Postpandemic Employment Recovery in Fourth District Metro Areas

Russell W. Mills, Brett D. Huettner
January 15, 2025

Introduction

The recession induced by the COVID-19 pandemic resulted in a significant decrease in US employment.[1] However, employment has since recovered at a robust rate, outpacing the recoveries from the recessions in 2001 and 2007. Four years after the start of the pandemic-induced recession, employment exceeds prepandemic levels by 3.6 percent.[2]

Nevertheless, among metro areas across the country, there remains significant variation in the degree to which employment has recovered. This *District Data Brief* examines the employment recoveries in Fourth District[3] metro areas, how these recoveries compare to those of other metro areas around the country, and the extent to which recoveries have varied between regions with different population sizes.[4]

Analysis

To address these issues, we use data from the Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages (QCEW)[5] to estimate the percentage change for each metro area in total covered employment from February 2020, the last month prior to the COVID-19 pandemic, through March 2024,

[1] Data from the Bureau of Labor Statistics Quarterly Census of Employment and Wages suggest US employment fell by 21.7 million jobs or 14.6 percent from February 2020 to April 2020.
[2] Data from the Bureau of Labor Statistics Quarterly Census of Employment and Wages from February 2020 compared to March 2024. For more analysis on recoveries from recent recessions, see Venkatu (2024).
[3] The Fourth District of the Federal Reserve System comprises Ohio, western Pennsylvania, eastern Kentucky, and the northern panhandle of West Virginia.
[4] This *District Data Brief* builds on the work of Venkatu (2023), who explored postpandemic employment changes through 2022.
[5] QCEW data are considered the most accurate estimates for metro area employment. For more information, see Elvery and Vecchio (2014).

ISSN 2691-9710 *https://doi.org/10.26509/frbc-ddb-20250115*

the month with the latest available data.[6, 7, 8] Based on the 2023 Population Estimates from the US Census Bureau, we classify metro areas with a population of more than 1,000,000 as "large," those with a population of 500,000–999,999 as "midsize," and those with a population of 50,000–499,999 as "small."[9]

Table 1 compares the employment recoveries for all counties, all metro areas, and metro areas of different sizes for both the United States and the Fourth District from February 2020 through March 2024. While US employment grew by 3.6 percent, Fourth District employment grew by only 0.8 percent. The employment recovery of US metro areas (3.8 percent) outperformed the recovery of the country overall (3.6 percent). Additionally, employment growth of Fourth District metro areas (0.7 percent) significantly lagged that of US metro areas (3.8 percent) and lagged slightly behind the recovery of the entire Fourth District (0.8 percent).

Since the start of the pandemic (February 2020) through March 2024, there has also been significant variation in the employment recoveries of metro areas of different sizes. As shown in Table 1, large metro areas across the United States saw employment growth of 3.7 percent, while midsize metro areas saw stronger growth of 5 percent. Employment growth in small metro areas across the United States was 3.3 percent, lagging that of midsize and large metro areas. Similarly, midsize metro areas in the Fourth District saw the strongest employment growth at 0.9 percent, while large metro areas saw 0.7 percent growth. Small Fourth District metro areas had more modest employment growth of 0.4 percent.

Table 1. Percent Employment Change in the United States Versus in the Fourth District (February 2020 through March 2024)

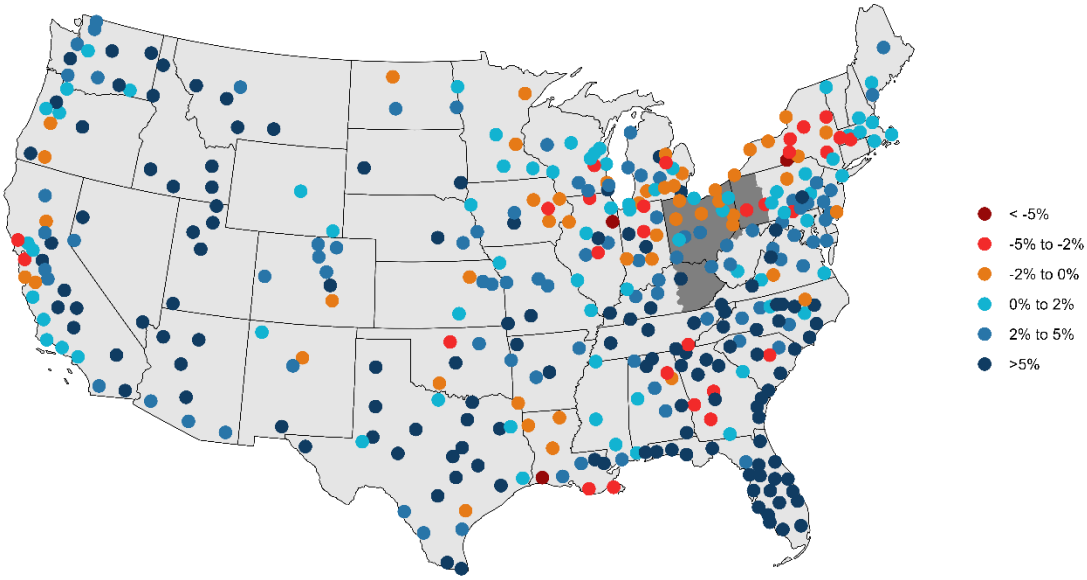
	All counties	All metro areas	Large metro areas	Midsize metro areas	Small metro areas
United States	3.6%	3.8%	3.7%	5.0%	3.3%
Fourth District	0.8%	0.7%	0.7%	0.9%	0.4%

Sources: BLS QCEW, total covered employment; Census Population Estimates. Note: Change in total employment within groups (e.g., total employment for small metro areas is equal to the sum of employment across small metro areas). Large, midsize, and small metro area calculations exclude Connecticut metro areas.[10, 11]

[6] Data were seasonally adjusted using Seasonal-Trend decomposition using LOESS (STL). For more information on STL, see Cleveland et al. (1990).
[7] "Total covered employment" refers to all workers covered by state unemployment insurance laws and federal workers covered by the Unemployment Compensation for Federal Employees program. This classification includes roughly 95 percent of US jobs.
[8] To accurately represent changes in geographical delineations of metro areas over time, we calculate the current delineations of metro areas as the sum of their component counties.
[9] This classification results in a total of 53 large metro areas, 54 midsize metro areas, and 275 small metro areas.
[10] As a result of changes to Connecticut's geographic delineations, in which the state's counties were converted to "planning regions" and its metropolitan statistical areas were changed, county- and metro-level comparisons of 2024 to earlier years are not possible using the QCEW data. As such, Connecticut is included in the national aggregate calculations but excluded from large, midsize, and small metro-level calculations and comparisons.
[11] In each period of the QCEW data, some share of employment can be linked to a state but not to a county. To avoid potential distortions in our calculations, which begin by summing regions' component counties, we allocate these employees to counties based on known county shares of state employment.

Figure 1 highlights the percent change in employment from February 2020 through March 2024 for all metro areas across the nation. Many of the metro areas that have seen an employment recovery of more than 5 percent, represented by the dark blue dots, are in the Southwest, the Mountain West, and the Southeast, including many metro areas in Florida. By contrast, the heaviest concentration of metro areas that saw employment declines from February 2020 through March 2024 is visible in the Midwest and the Northeast. Metro areas in the Fourth District, shaded in dark gray, are evenly split between growth and decline.

Figure 1. Percent Employment Change in US Metro Areas (February 2020 through March 2024)

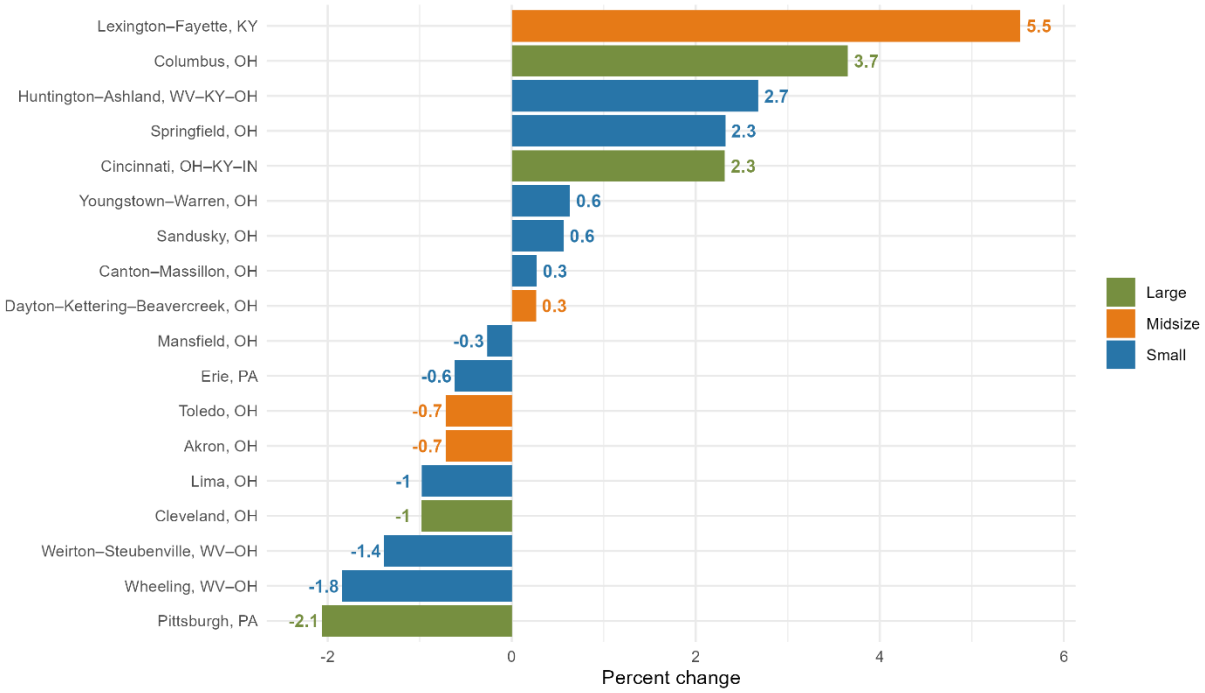


Source: BLS QCEW, total covered employment
Note: Fourth District shaded in dark gray.

Half of the metro areas in the Fourth District saw employment growth from February 2020 through March 2024 (Figure 2). Among the District's large metro areas, Columbus, Ohio (3.7 percent), and Cincinnati, Ohio–Kentucky–Indiana (2.3 percent), saw employment growth, while Cleveland, Ohio (−1.0 percent), and Pittsburgh, Pennsylvania (−2.1 percent), saw significant declines. Lexington–Fayette, Kentucky, a midsize metro area, saw the most robust employment growth (5.5 percent) of any metro area in the District, while other midsize metro areas including Dayton–Kettering–Beavercreek, Ohio (0.3 percent); Akron, Ohio (−0.7 percent); and Toledo, Ohio (−0.7 percent), underwent marginal increases or declines. Finally, among small metro areas, Huntington–Ashland, West Virginia–Kentucky–Ohio (2.7 percent), and Springfield, Ohio (2.3 percent), saw the greatest employment growth, while Wheeling, West Virginia–

Ohio (−1.8 percent), and Weirton–Steubenville, West Virginia–Ohio (−1.4 percent), saw the most significant employment declines.

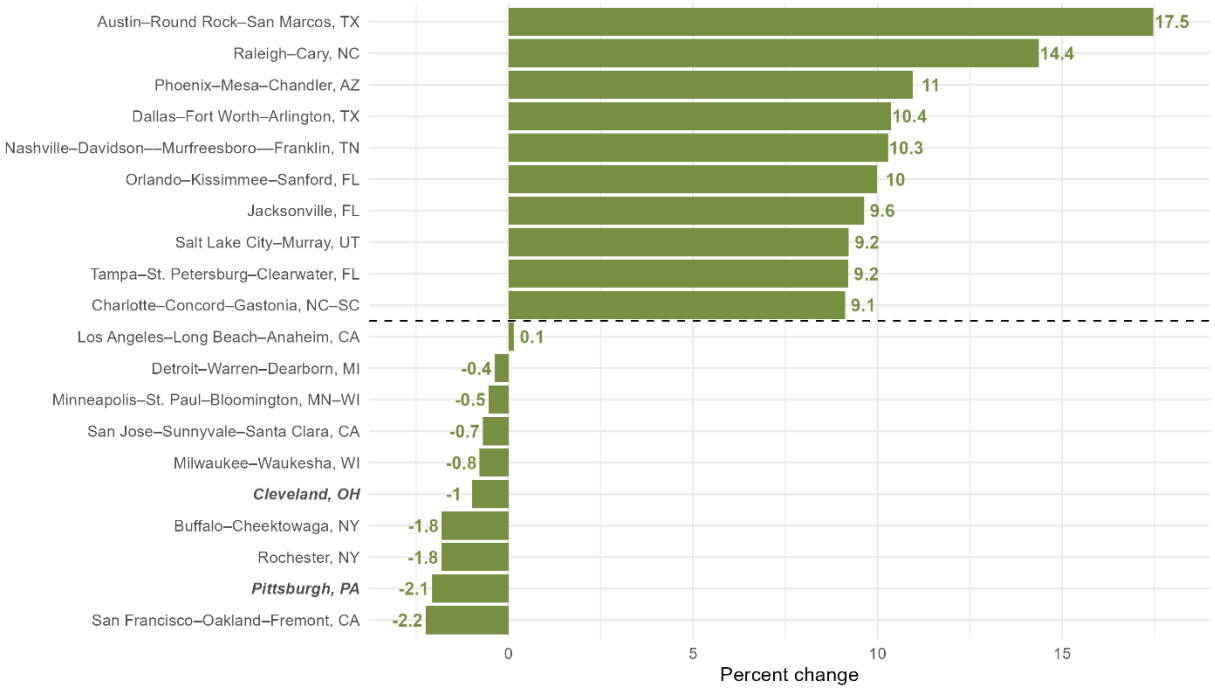
Figure 2. Percent Employment Change for Fourth District Metro Areas (by Metro Area Size, February 2020 through March 2024)



Sources: BLS QCEW, total covered employment; Census Population Estimates

Since the start of the pandemic, employment in US large metro areas has grown by 3.7 percent, less than that of midsize metro areas but greater than that of small metro areas. Figure 3 shows the top and bottom 10 large metro areas across the United States ranked by their percent changes in total covered employment from February 2020 through March 2024. In addition to two Bay Area metros (San Francisco–Oakland–Fremont, California, and San Jose–Sunnyvale–Santa Clara, California), which saw downsizing in the technology sector, two metro areas in the Fourth District saw some of the largest percentages of employment lost: Cleveland's employment decreased by 1 percent, while Pittsburgh's employment decline of 2.1 percent ranks it second to last among large metro areas nationally. Many of the large metro areas that saw the most significant employment increases are in Florida and Texas, including Austin–Round Rock–San Marcos, Texas, which saw an increase of 17.5 percent.

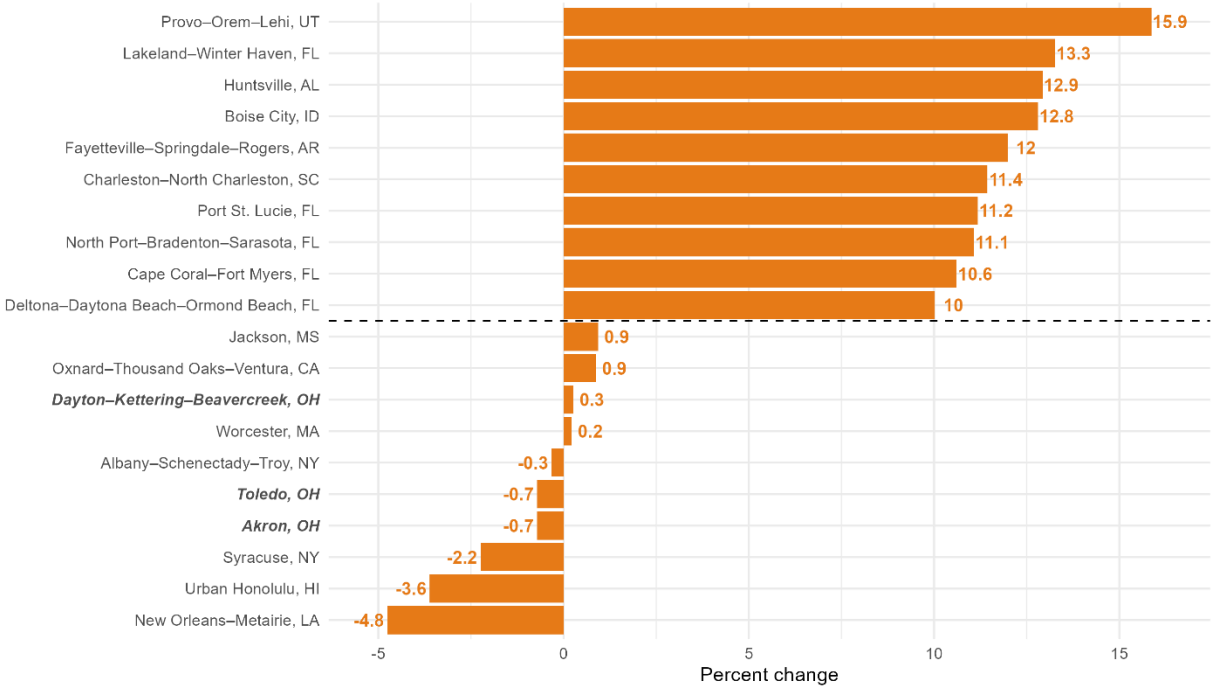
Figure 3. Top and Bottom 10 Large Metro Areas Nationally by Percent Employment Change (February 2020 through March 2024)



Sources: BLS QCEW, total covered employment; Census Population Estimates

Employment in US midsize metro areas has recovered faster since the start of the pandemic, growing by 5 percent from February 2020 through March 2024. Of the midsize metro areas that are among the top 10 nationally in employment growth (Figure 4), many are in the Southeast or Mountain West. For example, Provo–Orem–Lehi, Utah, and Lakeland–Winter Haven, Florida, have seen employment increases of 15.9 percent and 13.3 percent, respectively. Three metro areas in the Fourth District are in the bottom 10 for employment change among midsize metro areas: Dayton–Kettering–Beavercreek, Ohio, saw a small increase of 0.3 percent, while Toledo, Ohio, and Akron, Ohio, both saw employment decrease by 0.7 percent. Other midsize metro areas that saw employment declines include New Orleans–Metairie, Louisiana; Honolulu, Hawaii; and two metro areas in Upstate New York (Albany–Schenectady–Troy, New York, and Syracuse, New York).

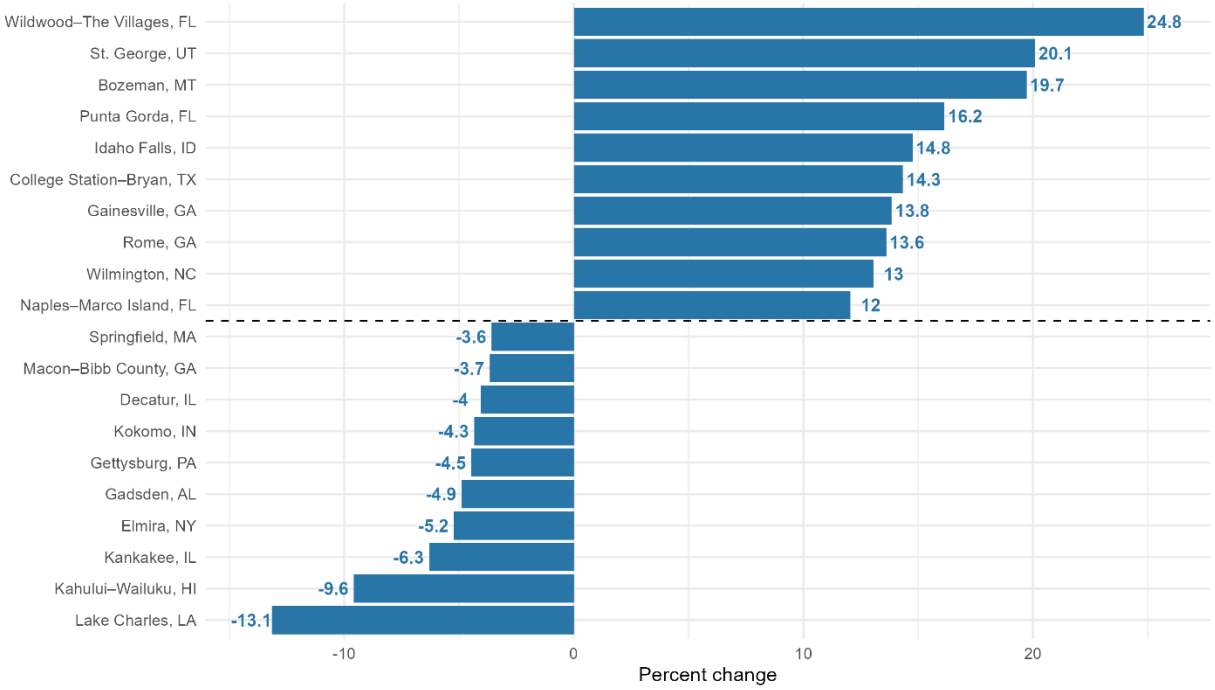
Figure 4. Top and Bottom 10 Midsize Metro Areas Nationally by Percent Change in Employment (February 2020 through March 2024)



Sources: BLS QCEW, total covered employment; Census Population Estimates

Employment in US small metro areas has recovered the slowest since the start of the pandemic, growing by 3.3 percent from February 2020 through March 2024. However, as shown in Figure 5, there has been much more variation in employment change among the top and bottom 10 small metro areas since the start of the pandemic than among the top and bottom 10 large and midsize metro areas. Specifically, seven of the 10 metro areas with the largest percentage gains in employment and nine of the 10 metro areas with the largest percentage declines in employment since the start of the pandemic are small metro areas. As shown in Figure 5, many of the small metro areas with the largest percentage gains in employment are in the Southeast and Mountain West, including Wildwood–The Villages, Florida (24.8 percent); St. George, Utah (20.1 percent); and Bozeman, Montana (19.7 percent). Many of the small metro areas with the most significant employment declines are also in the Southeast, including Lake Charles, Louisiana (−13.1 percent); Gadsden, Alabama (−4.9 percent); and Macon–Bibb County, Georgia (−3.7 percent).

Figure 5. Top and Bottom 10 Small Metro Areas Nationally by Percent Change in Employment (February 2020 through March 2024)



Sources: BLS QCEW, total covered employment; Census Population Estimates

Conclusion

Following the recession induced by the COVID-19 pandemic, overall employment across the United States has recovered and exceeds prepandemic levels. However, employment recoveries have varied significantly in metro areas of different sizes across the country. This analysis suggests that the employment recovery from February 2020 through March 2024 has been stronger for midsize metro areas than for large and small metro areas. Also, our analysis finds that much of the strongest employment growth since the start of the pandemic has taken place in the Southeast and Mountain West. On balance, metro areas in the Fourth District, particularly large and small metro areas, have seen weaker employment growth than those across the United States since the start of the pandemic.

References

Cleveland, Robert B., William S. Cleveland, Jean E. McRae, and Irma Terpenning. 1990. "STL: A Seasonal-Trend Decomposition Procedure Based on Loess." *Journal of Official Statistics.* 6(1):3-73.

Elvery, Joel A., and Christopher Vecchio. 2014. "Which Estimates of Metropolitan-Area Jobs Growth Should We Trust?" *Economic Commentary*, no. 2014-05 (April). Federal Reserve Bank of Cleveland. https://doi.org/10.26509/frbc-ec-201405.

Venkatu, Guhan. 2023. "Many Major District Metro Areas Have Yet to Recover to Their Prepandemic Employment Levels." Cleveland Fed District Data Brief. Federal Reserve Bank of Cleveland. https://doi.org/10.26509/frbc-ddb-20230831.

Venkatu, Guhan. 2024. "The Quality of Jobs Created Since the Start of the COVID-19-Related Recession." Cleveland Fed District Data Brief. Federal Reserve Bank of Cleveland. https://doi.org/10.26509/frbc-ddb-20240904.