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COVID-19: Impact by Industry

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Humpty Dumpty sat on a wall,
Humpty Dumpty had a great fall.
All the king's horses and all the king's men
Couldn't put Humpty together again.

I haven't been able to get that nursery rhyme out of my head in recent days. The resurgence in the number of COVID-19 cases and hospitalizations has shattered hopes for much of a recovery over the summer. Older consumers held back at the onset of reopenings, which is part of the reason why the recent surge in infections has hit people in their twenties and thirties harder than other age groups.

The decision by the administration to push reopening and "live with the virus" adds insult to injury. It will further seed fears of contagion and isolate the U.S. The European Union (EU), which is doing much better on infections and reopening, just banned travel from the U.S. We are joined by Brazil, India and Russia.

High frequency data show an even larger pullback after the recent surge in COVID-19 cases. Reservations for restaurants in hot spots plummeted, foot traffic in retail establishments dropped and new job postings fell in late June. Employment is now expected to lose ground in July after posting large gains in May and June. States hardest hit by the surge in COVID-19 cases - California, Florida, Arizona and Tennessee - reported a sharp increase in initial unemployment claims the week ending June 27. That was before some states reversed course on reopening and closed bars, indoor dining and gyms.

The Struggle to Recover

Real GDP looks like it contracted at a 35.5% annualized pace in the second quarter as the pullback and lockdowns associated with COVID-19 worked their way through the economy. Losses were unprecedented and felt in nearly every sector: consumer spending, investment, inventories, government spending and trade all took away from growth. The trade deficit, which usually narrows during a recession, further widened. The U.S. lagged other countries going into lockdowns, which hit exports harder than imports during the quarter.

The recent resurgence of COVID-19 cases and hospitalizations is expected to dampen efforts to reopen this summer. Consumers in the worst affected areas hit the pause button before states reversed course on reopening. Sadly, this is in line with our forecast, given how many states reopened early. Thresholds set by the Centers for Disease Control and Prevention (CDC) were not met before shelter-in-place and stay-at-home rules were suspended. The lockdowns are not as widespread as they were in March and April, which should allow reopenings outside of hardest hit states. This includes much of the Northeast and Midwest. Real GDP is expected to rise at a 17.8% annualized pace in the third quarter, which will leave us still in the hole at the start of the fourth quarter.

Congress is expected to provide another $1.5 trillion in aid. The problem is that the gap left by COVID-19 just widened. Most do not expect new funds to show up until mid-August, which means the extensions to unemployment insurance will likely lapse. They will also arrive too late to prevent deep cuts at the state and local levels; most fiscal years have already begun. That leaves the Federal Reserve. Look for Chairman Jay Powell to commit to lower rates for even longer at the July FOMC meeting. None of that will get the economy back to its previous peak before 2022.

The health and economic crises are inextricably linked. Our ability to recover depends upon our ability to manage the spread of infections - period. Recent research from the University of Chicago supports this view. It found that when comparing the pullback by consumers by county, fear of contagion had a much greater impact on activity than mandated lockdowns.

The idea that COVID-19 is just about the death of older, more vulnerable individuals is a false narrative. The jump in the pace of hospitalizations of young people is disturbing as it underscores just how devastating this disease is to the healthiest people. Large swathes of workers and consumers could be out sick as we struggle to ramp up this fall. Worse yet, COVID-19 may have mutated to become even more infectious.

The consequences are so dire that states that have already been to the edge of the abyss are requiring 14-day quarantines for those traveling from hot spots. New York, New Jersey and Connecticut led early outbreaks. Chicago joined the mix just before the Fourth of July holiday, requiring quarantines from 15 states. Those are on top of the 17 states already requiring travel restrictions. This is despite the blow such moves will have on travel and tourism. Cancellations for travel have already picked up.

Experts like Dr. Anthony Fauci at the National Institute of Allergy and Infectious Diseases (NIAID) say prospects for a vaccine are good but not likely to be available in the supply needed until at least 2021. That is a breakneck pace for science but an eternity for an economy living with the threat of what may be an even more contagious disease in the interim. Then there is the issue of projected uptake, which remains unusually low, although that could change. Vaccines may gain more acceptance in the population as the pace of infections soars.

This edition of ***Economic Currents*** takes a closer look at the economic fallout of COVID-19 over the next year by sector. Most have been affected by the crisis; only a few will actually benefit. Industries that are contingent upon people congregating in enclosed spaces will tend to suffer more than those in which social distancing and frequent cleaning are easier. Those that help us to better manage the virus via treatments, a vaccine or to keep us connected while working from home will win. Big pharma is particularly well positioned to emerge as a winner from COVID-19.

Support from the federal government to weather the storm will help determine who survives. Congress is currently debating another round of aid. Our forecast assumes an additional $1.5 trillion in federal support before the summer is over but the clock is ticking. Most state and local governments started their fiscal years on July 1. Extended unemployment insurance (UI) benefits administered by the states are slated to expire at the end of July. Research on the Paycheck Protection Program (PPP) loans/grants suggests they did little to boost employment or help small firms. The bulk of the initial aid was distributed to regions and firms least affected.

Industry Fragmentation

The table on the next page provides a ranking of industries from most to least risky in the year ahead. Industries in red are the most vulnerable to the losses triggered by COVID-19; industries in green are the least. It was hard to get to green given the fragmentation both within and across sectors. COVID-19 has triggered our first-ever service sector recession with industries such as health care, which was once considered recession-proof, among the first to suffer.

To compile the list, we integrated risk assessments of activities with our own forecast for a more tepid recovery and work done by Oxford Economics on the financial shape of firms. We also made assumptions about the amount of government aid by industry. The Centers for Disease Control and Prevention (CDC) has provided guidance on how to mitigate risks by activity; activities that you can do while safely distancing yourself from others, wearing a mask for and being outside are inherently less risky than those that are indoors. There is not an official assessment of the risk of contagion by activity but medical centers and the Texas Medical Association have released their own assessments to help individuals and states across a variety of activities. Going to a crowded bar is the riskiest thing to do on these lists.

Leisure and Hospitality. The leisure and hospitality sector, which includes everything from restaurants, bars and hotels to arts and entertainment (theaters, casinos, sporting events) tops the list of most vulnerable to COVID-19. Bars are among the riskiest of places to be and have served as a conduit for the most recent spread of infections in the U.S., South Korea and Japan. Gyms and spas are also extremely high risk.

Industries Ranked: High to Low Risk

- Leisure and Hospitality
- Retail Trade
- Finance
- Mining
- Utilities
- Professional Services
- Education and Health Care
- Agriculture
- Construction
- Transportation and Warehousing
- Information
- Manufacturing
- Wholesale Trade

Source: Grant Thornton LLP

Many businesses that attempted to reopen have closed again. Professional sports, which many would like to see restarted, have suffered yet another setback. COVID-19 cases among players picked up as teams started to practice in empty stadiums. Some U.S. sports are attempting to relocate to Canada where infections are lower. Canada has warned that it may not allow that, given the risk of importing infections.

The industry has a low capacity for work-from-home and a disproportionate number of small businesses, especially among restaurants and bars. They were large recipients of the PPP loans/grants but as mentioned above, those are no panacea. The firms that could actually use the loans as a lifeline will need another round of cash infusions to bridge the shortfall in business; they can't ramp up to pre-COVID capacity levels anytime soon.

Indoor dining is especially hard to ramp up. Contagion rates inside restaurants, even with low occupancy rates, are high. Some restaurants that reopened were closed soon after because they couldn't guarantee the safety of their staff. There is no way for patrons who are eating and drinking to wear masks. Most states are mandating restaurants to reopen at 25-50% capacity, while most restaurants need an average of 75% capacity to break even; that really means heavy crowds with big bar tabs to bolster margins Thursday through Saturday.

Fast-food restaurants have fared better with drive-through service. McDonald's announced it would delay the reopening of dining in, in response to the recent surge in infections.

The costs of cleaning public places have surged. This is a cost that businesses have to absorb without any offsets by the government. Protocols on what is and is not allowed also differ by state, which adds more to costs, especially in compliance costs for national chains.

Retail Trade. The outbreak of COVID-19 accelerated the restructuring already happening in the retail sector by at least two years. Bankruptcies of old-line department stores jumped, along with announcements of permanent store closings. Efforts by the Federal Reserve to provide lifelines to "fallen angels," or firms that didn't slip into junk bond status until after the crisis got underway, will only defer a portion of those restructurings.

Small retailers have been hardest hit as few had much of an online presence to keep sales going during the crisis. Every window I see covered in brown paper in my neighborhood represents another small business lost.

The need to stagger customers and clean premises adds costs. Many spas and hair salons are running at a fraction of capacity now that the initial surge after reopening has passed. As one hairdresser pointed out, "a missed haircut is lost forever, while most of our clients don't need as frequent of cuts now that they are still working from home."

Separately, work-from-home and cancellations of big meetings and social events have taken a toll on luxury retailers. Why conspicuously consume when there is no one to see the results?

Amazon, big-box discounters, grocery stores and just about everything to do with cooking, remodeling, repairs and gardening are faring much better. People put themselves to work at home with do-it-yourself projects. Canceled vacations also freed up funds to buy luxury cars. A similar phenomenon occurred in China as wealthier households worried about taking mass transit decided to avoid it in style.

Finance. Finance includes finance, insurance and real estate. The most leveraged and vulnerable of the three is commercial real estate, which has taken it on the chin. Small and large businesses alike are deferring rents. Retail and apartment rents were the hardest hit early in the crisis. The catch-up in rents following delayed UI didn't fully offset the losses; homelessness has surged.

The Federal Reserve has warned about the potential damage to bank balance sheets from a surge in defaults and bankruptcies. The problem is so worrisome that the Fed did not release the individual results of bank stress tests on June 25. Only one major bank cut its dividend after the stress tests, but credit standards have tightened significantly. That may not be enough to ward off a larger crisis. Fed Governor Lael Brainard was the lone dissenter over whether the Fed should require banks to cut their dividends in the wake of the tests.

Separately, former Fed Chair Janet Yellen argued that leverage in the non-financial system could have precipitated another financial crisis in March if the Fed had not intervened. She was particularly concerned about the rise in debt on nonbank balance sheets.

Mining. The shale industry was already overloaded with debt and under pressure to deliver more in profits ahead of the crisis. The downdraft in oil prices that followed the crisis added insult to injury. Saudi Arabia accelerated the decline by launching a price war against Russia, which would not agree to production cuts.

Prices have since rebounded but are not expected to remain high. China, the largest single market putting upward pressure on oil prices during much of the 2010s, has slowed and formed a consortium to negotiate lower prices. That downward pressure on prices, coupled with high debt loads, means any reprieve the oil industry experiences could be temporary.

Utilities. Utilities are heavily regulated and were forced to accept deferrals in most states during the height of the crisis. There are restrictions on turning power off for consumers when temperatures plummet. That, coupled with financial problems ahead of the crisis and a lack of support from state or federal authorities, leaves them more vulnerable to the blow dealt by COVID-19.

Demand is expected to remain weak. Malls and offices will remain relatively empty as stores shutter in response to cases surging. Demand for utilities in urban centers is expected to remain especially weak through year-end.

Professional Services. Most people think of the large consulting, audit and tax firms when they think of professional services. Audit and tax services are more resistant to cuts than consulting, although technology consulting and ways to hedge business disruptions should rise as firms get past the initial shock of the pandemic. Cybersecurity has become even more important in the middle of COVID-19.

Consolidation and a rise in bankruptcies are the biggest threats to large professional service firms. The battle for market share will intensify.

Staffing firms are also key players. They are vulnerable to near-term hiring freezes and the extent to which we experience a second round of white-collar layoffs.

Small businesses focused on servicing the needs of the real estate and leasing parts of the market are most at risk. These businesses will suffer when the most heavily leveraged and vulnerable commercial market collapses.

Education and Health Care. Both public and private education systems have been hit. Cuts are expected to mount given the uncertain fate of schooling for children and college students. Most schools are trying to offer contingency plans with backup online options. Efforts to deport foreign students who are not taking in-person classes represent another blow to the finances of higher educational institutions; they tend to pay full tuition.

Less is known about whether children are carriers of the disease. More aggressive testing would help us to understand the dynamics at play among children and whether we can get them back to school, which is critical to getting many parents back into the labor market.

The situation is so urgent that Congress is actually looking at ways it might subsidize childcare costs in the next round of aid. This would provide a lift to both parents and childcare providers unable to care for their children while out of school. It is unclear how that would change the equation for the lowest wage workers living in childcare deserts.

Health care is an even tougher nut to crack given the drain COVID-19 has placed on more profitable activities, including elective surgeries for hospitals. Funds for hospitals are available but they still don't begin to cover the losses they are enduring, especially as the pace of hospitalizations jumps. Resources are so tight that deaths among young people are now expected to rise, which will intensify the fear and hesitation consumers are showing more broadly.

Health care also has more than its share of smaller physicians and dentists' offices. Doctors rate the risk of going to a doctor or dentist as moderate but the news hasn't reached the public. These were among the first places to close before lockdowns came into effect. Protocols to keep offices safe and stagger patients have cut into margins and could prompt more layoffs. Some received PPP loans but those are short-lived.

Agriculture. Farmers have been hit on all sides. Restaurant closings forced farmers to let crops rot in the fields, while weak global demand during the height of COVID-19 lockdowns put a damper on exports. China is nowhere near meeting targets in the Phase One trade deal to buy U.S. goods so the White House has threatened to retaliate with tariffs. This is at the same time that the administration put curbs on migrant workers. There has also been a surge in COVID-19 cases in some parts of the country among those who work the fields. That will further inhibit farmers' ability to harvest crops before they rot.

Livestock farmers are suffering supply chain disruptions. A surge in COVID-19 cases at meat and poultry processing plants, where social distancing is next to impossible, has triggered a rush of plant closings. This has pushed up the prices of meat and poultry - I am weighing becoming a vegetarian - which has limited the ability of farmers to get livestock to market.

Escalating trade tensions are another hurdle. Farm subsidies are among the easiest to convince Congress to vote for. Few countries want to rely on others for food; they will go to great lengths to protect agriculture.

Construction. Construction workers received early waivers in many cities as essential workers because of their ability to socially distance while working. Small construction firms were able to tap PPP loans. A surge in defaults on rents for apartments and commercial real estate is expected to take a toll on construction activity going forward.

Curbs on state and local government budgets and cuts to university and college budgets represent additional hurdles. Campuses have been scrambling to add high-end housing in recent years to accommodate wealthy, foreign students, who will not show up in the fall. A surge in COVID-19 cases, coupled with a suspension of legal immigration, is a powerful deterrent.

The only exceptions could be residential and office spaces in suburban markets. Mortgage applications surged when the economy reopened in late May and June. It is unclear how much of that represents pent-up demand following lockdowns, and how much shows fundamental improvement. The housing market was on a tear prior to this crisis and appears to be retaining some momentum.

There is a push by some large employers to spread their office space between urban and suburban destinations. They are reconfiguring space to allow for more social distance between workers; plexiglass sold out early during the lockdowns. Most workers remain reluctant to return to offices, especially in large cities with mass transit.

Transportation and Warehousing. Travel bans, canceled vacations and the medium-to-high risk that most doctors assign to air travel suggest that the industry will remain under stress for some time to come. The federal government has come to the rescue of major carriers but that will not prevent bankruptcies in the industry. Cruise lines have also been hit hard, but the government has decided not to provide bailouts. Cruise lines were incorporated abroad to avoid paying taxes.

Trucking and freight travel have held up better but are still well below previous peaks. Online shopping has provided the most support, although it's proven costly to some firms. A pickup in manufacturing activity should provide a lift for the industry. The rebound in trade, which hits the rail industry harder, is expected to be slower to come back.

The warehousing industry has been more mixed. Warehousing for retail and online purchases remains strong while inventories, notably in the manufacturing sector, are falling. We should see some rebound in warehousing as the economy reopens but as we have already seen, that process remains extremely uneven.

Information. The information sector includes print publishing, broadcasting and motion pictures. Data processing and internet publishing are separate industries in the information sector and more closely tied with the fortunes of Silicon Valley.

Print publications have been on a long-term downtrend, which was exacerbated by a drop in advertising. Cuts were fairly quick, especially across regional newspapers and magazines. Broadcasting also suffered major cuts in ad revenues, but cut fewer jobs, at least until now.

Motion pictures suffered two blows. First in a drop in box office revenues, which remained near zero even as theaters attempted to reopen in some states. Going to a theater ranks high among the kind of risk that people can take when it comes to COVID-19. Second, there were large delays in film production. Some films have resumed work abroad, but that will not do much to help workers who provide support for the industry stateside.

The only winners are data processing and internet services. They will benefit from the shift to more investment in technology and efforts to prevent cyber attacks.

Manufacturing. Manufacturing firms are easier to open while maintaining social distancing protocols. Shifts can be staggered, people can be separated and cleanings can be done more frequently to reduce the risk of contagion.

The winner is big pharma, which is racing for treatments and a vaccine. Remdesivir is one of the first proven to shorten hospital stays, but supplies are running out.

Nondurable goods are next: food, cleaning supplies, toilet paper and personal protective equipment (PPE). Demand is expected to remain elevated given the ongoing needs to social distance and stay home instead of travel.

Big-ticket durable goods such as vehicles, furniture, appliances and home exercise equipment are faring better. Stimulus checks, coupled with wealthier households substituting vacations for vehicles and remodeling, are aiding those purchases. The risk is a blow to white-collar employment over the summer and fall, when we could see a double-dip recession.

The largest losers are aircraft producers. Defense has held up better than demand for commercial aircraft, which cratered in response to the problems Boeing had with its 737 Max. COVID is a whole new ball game, much worse than 9/11. One of the first things to be cut when China had a small outbreak in Beijing was air travel.

Agricultural and construction equipment are also expected to get hit. Farm profits plummeted in response to the trade war with China in 2019 and COVID-19 lockdowns in 2020. Additional tariffs and penalties are likely. The demand for construction equipment is mixed. Large-scale infrastructure projects are usually the first to be cut when state and local governments tighten their belts. Commercial real estate will be hit hard by the crisis. One of the first things that firms and households deferred was rent payments as the crisis unfolded.

> "The more COVID-19 fractures industries and countries, the harder it will be to mend the fragments."

Separately, the push to regionalize supply chains has intensified. Mexico was seen as the largest winner due to the USMCA. Breaking up is hard to do. China has a more developed and integrated supply chain and is better at quelling the virus than Mexico. The border between Mexico and the U.S. closed as I was writing this due to concerns about importing cases in both directions.

Wholesale Trade. Business-to-business wholesale trade operations are among the least affected by COVID-19 but are exposed to all industries. They don't deal with consumers directly. Most were able to stay open as long as their vendors and producers were still operating. Many firms scrambled to help end users get the supplies they needed to support production in PPE when shortages emerged.

Bottom Line

COVID-19 has fractured the economy in ways that may have a lasting impact. Bankruptcies are soaring for individuals and firms. The sad part is that it didn't have to be this way. Countries that suffered worse initial surges are recovering more robustly and curbing contact with the U.S. This brings me back to where I started, with Humpty Dumpty.

When I was a child, I believed the nursery rhyme had to be wrong. I watched my mom meticulously repair her favorite teapot with epoxy glue after it broke. It looked amazing.

She later passed it on to me. I decided to use it to impress my soon-to-be mother-in-law, who loved tea. It held for a few seconds, then spewed scalding water in every direction. That was 30 years ago. I still have the teapot to look at but have not used it since the fix proved to be an illusion.

The moral of the story: The more COVID-19 fractures industries and countries, the harder it will be to mend the fragments. The economy that emerges may look similar but not function as well as the one we had before. The whole really is greater than the sum of its parts.

Economic forecast — July 2020

	2019 (A)	2020	2021	2019:4 (A)	2020:1 (E)	2020:2	2020:3	2020:4	2021:1	2021:2	2021:3	2021:4
National Outlook												
Chain-Weight GDP[1]	2.3	-6.1	4.5	2.1	-5.0	-35.5	17.8	5.0	8.1	7.3	6.6	2.1
Personal Consumption	2.6	-5.6	4.3	1.8	-6.8	-36.4	27.8	4.9	4.2	5.6	7.9	2.4
Business Fixed Investment	2.1	-11.0	-2.7	-2.4	-6.4	-33.3	-12.6	-0.2	2.9	2.9	2.9	0.7
Residential Investment	-1.5	-2.3	2.6	6.5	18.2	-40.1	9.6	4.0	6.9	4.8	6.9	9.5
Inventory Investment (bil $ '12)	67	-216	2	13	-75	-219	-309	-260	-156	-13	72	106
Net Exports (bil $ '12)	-954	-789	-733	-901	-817	-863	-730	-747	-661	-697	-764	-810
Exports	0.0	-19.5	15.8	2.1	-9.0	-70.2	4.4	34.8	56.7	20.6	12.0	11.1
Imports	1.0	-18.9	9.4	-8.4	-15.7	-55.3	-15.9	27.3	24.0	21.2	18.8	14.7
Government Expenditures	2.3	0.5	2.0	2.5	1.1	-6.2	2.1	3.2	3.2	3.7	0.3	1.0
Federal	3.5	4.4	6.0	3.3	2.0	6.7	7.1	3.4	9.0	9.2	0.2	2.1
State and Local	1.6	-1.9	-0.5	2.0	0.6	-13.4	-1.0	3.0	-0.4	0.1	0.4	0.4
Final Sales	2.2	-4.8	3.4	3.1	-3.5	-33.5	19.6	4.0	5.9	4.5	4.9	1.5
Inflation												
GDP Deflator	1.8	1.1	0.7	1.4	1.4	-0.3	1.7	0.3	0.3	0.7	1.3	1.3
CPI	1.8	0.8	1.6	2.4	1.2	-3.7	2.5	1.2	1.6	2.0	2.8	2.5
Core CPI	2.2	1.3	1.0	2.0	2.1	-1.8	1.4	1.1	0.8	1.4	1.5	1.5
Special Indicators												
Corporate Profits[2]	2.2	-33.7	14.6	2.2	-6.9	-11.7	29.8	-33.7	-18.5	-14.5	-38.4	14.6
Disposable Personal Income	2.9	3.9	-0.6	2.1	0.9	43.6	-23.2	-9.9	5.6	4.1	3.9	-1.6
Housing Starts (mil.)	1.30	1.21	1.31	1.43	1.48	1.01	1.14	1.19	1.25	1.26	1.36	1.38
Civilian Unemployment Rate	3.7	9.1	7.3	3.5	3.8	13.0	10.6	9.0	8.6	7.3	6.9	6.4
Total Nonfarm Payrolls (thous.)[3]	1388	-9215	5517	221	-1126	-16102	5190	2823	822	2625	907	1163
Vehicle Sales												
Automobile Sales (mil.)	4.9	3.3	3.8	4.5	4.0	2.6	3.1	3.5	3.7	3.8	3.9	3.9
Domestic	3.5	2.3	2.7	3.3	2.9	1.8	2.2	2.5	2.6	2.7	2.8	2.8
Imports	1.4	0.9	1.1	1.2	1.1	0.8	0.9	1.0	1.1	1.1	1.1	1.1
Lt. Trucks (mil.)	12.1	9.4	12.7	12.3	11.2	6.8	9.3	10.4	11.7	12.9	13.1	13.0
Domestic	9.7	7.7	10.0	9.7	8.9	6.7	7.2	8.2	9.2	10.3	10.2	10.1
Imports	2.4	2.2	2.7	2.6	2.3	2.1	2.1	2.2	2.5	2.6	2.9	2.9
Combined Auto/Lt.Truck	17.0	12.7	16.5	16.8	15.1	9.4	12.4	13.9	15.4	16.7	17.0	16.9
Heavy Truck Sales	0.5	0.4	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5
Total Vehicles (mil.)	17.5	13.1	17.0	17.3	15.5	9.7	12.8	14.3	15.8	17.1	17.5	17.4
Interest Rate/Yields												
Federal Funds	2.2	0.4	0.1	1.6	1.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
10-Year Treasury Note	2.1	0.9	0.9	1.8	1.4	0.7	0.7	0.7	0.7	0.8	0.9	1.0
Corporate Bond BAA	4.4	3.8	3.4	3.9	3.9	3.9	4.1	3.2	3.7	3.1	3.4	3.2
Exchange Rates												
Dollar/Euro	1.12	1.12	1.14	1.11	1.10	1.11	1.13	1.13	1.13	1.14	1.14	1.14
Yen/Dollar	109.0	107.3	106.0	108.7	108.8	107.4	106.7	106.1	106.0	106.0	106.0	106.0

1. In 2019, GDP was $19.1 trillion in chain-weighted 2012 dollars.
2. Corporate profits before tax with inventory valuation and capital consumption adjustments, quarterly data represents four-quarter percent change.
3. Total nonfarm payrolls, quarterly data represents the difference in the average from the previous period. Annual data represents 4Q to 4Q change.

Quarterly data are seasonally adjusted at an annual rate. Unless otherwise specified, $ figures reflect adjustment for inflation. Total may not add up due to rounding.