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## 2019 Industry Shares Of Employment, Earnings, And GSP: Regions Footprint

With the abrupt and widespread shutdown of economic activity across much of the U.S. stemming from the coronavirus, there has been a tendency to dismiss much of the recent economic data on the grounds that it is “old news.” Indeed, at this point, we do not yet have the full complement of economic data for the month of February. While much of the data we have gotten to this point show economic activity was actually accelerating in the first two months of 2020, that is of little solace given the extent to which the data will deteriorate, beginning with the data for the month of March. We have already seen that deterioration in some of the higher frequency indicators we track, such as Morning Consult’s daily index of consumer confidence, Smith Travel Research’s weekly gauges of hotel occupancy and room rates, the weekly data on applications for mortgage loans, and the weekly data on initial claims for Unemployment Insurance. Other non-traditional series, such as Open Table’s data on restaurant reservations and the weekly industry data on box office receipts, point to a sharp and sudden deterioration across consumer-facing segments of the economy. So, sure, it comes of little consolation to know that, for instance, new home sales and new single family construction, jumped to cycle highs in early 2020.

The frustrations over the lack of timeliness in much of the economic data are even more acute when it comes to sub-national data, or, data on the state, metro area, or county level. As we’ve frequently noted, once you work your way down from the national level to the state level to the metro area level to the county level, both the quantity and quality of the data deteriorate, and it takes longer for the data to be compiled and released. So, when the BEA released the Q4 2019 and annual 2019 data on state-level personal income on March 24, our initial reaction – “okay, so what?” – is probably the same as yours upon learning the data are now out. But we quickly reversed course, thinking that looking backward may actually help us look forward into the gathering economic storm. One element of our usual analysis of the state-level data on personal income is examining wage and salary earnings by industry and comparing industry shares of labor earnings with industry shares of employment across the main nonfarm industry groups. We thought that having an industry profile for each of the states within the Regions footprint might be helpful in gauging which states are more exposed to the industries that might suffer the most harm from the abrupt halt in economic activity. And, to be complete, we thought we’d add the data on Gross State Product (GSP) broken down by industry shares (though, talk about long lags, we have the GSP data only through Q3 2019, so the 2019 GSP data are presented in the following table on a year-to-date basis through Q3).

We’ve summarized these breakdowns in the table that follows. For the U.S. as a whole and for each state in the Regions footprint, we show industry shares of labor earnings (from the personal income data), employment (from the nonfarm employment data), and Gross State Product, using the 13 broad nonfarm industry groups. The level of reporting on a sub-industry basis is not uniform across the different series, which is why we use the broad designations here. Still, we think these summaries are useful in exposing particular vulnerabilities in the individual states. For instance, retail trade and leisure & hospitality services account for above-average shares of labor earnings, nonfarm employment, and GSP in Florida, and these were the first industry groups impacted by the fallout from the coronavirus. Or, consider that in Louisiana and Texas, the mining/natural resources industry group accounts for above-average shares of labor earnings, nonfarm employment, and GSP, and this industry group has been rocked not only by the effects of the coronavirus but also by Saudi Arabia effectively declaring a price war on Russia, and doing so with an eye towards U.S. producers.

Clearly, no industry will emerge from the downturn triggered by efforts to stem the spread of the coronavirus – it is most likely that, at some point, the National Bureau of Economic Research, the unofficial arbiter of turns in the business cycle, will declare that a recession began in March 2020. Obviously, not all industries will be impacted in the same way or to the same degree. Health services will fare better than other industry groups, but with many “elective” medical and dentistry procedures increasingly being shut down, the broad industry will be impacted. And some segments of retail trade, such as grocery stores and those retailers who have well-developed online footprints, will see higher-than-normal volume, the broader industry group will clearly suffer. So, we’ll let the following table basically speak for itself, and not only can it help us assess the potential impact of the downturn stemming from the coronavirus, it can also help us assess how quickly, and to what extent, the individual states may recover once we’re on the other side of all of this.

Nonfarm Industry Shares: Labor Earnings, Employment, Gross State Product -- 2019

<b><u>Earnings Shares:</u></b>	U.S.	AL	AR	FL	GA	IA	IL	IN
Mining/Natural Resources	1.58	1.07	1.54	0.38	0.57	0.84	0.32	0.62
Construction	6.20	6.25	5.91	7.01	5.84	7.28	4.91	6.33
Manufacturing	9.17	14.23	13.00	4.95	8.37	17.31	10.73	20.15
Wholesale Trade	4.67	4.43	5.15	5.31	6.18	5.24	6.22	4.82
Retail Trade	5.59	6.32	6.51	7.23	5.71	5.87	4.82	5.81
Trnsp./Wrhs./Utilities	4.81	5.25	6.47	4.57	5.55	5.19	5.67	5.55
Information Services	3.55	1.25	1.11	2.68	5.85	1.79	2.24	1.17
Finance/Ins./Real Estate	9.67	6.81	6.04	10.18	8.81	10.42	11.23	9.03
Bus./Prof. Services	10.62	8.86	5.26	10.18	9.78	5.16	11.84	6.10
Education & Health Services	12.84	11.98	14.15	13.96	11.49	12.18	12.52	14.56
Leisure & Hospitality Services	4.80	3.65	3.65	6.88	3.95	3.34	4.61	3.92
Other Services	3.64	4.17	4.04	4.52	3.26	3.80	3.82	3.92
Government	15.79	20.36	17.04	13.84	15.76	16.53	13.66	12.01

<b><u>Employment Shares:</u></b>	U.S.	AL	AR	FL	GA	IA	IL	IN
Mining/Natural Resources	0.49	0.49	0.46	0.07	0.20	0.15	0.13	0.19
Construction	4.97	4.51	4.10	6.31	4.41	4.93	3.71	4.62
Manufacturing	8.51	12.96	12.71	4.29	8.80	14.26	9.56	17.10
Wholesale Trade	3.91	3.59	3.74	3.94	4.71	4.17	4.81	3.88
Retail Trade	10.36	11.13	10.69	12.39	10.70	11.03	9.59	10.00
Trnsp./Wrhs./Utilities	4.09	3.77	5.33	3.82	5.07	4.37	5.29	5.05
Information Services	1.89	1.02	0.88	1.55	2.53	1.34	1.56	0.91
Finance/Ins./Real Estate	5.79	4.65	4.90	6.60	5.43	6.92	6.72	4.47
Bus./Prof. Services	14.12	12.09	11.40	15.55	15.53	8.78	15.45	10.87
Education & Health Services	16.02	12.03	15.17	14.97	13.21	14.83	15.34	15.22
Leisure & Hospitality Services	10.99	10.07	9.39	14.02	10.88	9.13	10.16	9.90
Other Services	3.90	4.79	4.68	3.94	3.57	3.68	4.18	4.24
Government	14.97	18.89	16.54	12.54	14.96	16.42	13.49	13.56

<b><u>Gross State Product Shares:</u></b>	U.S.	AL	AR	FL	GA	IA	IL	IN
Mining/Natural Resources	2.29	2.01	2.48	0.68	0.76	4.58	0.87	1.23
Construction	4.13	3.64	3.82	5.36	4.26	4.05	3.45	3.97
Manufacturing	11.03	16.77	14.68	5.43	10.52	17.46	12.11	26.96
Wholesale Trade	5.97	5.59	7.73	6.95	7.71	5.97	8.11	5.72
Retail Trade	5.47	7.00	6.91	6.96	5.39	5.18	4.80	5.52
Trnsp./Wrhs./Utilities	4.77	5.86	6.95	5.13	5.74	5.14	5.80	5.49
Information Services	5.23	2.27	3.10	4.10	7.83	2.48	3.49	1.65
Finance/Ins./Real Estate	20.96	16.55	15.65	22.99	20.56	24.34	22.95	15.74
Bus./Prof. Services	12.78	10.11	10.82	13.26	12.61	6.74	13.81	8.79
Education & Health Services	8.77	8.05	9.54	9.63	7.83	7.63	8.68	9.72
Leisure & Hospitality Services	4.19	3.30	3.33	6.09	3.31	2.90	4.15	3.71
Other Services	2.13	2.57	2.37	2.64	1.89	2.06	2.26	2.23
Government	12.28	16.28	12.61	10.78	11.60	11.46	9.51	9.27

Nonfarm Industry Shares: Labor Earnings, Employment, Gross State Product -- 2019

<b><u>Earnings Shares:</u></b>	KY	LA	MO	MS	NC	SC	TN	TX	Regions
Mining/Natural Resources	1.05	5.22	0.41	1.87	0.34	0.45	0.31	7.60	2.46
Construction	6.02	8.81	6.23	5.71	6.51	6.67	6.75	7.85	6.72
Manufacturing	15.13	9.69	11.20	13.87	10.89	14.02	11.54	8.49	10.24
Wholesale Trade	4.75	4.19	5.25	3.88	5.27	4.36	4.76	5.33	5.30
Retail Trade	5.94	6.19	5.73	7.49	5.87	6.58	6.46	5.39	5.92
Trnsp./Wrhs./Utilities	7.09	5.56	4.51	6.09	3.83	4.29	5.85	6.43	5.49
Information Services	1.39	1.21	2.28	1.04	2.41	2.00	1.80	2.04	2.34
Finance/Ins./Real Estate	7.22	6.09	9.59	5.17	9.25	7.52	7.93	9.06	9.09
Bus./Prof. Services	5.90	7.31	9.35	4.59	9.25	7.83	7.51	9.98	9.21
Education & Health Services	13.76	14.22	14.33	13.25	12.00	10.30	16.22	10.13	12.42
Leisure & Hospitality Services	4.30	5.05	4.43	4.85	4.76	5.21	6.05	4.16	4.77
Other Services	3.81	3.97	3.89	4.09	3.69	4.01	4.14	3.42	3.82
Government	17.65	17.02	14.77	22.65	18.01	19.53	12.73	13.73	15.01

<b><u>Employment Shares:</u></b>	KY	LA	MO	MS	NC	SC	TN	TX	Regions
Mining/Natural Resources	0.52	1.85	0.15	0.59	0.13	0.20	0.14	1.95	0.63
Construction	4.14	7.11	4.35	3.82	5.06	4.90	4.15	6.06	5.14
Manufacturing	12.99	6.92	9.54	12.69	10.45	11.79	11.36	7.08	9.21
Wholesale Trade	3.90	3.46	4.26	2.98	4.10	3.34	3.87	4.77	4.22
Retail Trade	10.81	11.22	10.50	11.74	10.93	11.51	10.75	10.32	10.83
Trnsp./Wrhs./Utilities	6.09	4.39	3.97	5.23	3.49	3.80	5.85	4.55	4.56
Information Services	1.11	1.11	1.64	0.93	1.67	1.23	1.46	1.63	1.53
Finance/Ins./Real Estate	4.82	4.63	6.03	3.84	5.52	4.78	5.52	6.26	5.81
Bus./Prof. Services	11.16	10.84	13.18	9.34	14.17	13.65	13.67	14.01	13.72
Education & Health Services	14.60	16.12	16.69	12.69	13.68	11.78	14.15	13.60	14.28
Leisure & Hospitality Services	10.42	11.97	10.63	11.76	11.29	12.40	11.17	10.89	11.26
Other Services	3.39	3.72	4.02	3.51	3.49	3.63	3.88	3.48	3.81
Government	16.04	16.65	15.04	20.87	16.02	16.99	14.02	15.40	14.99

<b><u>Gross State Product Shares:</u></b>	KY	LA	MO	MS	NC	SC	TN	TX	Regions
Mining/Natural Resources	1.84	5.03	1.03	2.80	0.74	0.59	0.56	8.79	3.16
Construction	4.32	5.19	3.67	3.72	3.96	5.11	3.97	5.30	4.52
Manufacturing	17.83	20.21	12.00	15.97	17.08	16.43	14.73	13.06	13.48
Wholesale Trade	6.97	5.28	6.69	5.56	5.96	5.82	6.97	7.83	7.05
Retail Trade	5.88	6.29	5.76	7.90	5.21	6.59	6.62	5.58	5.86
Trnsp./Wrhs./Utilities	6.79	5.85	5.37	6.79	3.95	5.00	5.19	5.33	5.40
Information Services	2.26	2.01	4.11	1.92	3.42	2.79	3.00	3.69	3.68
Finance/Ins./Real Estate	16.28	14.85	19.46	15.49	20.31	17.07	17.02	15.57	18.84
Bus./Prof. Services	8.73	8.85	13.39	7.23	12.45	11.10	11.72	12.06	11.86
Education & Health Services	9.68	8.63	10.50	8.73	8.08	7.31	11.06	6.87	8.45
Leisure & Hospitality Services	3.85	4.49	4.05	4.53	3.80	4.78	5.69	3.61	4.21
Other Services	2.19	2.17	2.35	2.35	2.07	2.34	2.47	2.01	2.23
Government	13.38	11.15	11.63	17.00	12.97	15.07	11.01	10.29	11.26