



From Unemployment to Reemployment

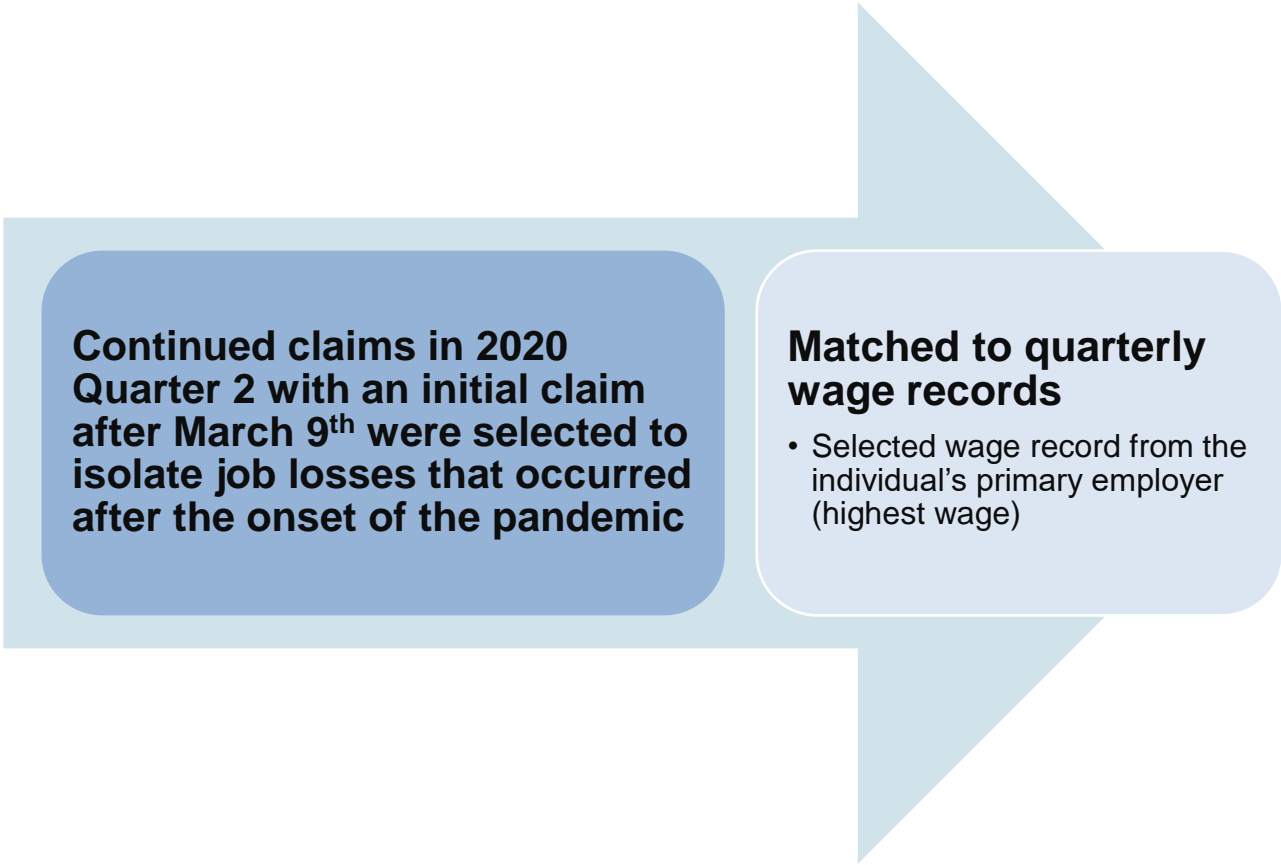
**Examining the status of claimants
for unemployment compensation
from the onset of the COVID-19
pandemic to the end of 2021**

The COVID-19 pandemic caused unprecedented disruptions to the labor market.

Unemployment insurance claims and wage records were linked to better understand claimant reemployment trends and trajectories from April 2020 through December 2021.

- **Maine's economy followed national trends in job loss and recovery over the past two years.**
- **The majority of job losses occurred in a few sectors: Accommodation and Food Services, Retail Trade, and Health Care and Social Assistance.**
- **The total number of jobs has nearly returned pre-pandemic levels, but there have been compositional changes in industry employment and not all sectors have experienced full recovery.**
- **Similarly, the experiences of workers displaced at the outset of the pandemic have varied: some were quickly reemployed while others were not.**

Continued claimants from April, May, and June 2020 were matched to quarterly wage records to identify claimants who were reemployed from 2020 Q3 to 2021 Q4



Continued claims in 2020 Quarter 2 with an initial claim after March 9th were selected to isolate job losses that occurred after the onset of the pandemic

Matched to quarterly wage records

- Selected wage record from the individual's primary employer (highest wage)

****This research excluded wages earned in temporary staffing positions and those employed or laid off from positions at ski centers to identify industry transitions that were not related to temporary or seasonal employment patterns**

In the 4th Quarter of 2021, of the 90,000 claimants in the cohort...

- **74 percent of claimants** earned at least \$1,000 in wages and are considered reemployed
- **42 percent of claimants** were reemployed by their separating employer
- **16 percent of claimants** worked for a new employer in a different sector
- **26 percent of claimants** were not reemployed (did not earn at least \$1,000 wages in 2021 Q4)

**Those considered to be reemployed earned at least \$1,000 during the final three months of 2021. Sector transitions indicate that the job holder had not been employed in that sector before the pandemic and had not worked for that employer in the prior three years.

Claimants' employment outcomes – whether and when they were reemployed – varied across claimant characteristics and prior earnings levels.

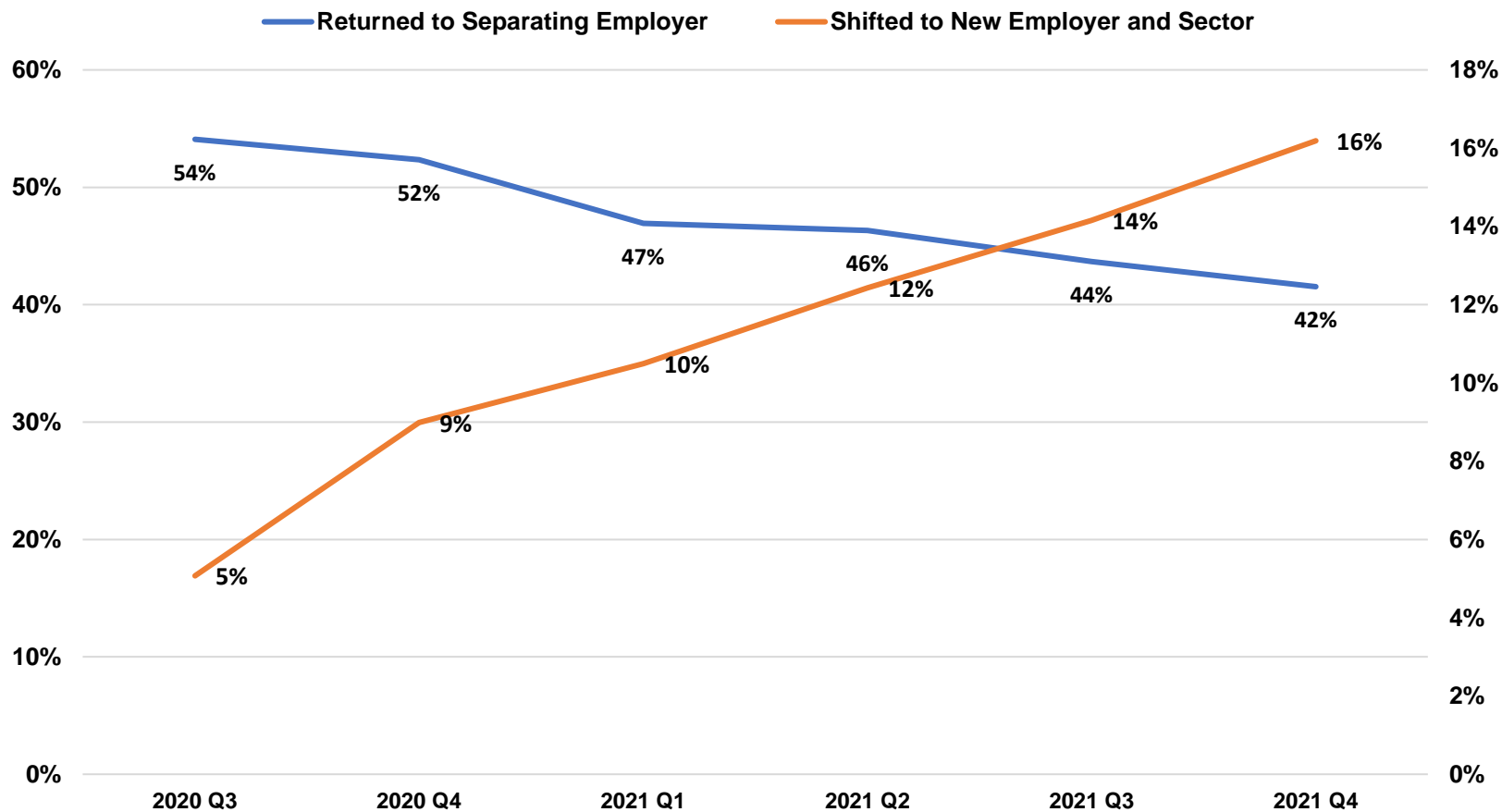
To examine differential employment outcomes across groups we used claimant demographic details such as:

- Educational Attainment
- Gender
- Race and Ethnicity
- Age

Wage records from 2019 Q2 through 2020 Q1 were also used to identify variation in reemployment by wage levels

Fewer claimants were reemployed with their separating employer over time as more people shifted to a new employer in a new sector.

Percent of Claimants Returning to Separating Employer and Shifting to New Employer
2020 Q3 - 2021 Q4



In 2020 Q3, 54 percent of claimants were reemployed by their separating employer. This number declined to 42 percent by 2021 Q4.

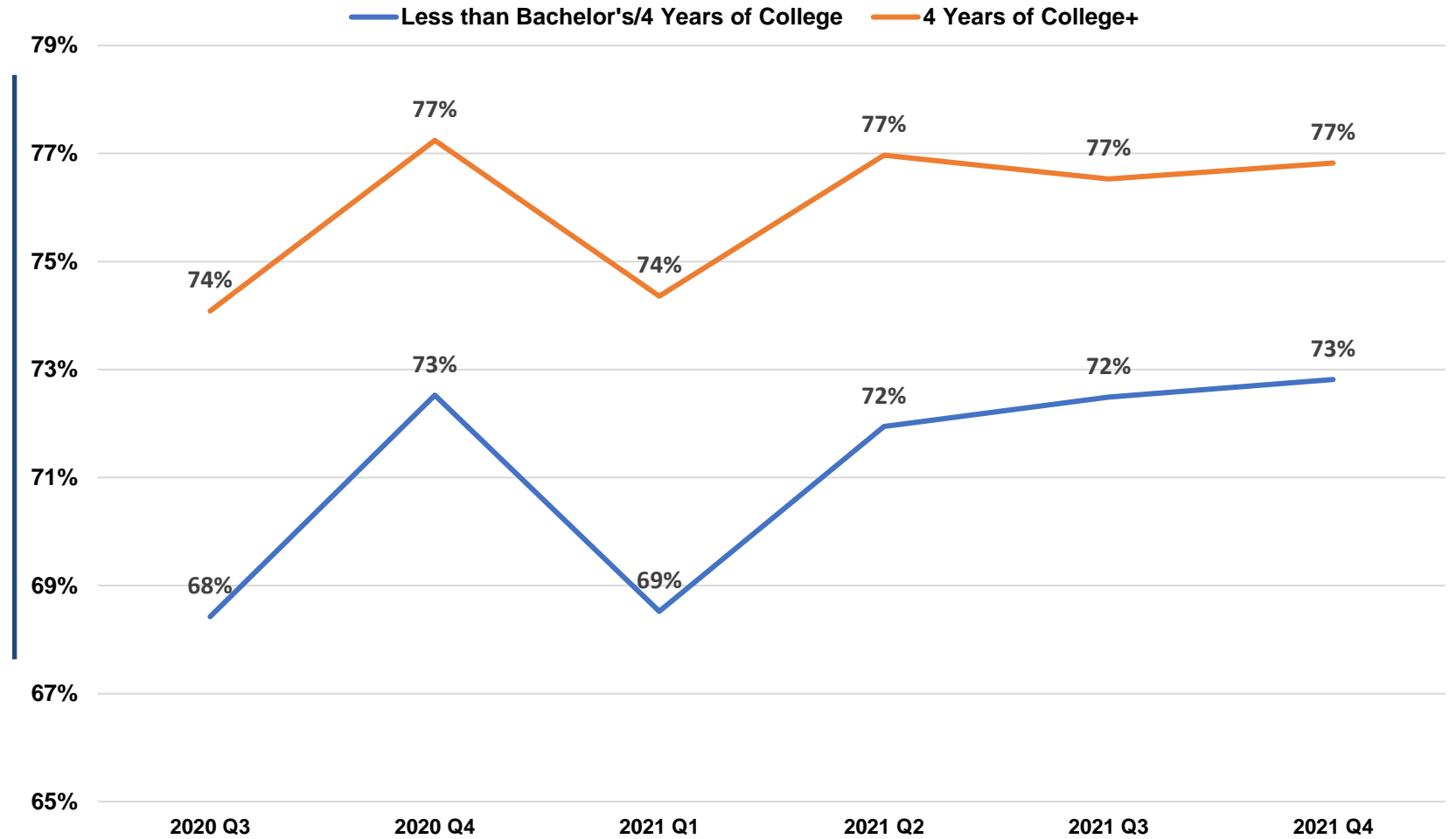
Over the same time, the percent of claimants shifting employers and sectors increased from 5 percent to 16 percent.

The overall reemployment rate for this cohort increased from 70 percent in 2020 Q3 to 74 percent in 2021 Q4, with an expected seasonal decline in 2021 Q1.

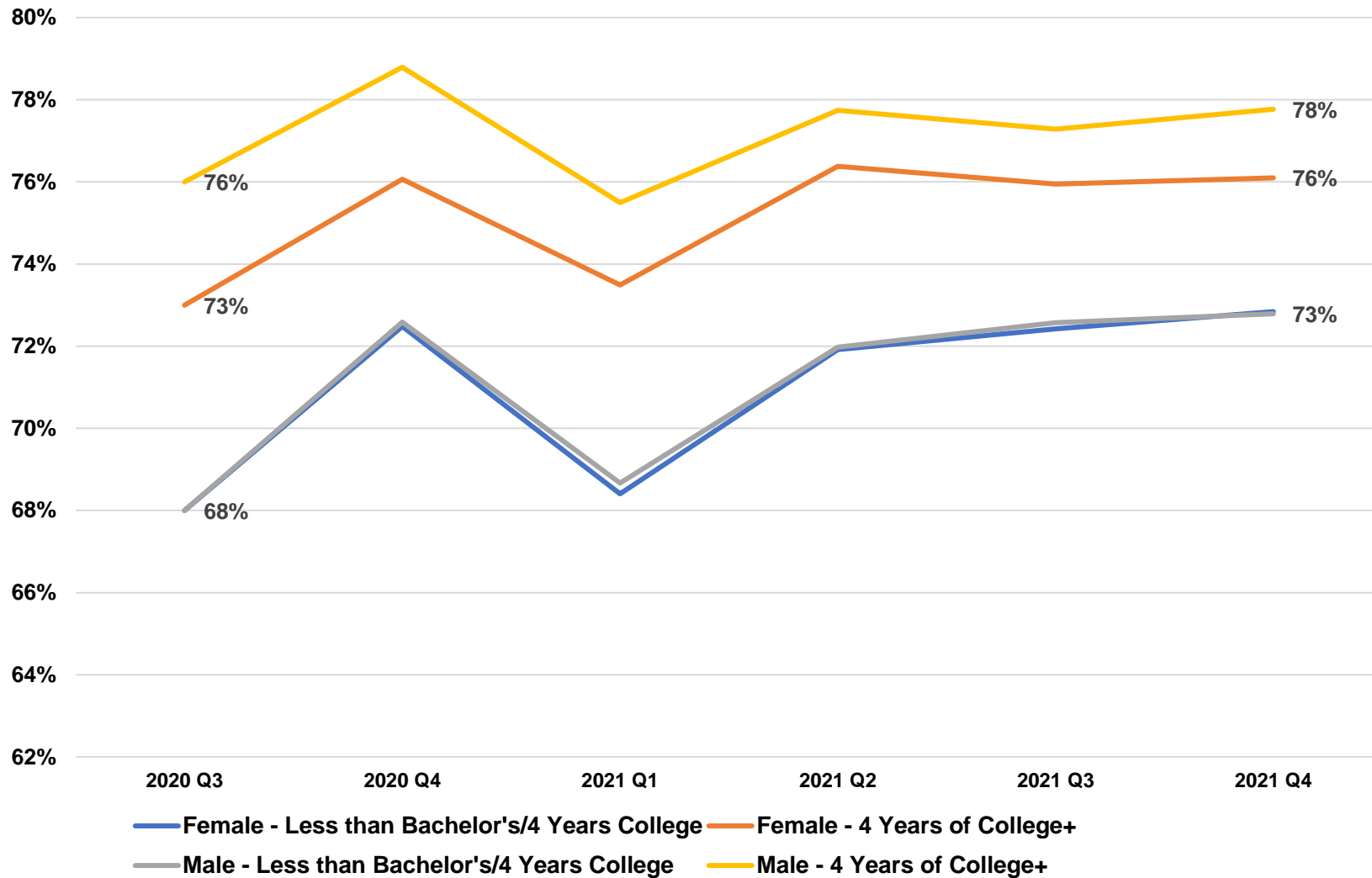
Claimants with higher levels of educational attainment – at least four years of college or a Bachelor’s degree – experienced a higher rate of reemployment.

Over time, the reemployment rate gap between groups declined from 6 to 4 percentage points.

**Reemployment Rate by Educational Attainment
2020 Q3 - 2021 Q4**



Reemployment Rate by Educational Attainment and Gender 2020 Q3 - 2021 Q4

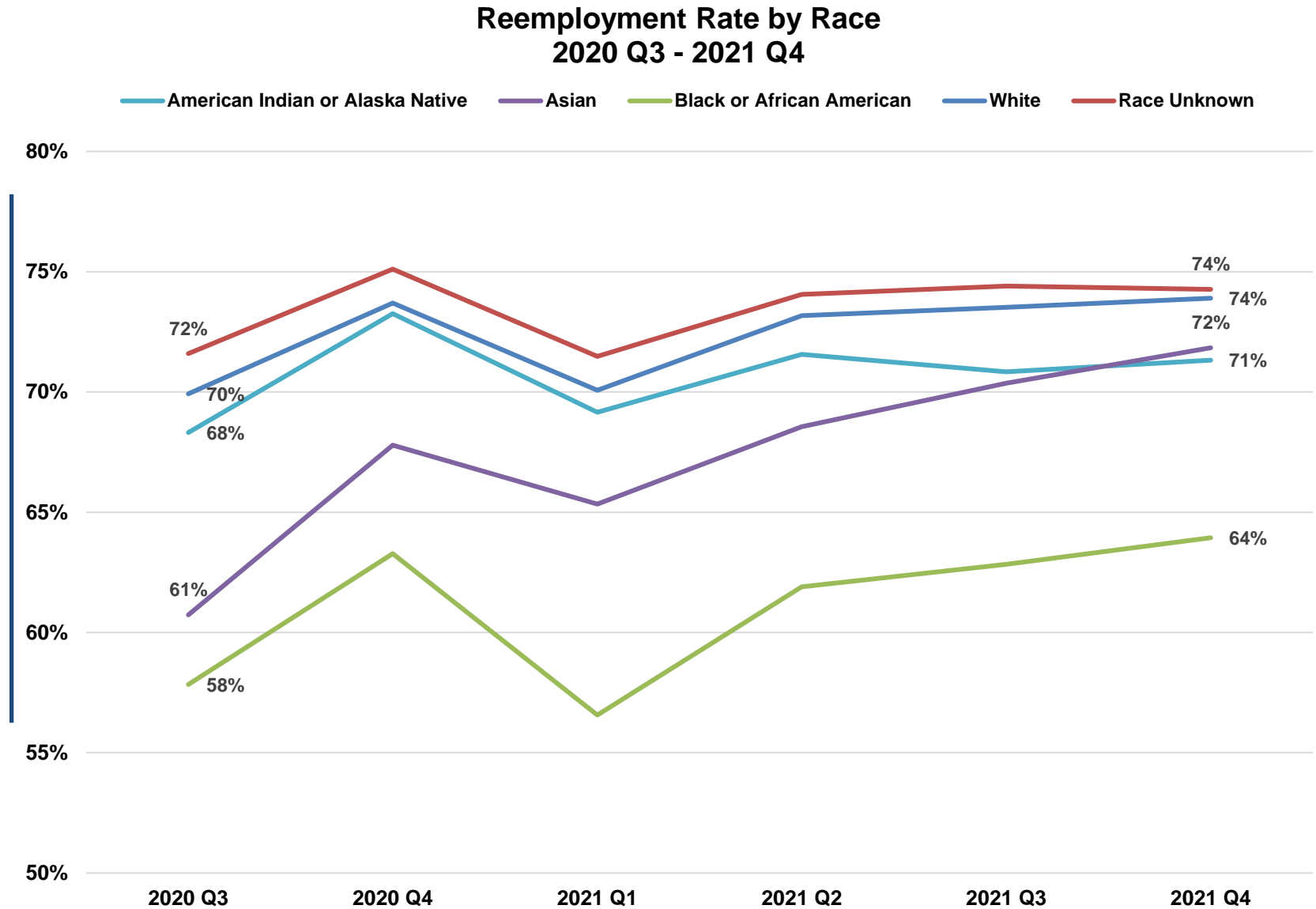


Among those with 4+ years of college, reemployment rates were somewhat higher for men than women, but this difference is more pronounced between educational attainment levels.

Both male and female claimants with at least four years of college were reemployed at a higher rate than those with lower levels of educational attainment, but this gap decreased over time.

Reemployment rates by race within this cohort demonstrate that not all groups have experienced an equitable economic recovery.

Black or African American claimants experienced the lowest rate of reemployment among all groups during this time period, as well as a steeper seasonal decline in 2021 Q1.

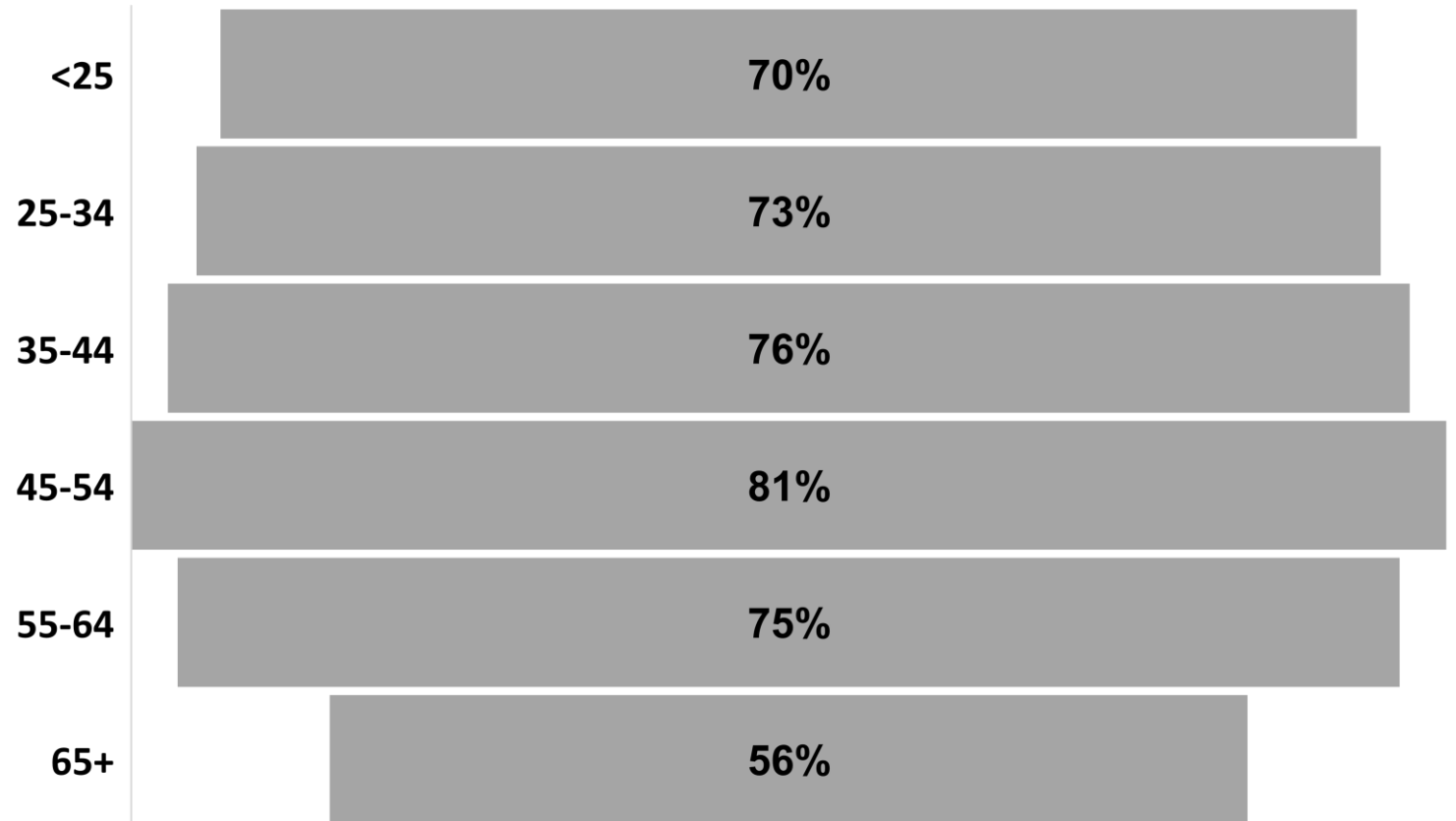


Claimants 65+ had the lowest 2021 Q4 reemployment rate at 56 percent, compared to claimants aged 45-54 who had the highest rate of reemployment at 81 percent.

Workers 65+ made up 8 percent of the initial cohort, but comprised 13 percent of those categorized as not reemployed in 2021 Q4.

The low reemployment rate among those 65+ is likely due to retirement.

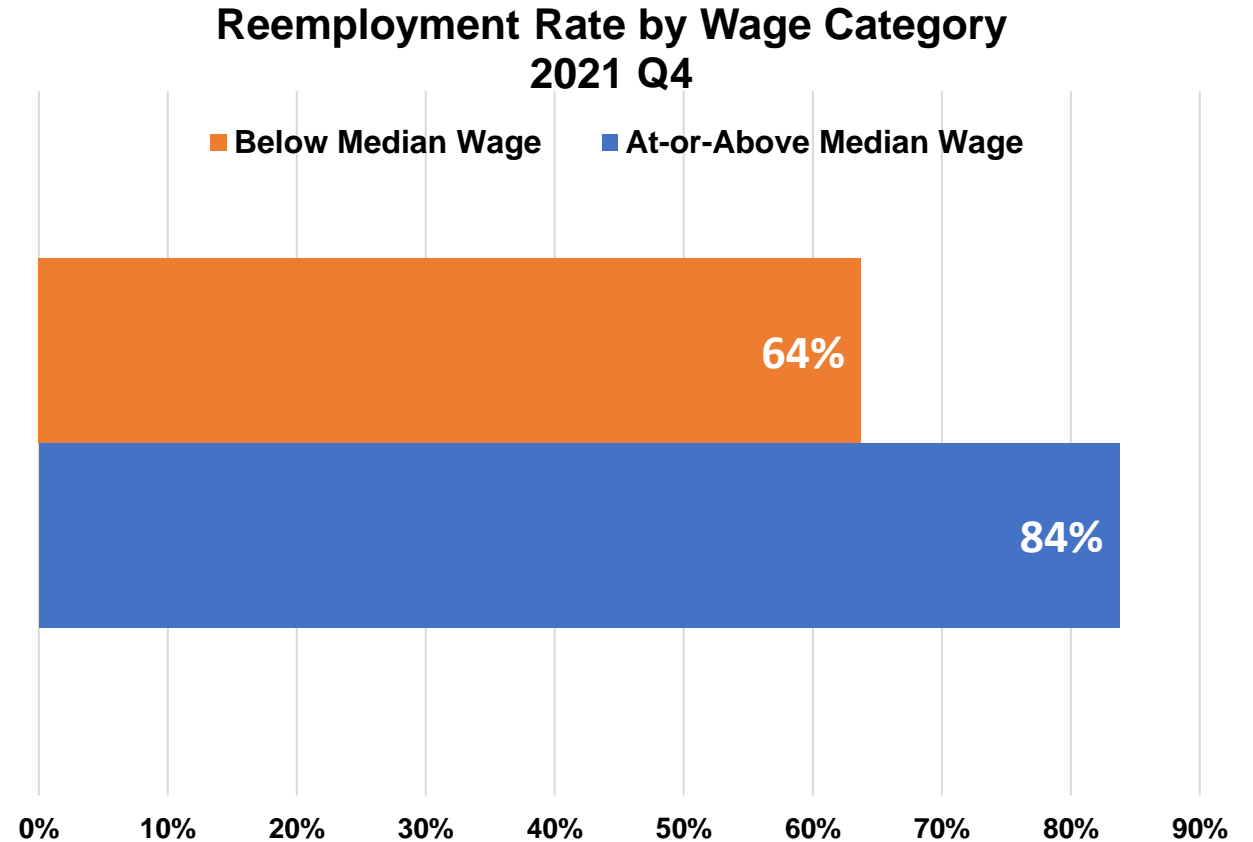
**Reemployment Rate by Age
2021 Q4**



Claimants with higher wages in the four quarters prior 2020 Q2 were more likely to be reemployed by the end of 2021.

Using wages from 2019 Q2 through 2020 Q1, claimants were categorized as either at-or-above or below the group's median during that time period.

84 percent of claimants with earnings at-or-above the median wage were reemployed in 2021 Q4, compared to 64 percent of those with lower earnings.

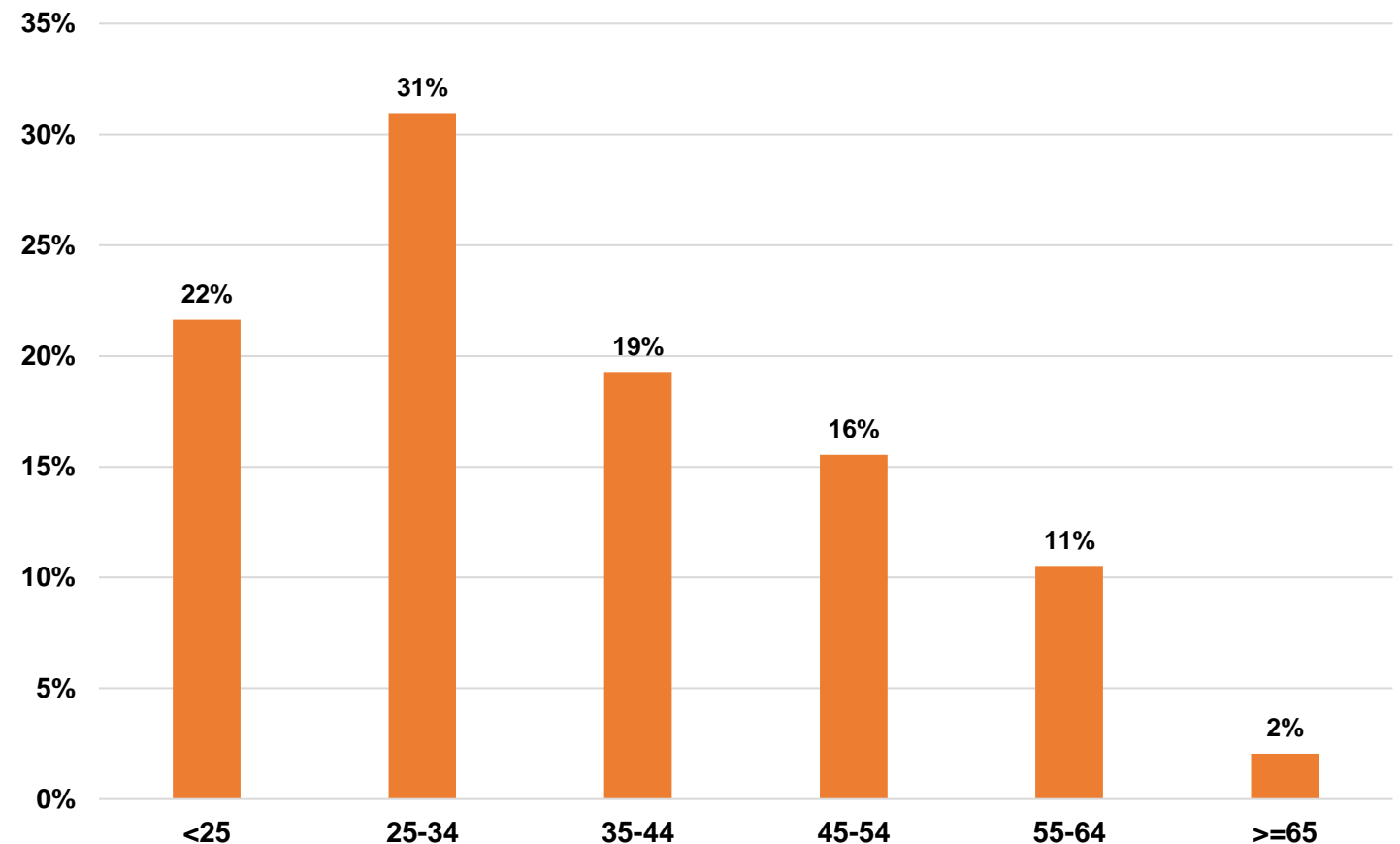


A smaller portion of the cohort – approximately 14,500 claimants – found work in 2021 Q4 in a new sector with a new employer they hadn't worked for in the past three years.

These claimants were more likely to be younger and have relatively lower prior wages:

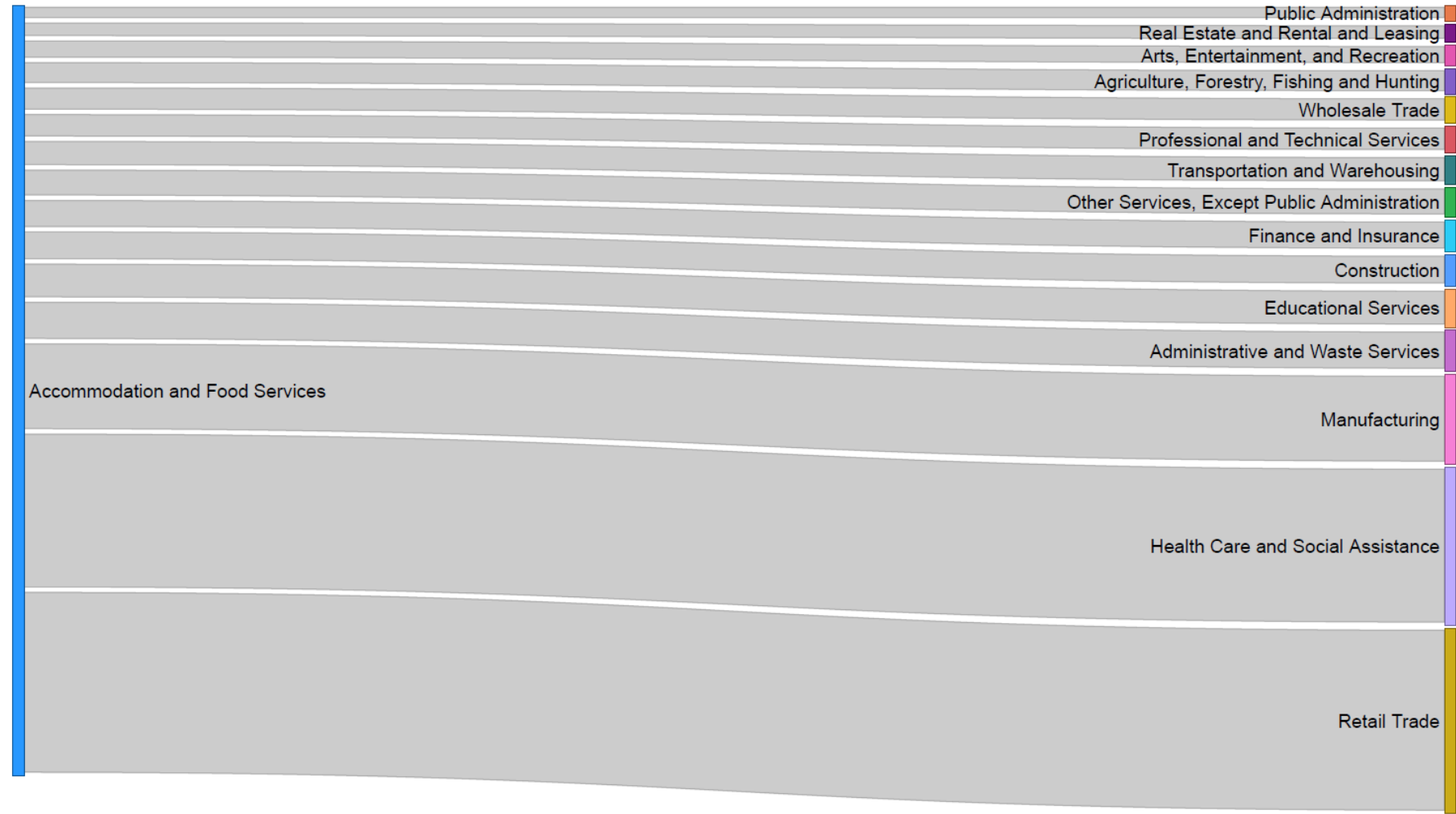
- **Over 50 percent were under the age of 35**
- **Approximately 60 percent were in the “Below Median Wage” group**

**Claimants Reemployed in a New Sector by Age
2021 Q4**

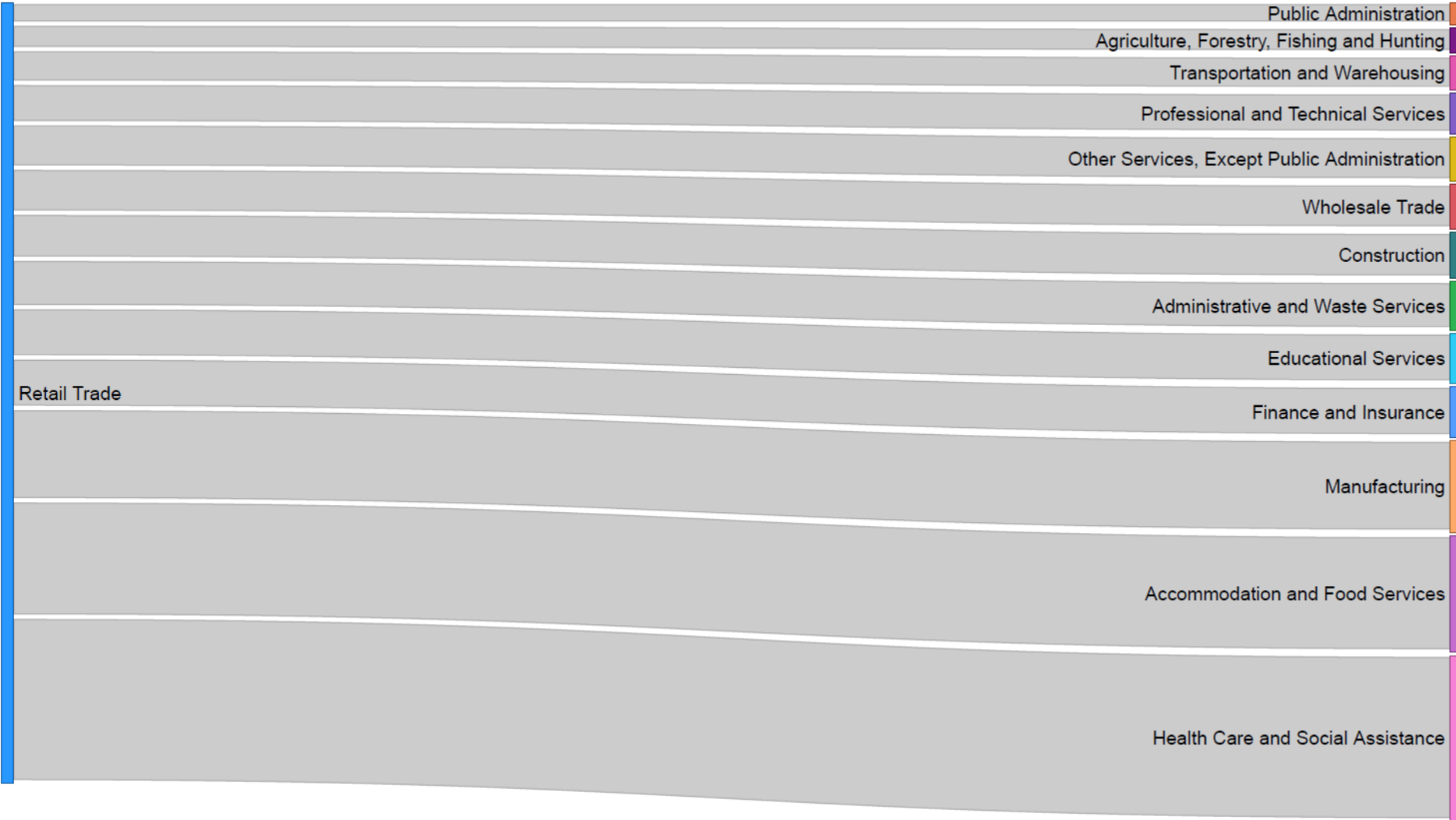


Many of the transitions between sectors occurred in those that had both large job losses early in the pandemic and subsequent gains in 2020 and 2021.

The most common sector shifts were from Accommodation and Food Services to Retail Trade and Health Care and Social Assistance.



Retail Trade workers who shifted sectors were most likely to be reemployed in the Health Care and Social Assistance and Accommodation and Food Services sectors.



High frequency administrative data, such as unemployment claims and wage records, helped us answer questions about employment outcomes of people who lost their job at the beginning of the COVID-19 pandemic.

Going forward, we hope to use unemployment claims data and wage records for additional research, including:

- Examining long-term wage outcomes for claimants in this cohort
- Past unemployment spells and effects on employment and wage outcomes
- Seasonal unemployment patterns
- Additional research on sector transitions and wage outcomes