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Austin Unemployment Rate Continues to Fall, but Jobs Outlook Remains Cloudy, as Unemployment Drops to 7.5% in June 2020

AUSTIN – Figures released by the Texas Workforce Commission today show the unemployment rate in the Austin-Round Rock MSA* decreased from 11.4% in May 2020 to 7.5% in June. The 7.5% unemployment rate represented 90,887 residents seeking jobless benefits. The region's unemployment rate remained below Texas (8.9%)** and national (11.2%)** rates.

The Austin-Round Rock region has experienced an annual growth rate of -5.0%, representing the collective loss of 55,900 jobs since June 2019.

Further, unemployment in the Capital Area/Travis County*** decreased from 11.6% in May 2020 to 7.6% in June 2020. The 7.6% unemployment rate represented 55,642 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. Approximately 75 percent of our unemployed residents previously earned less than \$50,000 per year.

The unemployment rate calculates those area residents who have filed an unemployment benefits claim to the workforce system. Those residents currently receive state unemployment benefits, ranging from \$69 to \$521 per week, depending on the applicant's former income. Additionally, jobless claimants receive the \$600 per week Congressionally-authorized Federal Pandemic Unemployment Compensation (FPUC) program benefit.

Several significant changes are upcoming:

- On July 25, the \$600 per week FPUC stipend will end, unless Congress and the White House extends it.
 - With the scheduled end of FPUC benefits, unemployment benefits will decrease for approximately 75 percent of the local jobless.
- After July 25, Workforce Solutions Capital Area expects an increase in job seekers and demand for job matching and training support services.
- 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, in about three months.

“With high levels of unemployment and relatively few job openings, there's also a cut in take-home pay coming for approximately 75 percent of Austinites,” Atkinson said. “While many people in Travis County are still seeking work or training opportunities at a volume much higher than before the pandemic – with many more to come – our financial resources are scheduled to be further stretched.”

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.

“Federal funding for job training is determined by our region’s economic health between June 2018 to July 2019, when Austin was in full employment,” Atkinson said. “Our federal funding does not take into account the current pandemic and work necessary for workforce boards and communities to create a stronger, safer, smarter workforce.”

To ensure trainees find jobs, WIOA provides funding for training in occupations with proven earning potential in growing industries in Travis County, such as auto mechanics, computer support specialists, and nurses. WIOA-funded training is provided by a wide variety of certified training providers in Travis County.

“Low-income adult workers and dislocated workers living in Travis County, who are usually eligible for WIOA and are most impacted by the pandemic, will be more so affected as our capacity to support them decreases,” said Atkinson.

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 continues 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.

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.

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

- Leisure & Hospitality experienced the greatest increase with 13,600 jobs, followed by Trade, Transportation, & Utilities (6,900) and Education & Health Services (6,500).
 - Other industries that experienced a jobs increase were Other Services (6,100), Financial Activities (2,000) and Mining, Logging & Construction (1,200).
- Government experienced the greatest decrease with the loss of 2,800 jobs, followed by Professional & Business Services (-1,000) and Information (-500).
- Financial Activities experienced the greatest regional annual job growth with an increase of 13.2%, followed by Mining, Logging & Construction (5.9%) and Manufacturing (3.3%).
- Industries that experienced a significant decrease in regional annual job growth include Leisure & Hospitality (-27.1%), Information (-13.9%), Education & Health Services (-7.8%) and Government (-7.5%).

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Workforce Solutions Capital Area is an Equal Opportunity Employer/Program. Auxiliary aids and services are available, upon request, to persons with disabilities. **Relay Texas:** 1.800.735.2989 (TDD) / 711 (Voice) www.wfscapitalarea.com

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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