



Boston Added Nearly 40,000 Jobs in July

Employment Levels Remain Roughly 11% Below Pre-Pandemic Peak



Employment levels have improved in Boston this summer, although with fall approaching many will be carefully watching the region's numerous colleges and universities for outbreaks and any resulting ripple effect on local businesses. (Getty Images)

By Todd Galvin
CoStar Analytics

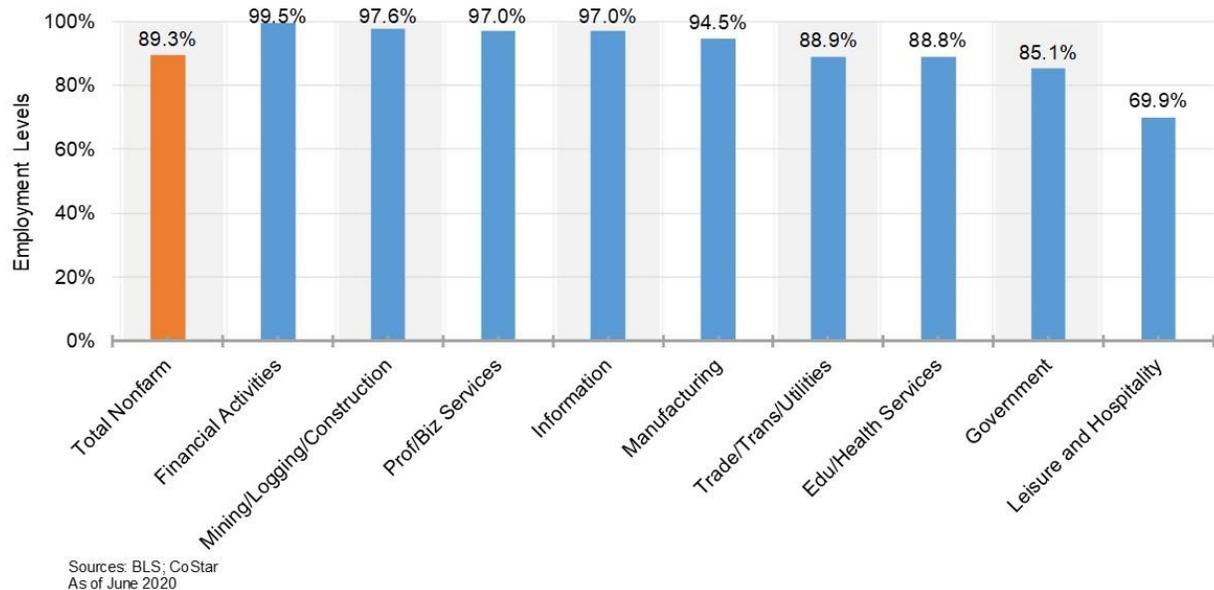


August 26, 2020 | 8:47 AM

The Boston metropolitan area added 38,900 jobs in July according to the Bureau of Labor Statistics, marking the third consecutive month of job growth since the substantial losses stemming from the pandemic fallout in April. The leisure and hospitality sector continues to lead in nominal jobs returning, followed by trade and transportation.

Boston has added more than 165,000 jobs since April, but that's still less than 40% of the total jobs lost during that time. However, total employment is still roughly 11% below pre-pandemic levels, which is relatively healthy on balance, and the unemployment rate for the entire state remains the highest in the country at 16.1%.

Employment Levels As A Percent of Pre-Pandemic Levels



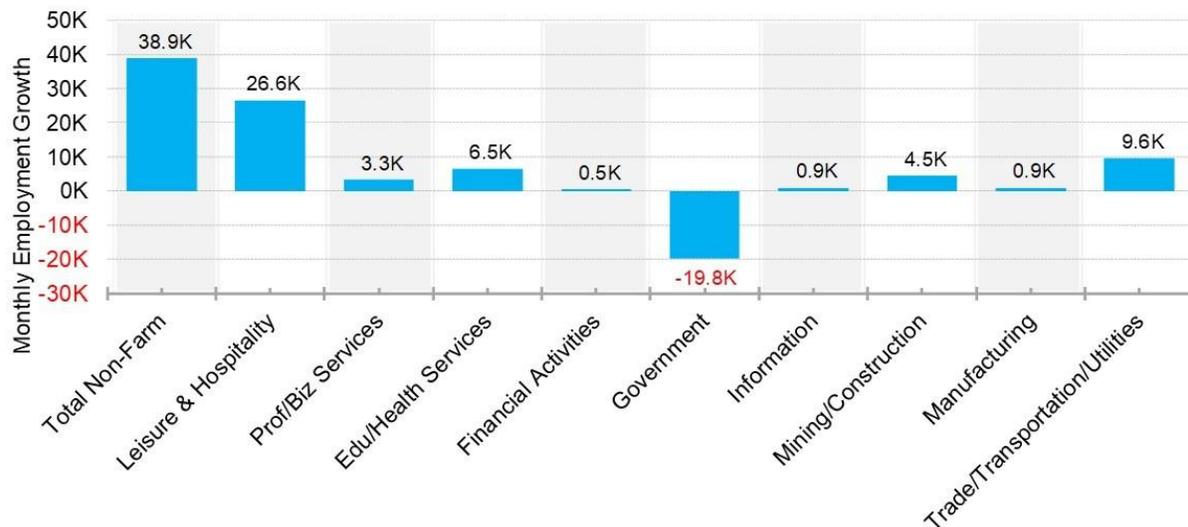
The mining and construction, financial activities, professional and business services and information sectors have the highest percentage of jobs returning. Most construction jobs returned in May when Boston Mayor Marty Walsh allowed workers to return to sites, as construction was deemed an essential activity. Construction continues to be a big factor in the office and apartment sectors, as there are nearly 12 million square feet of office space and roughly 16,000 multifamily units underway.

The office-using sectors of financial activities, professional and business services, and information have proven to be resilient thus far. Together, these sectors are down roughly 2% since the onset of the virus, indicating office-using jobs have been less impacted by the pandemic in Boston, and office fundamentals should benefit as a result.

However, total office leasing and sales volume have slowed significantly, and the ramifications of working from home are already impacting sublease availability, as rates are at all-time highs.

On the other hand, leisure and hospitality, government and education and health services have a long climb ahead. Despite adding more than 88,000 jobs since April, the leisure and hospitality sector is still down roughly 80,000 jobs or 30% below peak levels in February.

Boston Job Growth By Employment Sector, June-July



Sources: BLS, CoStar
As of June 2020



The government sector has yet to see any job gains since February. Nearly 50,000 jobs have been lost during this time, and losses continue to pile up as roughly 20,000 government workers were let go in July. Tax revenue collections have fallen far short of projections and budget gaps continue to increase, which has resulted in layoffs.

As the coronavirus pandemic closes in on the fall months, all eyes will be on the region's education systems. While colleges and universities have different plans for preventing and containing the virus, many students are planning to return to their respective schools in the area. However, several colleges around the country have already seen severe outbreaks, resulting in immediate closures.

If a similar scenario plays out in the city, the implications will likely have a major impact, not only on the education sector but on the local economy as a whole. This could ultimately lead to further lockdown restrictions and business closures, thus weakening job growth.