth question, I asked, “Do you feel as if you’ll go into the office eventually, or can you see your job being mainly at home from now on?” Kim answered, “I’ll be going back into the office post-vaccine. For now, I will be working at home during COVID-19.” Much like Kim, Darin answered, “I’ll be going into the office post-vaccine. I’m already in the office once in a while, but some of our offices are shut down right now because they don’t want people who don’t need to be going in there going in. They want the people who actually need to be there to be safe in their own offices, COVID-19 free.” As read above, many workers will be returning to their workplaces when the coronavirus pandemic has ended or when a vaccine is released to the general public. Some workers were already in the office occasionally.

The next set of questions I asked pertained only to Darin. I first asked, “Do you feel safe going to CN sites?” He responded, “Yes, I feel safe because everyone is working outside, and we are all separated and wearing masks.” I followed that question with “What precautions has the CN taken?” Darin responded, “Masks are mandatory unless you’re working by yourself. Hand sanitizer is necessary, too. We’ve moved everyone out to the field, and we’ve split operation centers into multiple buildings so one outbreak at a train site doesn’t take out a bunch of our workers.” Many businesses have taken the proper precautions to protect their workers, as the CN Railway has: masks are mandatory when one is working with others, hand sanitizer is necessary, and so on. It is important to note that not all businesses are taking these precautions, though. Large businesses, such as the CN Railway, can afford to take these precautions and pay for their workers’ safety. Small businesses, in comparison, may not be able to afford everything necessary to keep their workers safe.

As read above, working from home during this pandemic has not necessarily been easy. Many workers will be entering their workplaces again post-vaccine, if the vaccine is deemed safe by health officials. Working from home amidst the coronavirus pandemic is different for everyone, as seen above. While Kim said working from home is more stressful, Darin sees working from home as being less stressful, and many of their other answers differ greatly.

### **Conclusion**

The coronavirus pandemic has affected everyone in one way or another. In general, this pandemic has had a negative impact on the U.S. economy and has affected some people, including women, LGBTQ+ people, and people of color, more than others. While some states had large spikes in unemployment rates, others had seen increases of only 3% or so by late 2020. Unfortunately, unemployment rates were expected to spike once again with the impending second wave of COVID-19 cases. Although precautions have been taken by many businesses, some businesses, such as small businesses, cannot afford to follow them. The coronavirus has caused people to lose loved ones, businesses, and steady sources of income. If we did not take proper precautions, everything would only get worse in winter 2020–2021.

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