

Pandemic Redefined High Unemployment

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From the lowest unemployment rates in recorded history in 2019 to the highest in 2020, New Jersey's workforce experienced a turbulent year. Forget the Great Recession, economists have compared 2020 unemployment to rates likely seen only during the Great Depression.

2020 Unemployment: At its worst, New Jersey's statewide unemployment rate soared to 16.8% in June 2020, according to the US Bureau of Labor Statistics (US BLS). As of December 2020, the state's unemployment rate was 7.6%, a 105% increase from the near record low of 3.7% in December 2019.

Nearly 1.9 million workers filed for unemployment from March 21 to Dec. 26 in the Garden State, according to the New Jersey Department of Labor and Workforce Development. To put the severity of New Jersey's pandemic-induced unemployment into perspective, these numbers equate to 41.5% of New Jersey's pre-pandemic labor force.

> The pain of unemployment was not felt equally throughout the state in 2020.

As a result, the state paid out nearly \$6.1 billion in New Jersey unemployment insurance benefits. With additional funds authorized by Congress under the CARES Act, but not including individual stimulus checks, eligible New Jersey workers received more than \$20 billion in



New Jersey Unemployment in 2020

- 1.9 million**
Workers who filed for unemployment
- \$20 billion**
Unemployment benefits paid to NJ workers
- 16.8%**
NJ's peak unemployment rate in June
- 34.4%**
Atlantic County's peak unemployment rate in June

unemployment benefits in 2020.

Not surprising, the pain of unemployment was not felt equally throughout the state in 2020. Some counties suffered disproportionately.

County Unemployment Rates: Thirteen New Jersey counties experienced at least one month with an unemployment rate over 15%, according to the US BLS. Atlantic County had the highest unemployment rate in the state for eight consecutive months, from April to November, with a peak rate of 34.4% in June. In Q3, Atlantic County experienced three straight months with rates over 30%, averaging a quarterly unemployment rate of 33.6%.

Cape May and Passaic counties also experienced extremely high unemployment rates of 23.2% and 19.7%, respectively in Q3. As of November 2020, Atlantic (15.2%),

Cape May (13.7%), and Passaic (13.0%) counties still had the highest unemployment rates in the state.

However, eight counties never experienced unemployment rates over 15%. In fact, Mercer and Hunterdon counties never exceeded an unemployment rate of 12.5% in 2020. As of November 2020, the two counties had unemployment rates of 8.2% and 7.4%, respectively.

Let's be clear, even though some counties are seeing their lowest unemployment rates since the onset of the pandemic, the level of joblessness is still nothing to cheer about. Too many New Jersey residents are still without work. Unfortunately, the horrifyingly high unemployment that occurred during the worst months of the pandemic in 2020 has seemingly reset the bar for how we view "low" unemployment numbers. **NJB**