



News Release

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Austin Unemployment Rate Dips to 6.7% in July 2020 as New Weekly Claims Decrease

AUSTIN – Figures released by the Texas Workforce Commission today show the unemployment rate in the Austin-Round Rock MSA* decreased from 7.3% in June 2020 to 6.7% in July 2020. The 6.7% unemployment rate represented 81,942 residents seeking jobless benefits. The region's unemployment rate remained below Texas (8.2%)** and national (10.5%)** rates.

The Austin-Round Rock region has experienced an annual growth rate of -4.0%, representing the collective loss of 44,800 jobs since July 2019.

Further, unemployment in the Capital Area/Travis County*** decreased from 7.5% in June 2020 to 6.9% in July 2020. The 6.9% unemployment rate represented 50,485 residents who have applied for jobless benefits. The Capital Area/Travis County unemployment rate rose above the overall Austin-Round Rock MSA rate and remained below the state of Texas and national rates.

Sectors leading the July job growth are Trade, Transportation, & Utilities; Professional & Business Services; Manufacturing; Education & Health Services; and Government. The Leisure & Hospitality sector continues to experience the greatest job loss during the pandemic due to enhanced safety measures and business closures.

Tesla began posting job opportunities online tied to the gigafactory or local construction earlier this month, with more active listings for Austin-area jobs related to other local ventures.

New unemployment claims have decreased compared to earlier months in the pandemic, with 9,245 approved claims in July. The new filings decreased by the week, from 3,008 the week of July 5 to 1,516 the week of July 28.

"With the decrease in new claims, we're hopeful that pandemic-related layoffs are tapering off," said Tamara Atkinson, Chief Executive Officer at Workforce Solutions Capital Area. "However, while Austin's unemployment rate is lower than at the pandemic's beginning, it remains 2.5 times higher than the 2.8% rate in July 2019."

The unemployed in Travis County as of June 2020 are disproportionately persons of color, younger (ages 16 to 34), and have less education than an associate's degree, according to data available through Burning Glass Technologies Labor Insight. One in four jobless residents were previously in foodservice, retail, and personal care occupations.

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Unemployment in Travis County has also disproportionately impacted lower-income residents. From March to July 2020, approximately 50 percent of jobless claimants in Travis County earned less than \$30,000 per year when they were working. About 78 percent previously earned less than \$50,000 per year.

Workforce Solutions has observed significant changes to unemployment benefits and workforce assistance:

- Jobless residents are anticipating a \$300 federal enhanced unemployment benefit stemming from an Executive Memorandum that President Donald Trump signed on August 8. State governments are asked, but not required, to contribute \$100 to the total.
 - Before the money can be added to unemployment payments, state governments must apply for the federal funds. Governor Greg Abbott said on August 20 that Texas will apply for federal funding to provide the extra \$300 every week for people who have lost their jobs. Abbott did not indicate that the state intended to boost the payment with an additional \$100 per week.
- Since the \$600 per week Federal Pandemic Unemployment Compensation (FPUC) expired on July 25, no pandemic stipends have been issued for the current 50,485 jobless in Travis County.
- Amid a current four-fold increase in demand for reemployment services, the Workforce Innovation & Opportunity Act (WIOA) program — one of Workforce Solutions Capital Area's most prominent federal funding sources — is scheduled to be reduced by 15% on October 1, 2020.
 - The WIOA employment program, offered at no cost for participants, is designed to give job seekers personalized support and training needed to find a job. Funding, determined by Congressional formulas, will be cut 15.1 percent for the 2021 fiscal year.

Workforce Solutions Capital Area's three career centers across Austin are available by phone, email, or in-person by appointment only to serve residents and businesses impacted by economic changes caused by COVID-19.

"Workforce Solutions Capital Area is here to link Austin's workers to local, in-demand jobs with high earning potential," said Melanie Flowers, Chair of the Board of Directors for Workforce Solutions Capital Area. "Workforce Solutions can also connect residents to no-cost training programs to upgrade their skill sets to qualify for jobs with higher wages."

Residents seeking assistance can contact us at 512.549.4967 or visit www.wfscapitalarea.com. Workforce Solutions stands with Austin and offers many resources, including:

- **Jobs Now:** This online tool features over 2,000 job postings for over 3,000 listings with employers across Austin and is updated daily. Job seekers can search openings at www.wfscapitalarea.com/Job-Seekers/Jobs-Now.
- **Childcare assistance for Austin's workforce.** Residents returning to work who will need child care may be eligible for tuition scholarships. To begin, parents can apply online to join the childcare waitlist at <http://www.wfscapitalarea.com/ChildCareServices>.
- **Resources for businesses.** Workforce Solutions offers outplacement assistance, layoff aversion strategies, and potential financial assistance at no cost to Austin's employers. To get started, go to www.wfscapitalarea.com/Employer-Services/COVID-19-Resources-for-Employers.

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Key Points by Industry in the Austin-Round Rock MSA in July 2020:

- **Monthly Increases:** Trade, Transportation, & Utilities experienced the greatest increase with 3,900, followed by Professional & Business Services (3,500) and Manufacturing (700).
 - Other industries that experienced a jobs increase were Education & Health Services (500) and Government (500).
- **Monthly Decreases:** Leisure & Hospitality experienced the greatest decrease with the loss of 2,700 jobs, followed by Mining, Logging & Construction (-1,700) and Other Services (-1,200).
- **Annual Increases:** Financial Activities experienced the greatest regional annual job growth with an increase of 11.4%, followed by Manufacturing (4.6%) and Mining, Logging & Construction (3.0%).
- **Annual Decreases** Leisure & Hospitality (-25.4%), Information (-12.7%), Education & Health Services (-9.0%) and Other Services (-8.1%) experienced a significant decrease in regional annual job growth.

Workforce Solutions Capital Area Workforce Board is the publicly-funded workforce board for Travis County. Through strong partnerships and strategic collaborations, Workforce Solutions is leading the region's workforce system in the development of a world-class workforce.

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**The Austin-Round Rock Metropolitan Statistical Area includes Bastrop, Caldwell, Hays, Travis, and Williamson counties.*

***Unemployment rates listed are not seasonally adjusted.*

****The Capital Area Workforce Development Area includes Travis County.*

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