

## Economy Lost Jobs in December as COVID-19 Cases Surged

The December [jobs report](#) from the Bureau of Labor Statistics (BLS) showed the economy *lost* 140,000 jobs last month. This is the first monthly job loss since April. The unemployment rate remained the same and wages ticked up.



Adding to the bad news is the [weekly unemployment report](#), which showed 965,000 people filed claims last week. This is the highest level since August and 181,000 more than the week before.

**What's happening:** The economy, and the job market with it, is clearly slowing under the weight of increased COVID-19 cases and government actions to close businesses to slow the spread of the virus.

With the job losses in December, the gap of lost jobs compared to February 2020, when jobs hit their all-time record high, grew. There were 152.5 million Americans employed last February. In December there were 142.6 million. The gap now stands at 9.8 million. That is much lower than the 22.1 million gap in April, but the gap remains frustratingly large.

**Behind the numbers:** The headline figures are certainly troubling but digging into the details reveals some hope. All the job losses were in service industries hit hard by closures, while goods-producing industries added 93,000 jobs.

Services shed 188,000, but not all sectors were affected equally. Retail (+120,000) and professional and business services (+161,000) were up sharply. In contrast, leisure and hospitality, which includes restaurants and bars, was down almost 500,000. These businesses are

the hardest hit by the virus and will remain such until vaccines are more widely distributed, and case levels fall enough for people to congregate in larger numbers.

**Ray of hope:** Revisions from October and November showed there 135,000 more jobs in the economy than previously estimated. Therefore, the net loss of jobs last month was only 5,000.

Losing jobs is never good, but the report is not as bad as the headline number. However, the businesses afflicted with large job losses are unlikely to recover those jobs with the virus still spreading rapidly. They need faster vaccine distribution if they are to add back jobs any time soon.

—Curtis Dubay, Senior Economist, U.S. Chamber of Commerce