

COVID-19 RESPONSE

COVID-19 EMPLOYMENT OUTLOOK ACROSS OKLAHOMA COUNTIES

Learn about job losses in Oklahoma due to the COVID-19 virus.

The COVID-19 pandemic is affecting employment across Oklahoma counties differently due to the industrial mix of the local economy. As an example, a county with a large proportion of jobs in the leisure and hospitality sector – where many businesses shut down quickly – is expected to be hit much harder than one where the utility or local government sectors are dominant employers. Figure 1 shows a timeline of Oklahoma COVID-19 events with an emphasis on when specific industries were ordered to close, the Governor’s phased reopening approach and when the employment data used in this report were gathered.

Figure 2 estimates how vulnerable Oklahoma counties may be to COVID-19-related employment losses. The data come from the April 2020 employment summary from the Bureau of Labor Statistics, which provided detailed job losses by industry for the nation as a whole. Specifically, the percentage of jobs lost between February and the end of April were calculated for each two-digit North American Industrial Classification System (NAICS) industry and applied to the most recent Oklahoma employment data available by county. While Oklahoma’s experience within each industry will be different from the national averages, the index can provide some preliminary estimates of how the unemployment situation might unfold across the state.

The average index score in the map below is 100, representing the average job loss expected across the state. Lower scores imply the losses may be less than the state average, and higher scores suggest that the extent of the job loss is expected to be higher than average.

It is important to note the index does not consider local COVID-19 infection rates or local governmental responses. Rather, it only accounts for the local mix of industry em-

ployment. Additionally, the initial impacts of the recent downturn in the oil and gas industry (which predates the COVID-19 pandemic) are likely included in the unemployment estimates, since layoffs began to occur during March and April. There is likely additional unemployment not reported in the existing data, as additional layoffs have occurred since the April 30th report and it can take time for individuals who have recently lost their jobs to successfully file claims with the Oklahoma Employment Security Commission.

Figure 2 makes clear the counties expected to be hardest-hit across the state are metropolitan in nature. This should come as no surprise given that these counties tend to have a higher proportion of retail and hospitality jobs. In fact, more than 70% of the total expected job losses in the state are predicted to occur in the state’s 18 metropolitan counties. Only a few non-metro counties have vulnerability indices above the state average, and they tend to be in locations where tourism or entertainment

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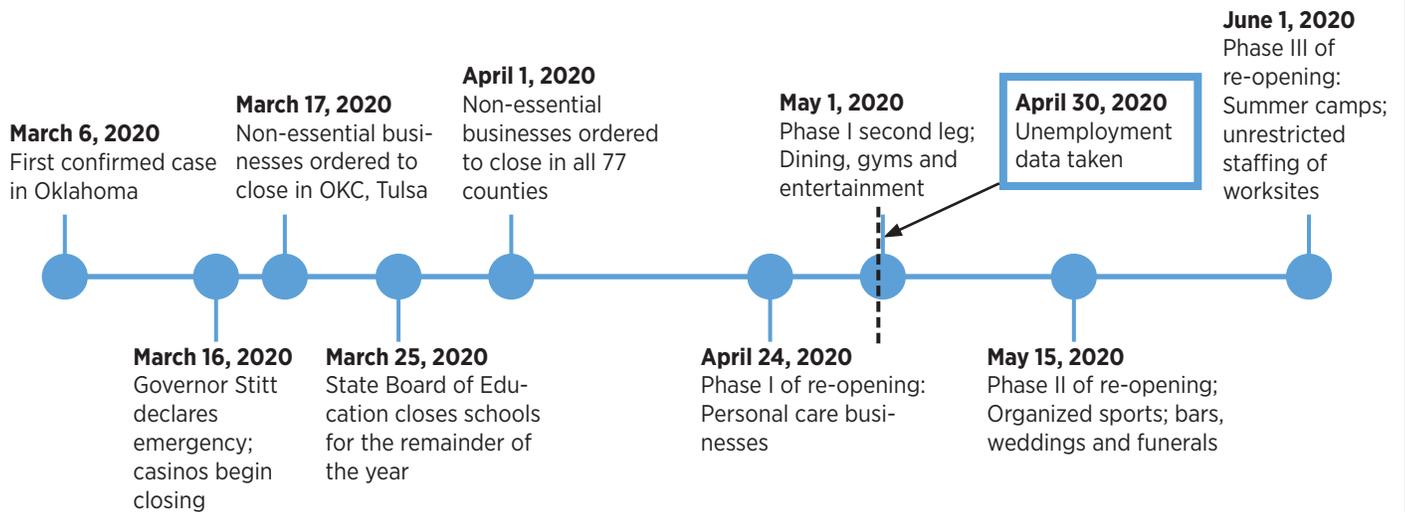


Figure 1. COVID-19 event timeline for Oklahoma.

Source: Oklahoma State Dept. of Health; Oklahoma Governor's office.

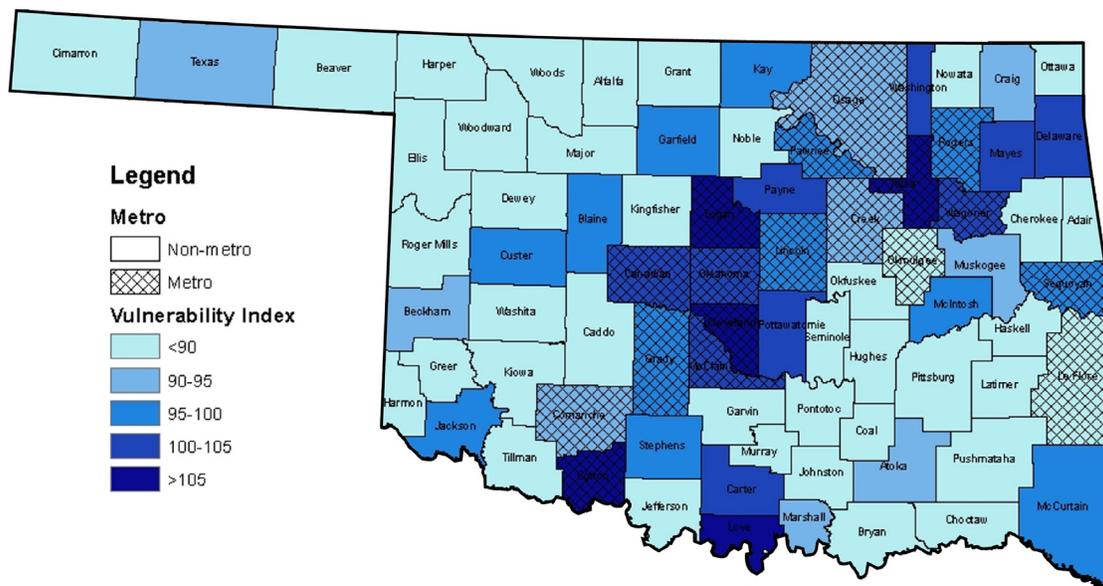


Figure 2. COVID-19 Employment vulnerability index by Oklahoma county.

Source: BLS April 2020 Employment Summary; BEA Industry Statistics Table CAEMP25.

are important industries. The predicted losses range from 81 jobs in Harmon County to more than 82,000 jobs in Oklahoma County.

Table 1 demonstrates the average index score across six different categories of economic dependency as defined by the Economic Research Service in 2015. Note that these categories are mutually exclusive – each county can only be considered dependent in a single category.

Approximately 300,000 Oklahomans filed initial unemployment claims during the six weeks between March 15 and May 1, 2020. This compares with 12,000 during the same time period in 2019, and 400,000 during the entire 2009-2010 recession (two full years). The methodology used to construct this map estimates Oklahoma lost 297,000 non-farm employees between February and April 2020 – a 13% reduction that is in line with the unemployment claims

Table 1. The average index score across six different categories of economic dependency.

2015 Dependency Classification	# of OK Counties	Average Vulnerability Index	% of Total Job Losses
Farming	14	75.6	2%
Mining	23	88.9	60%
Manufacturing	5	93.1	2%
Government	8	93.2	15%
Recreation	2	101.9	1%
Non-specialized	25	94.3	21%
Non-metropolitan	59	85.9	29%
Metropolitan	18	100.3	71%
Tulsa & Oklahoma counties only	2	105.4	50%

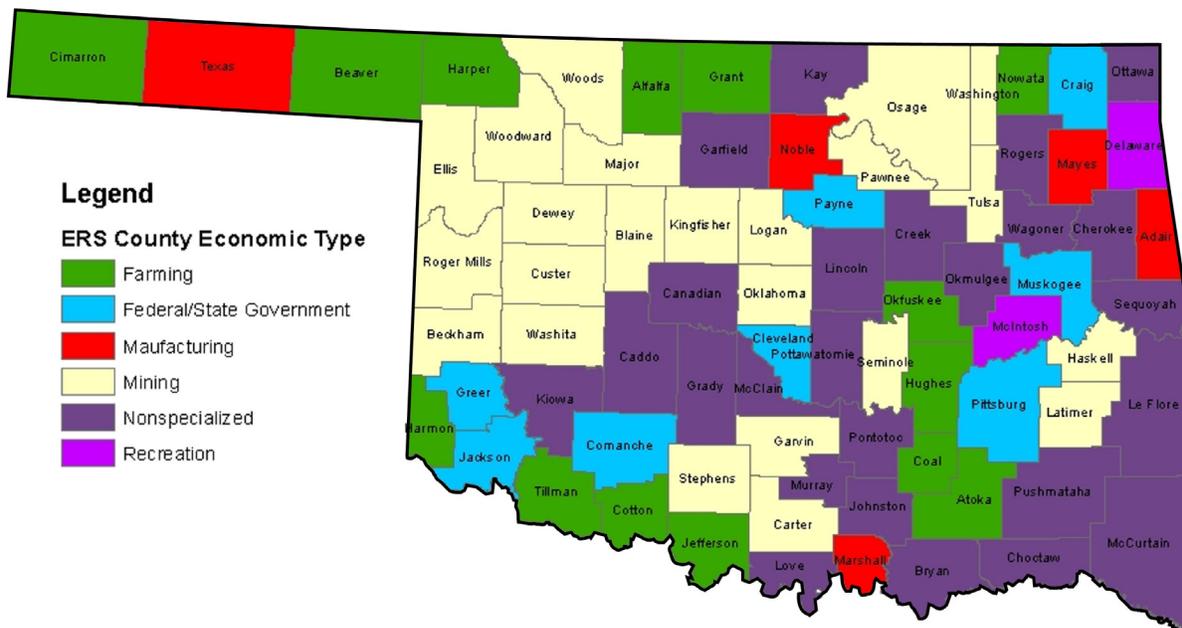


Figure 3. Oklahoma county typology codes.

Source: ERS County Typology Codes, 2015.

and with estimates from the Center for Applied Economic Research at OSU’s Spears School of Business. Although there is no data on the counties where these claims came from, it appears that the majority of the job losses have taken place in the more metropolitan areas of the state.

While many job losses due to the pandemic are expected

to be temporary, the length of time to recover and the nature of those jobs that do return is uncertain. The path of recovery also will vary significantly by industry – for example, some service sector jobs may return quickly once restrictions have been lifted, but impacts to local government may not be felt until much later, when revenue shortfalls are realized.