

The Impact of COVID-19 on Illinois Workers

Data from the Current Population Survey, 2019-2021

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Executive Summary

The United States is currently facing a tight labor market, and Illinois is not immune. As of July 2022, there were 469,000 job openings in the state, or 1.6 per unemployed resident. At the same time, as of July 2022, total nonfarm employment in Illinois was still down by about 80,500 workers (-1 percent) compared to February 2020 levels. This report uses *Current Population Survey* data to look back and assess how the pandemic and its aftermath reshaped Illinois' workforce.

Coming in to 2022, total employment in Illinois was down by about 251,000 workers (-4 percent) compared to 2019. The data reveal significant disparities in employment outcomes across Illinois:

- The leisure and hospitality industry was down by 102,000 workers (-19 percent) while the wholesale and retail trade industry was up by 81,000 workers (+12 percent).
- Office and administrative support occupations were down by 160,000 workers (-22 percent) and food service occupations were down by 116,000 workers (-33 percent) while transportation and material moving occupations were up by 81,000 workers (+18 percent).
- There were 200,000 fewer workers with high school diplomas or less but 125,000 more workers with bachelor's or advanced degrees.
- Union members experienced an employment decline of 2.5 percent, half as severe as the loss of jobs amongst nonunion workers (-5 percent).
- Total employment for parents with children under the age of 18 years old was down by 5 percent compared to a drop of less than 3 percent for workers without children.
- The number of Black workers fell by 41,000 (-6 percent) and the number of Hispanic workers fell by 82,000 (-7 percent) because they were disproportionately employed in the hardest-hit industries and occupations that have been slowest to recover.
- Rural Illinois had lost 11 percent of its workforce (-49,000 workers)—mostly due to a significant loss of employment in the manufacturing industry—while the Chicago area was only about 4 percent below pre-pandemic levels.

Illinois could consider several potential policies to attract, develop, and retain workers while boosting economic development:

1. Expand investments in e-commerce infrastructure.
2. Support working parents through expanded access to affordable childcare, paid family and sick leave, and flexible but predictable scheduling.
3. Develop a strategic plan for Illinois' leisure and hospitality industry.
4. Increase access to reliable, high-speed internet.
5. Make college more affordable by increasing investments in higher education.
6. Expand collective bargaining to promote job quality and protect workers from layoffs.
7. Adopt a statewide job quality measurement index.

Illinois' labor market has experienced the same unusual phenomenon as the rest of the country: employers are hiring and workers are missing. Steps can be taken to attract, develop, and retain workers in Illinois and rebuild the state's economy back to—and above—pre-pandemic levels.

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Introduction

The COVID-19 pandemic caused structural changes in America’s labor force and disrupted labor markets globally. Millions of people lost jobs, were temporarily furloughed, suffered from reduced hours, or transitioned to hybrid or work-from-home schedules. At the height of the pandemic in April of 2020, the national unemployment reached 14.9 percent. While the job market has rebounded much quicker than the recovery from the Great Recession, COVID-19 and the subsequent changes to the workforce have restructured and reshaped the labor market.

While employers’ demand for workers returned to pre-pandemic levels, labor force participation still does not match pre-pandemic levels. Early on, some commentators argued that government spending and increases in unemployment insurance benefits were the driving force behind the labor shortage, but these factors have waned and were shown to have minimal impacts. For example, despite having extra income from stimulus payments, consumer demand during the pandemic has grown as much as it did prior to the pandemic ([Zandi, 2022](#)). Additionally, the Federal Reserve Bank of San Francisco compared states that ended enhanced unemployment insurance early to states that maintained the enhanced federal benefits and found that the withdrawal from enhanced unemployment was associated with only a small increase in employer hiring and no impact on unemployment ([Albert et. al., 2022](#)). These factors do not explain 2022’s labor shortage.

Instead, the shortage in workers has been caused by a multitude of factors, including lack of adequate child care that may have forced workers to reduce their hours, the persistence of long-term COVID-19 symptoms, early retirements, and the more than 1 million people who died from COVID-19 to date ([Faria e Castro, 2021](#); [Dickson et al., 2021](#); [Bach, 2022](#); [CDC, 2022](#)). In addition, over 47 million Americans quit their jobs in 2021 in search of better job quality, marking a change in the labor force that some have referred to as “the Great Resignation” ([COC, 2022](#); [Fowers & Van Dam, 2021](#)).

Nevertheless, job openings rose significantly over the past year and have continued to remain high. According to data from the Bureau of Labor Statistics (BLS) at the U.S. Department of Labor, there were 10.0 million open jobs in the United States and only 6.0 million unemployed workers as of August 2022 ([BLS, 2022a](#); [BLS, 2022b](#)). There are 1.7 job openings for every unemployed American. Put differently, if every unemployed person became gainfully employed tomorrow, there would still be 4.0 million unfilled positions in the United States.

The State of Illinois is not exempt from these trends. For example, as of July 2022, there were 287,000 unemployed workers but 469,000 job openings—or 1.6 openings per unemployed resident ([BLS, 2022c](#); [BLS, 2022d](#)). Throughout 2022, Illinois has also had a higher job openings rate and lower worker quits rate than the national average ([BLS, 2022c](#)). Yet, despite high demand for workers, Illinois had 6.06 million nonfarm workers in July 2022, down 80,500 (-1 percent) compared to the pre-pandemic level of 6.14 million workers in February 2020 ([BLS, 2022c](#)).

This report, coauthored by researchers at the Illinois Economic Policy Institute (ILEPI) and the Project for Middle Class Renewal (PMCR) at the University of Illinois at Urbana-Champaign, uses data from the 2019, 2020, and 2021 *Current Population Survey Outgoing Rotation Groups* (CPS-ORG) to examine how the effects of the COVID-19 pandemic have reshaped Illinois’ workforce in order to better understand why Illinois is experiencing a shortage of workers and which workers are “missing” from the labor market.

The Impact of COVID-19 on Illinois Workers

The number of employed workers in Illinois in 2019 prior to the pandemic was approximately 6.19 million. Note that this headcount of workers includes all workers—private, public, nonprofit, self-employed, *and* agricultural workers. In 2020, at the height of the pandemic, the total number of employed workers fell by nearly half of a million (-499,000 workers), representing an 8 percent decrease in working Illinoisians compared to 2019. Over the course of 2021, residents entered and re-entered the workforce, but employment levels did not yet return to what they were pre-pandemic. In 2021, there were still 4 percent fewer employed people (-251,000 workers) in the workforce than there were in 2019 (Figure 1). Data from the BLS suggest that this number has decreased further into 2022 (BLS, 2022c). Additionally, as of July 2022, Illinois had 287,000 unemployed people and an unemployment rate of 4.4 percent (BLS, 2022e).

FIGURE 1: Total Employment in Illinois, 2019-2021

Overall Employment in Illinois by Year	Employment Persons	Change in Workers vs. 2019	Percent Change vs. 2019
2019	6,190,853	--	--
2020	5,692,094	-498,759	-8.1%
2021	5,940,236	-250,616	-4.0%

Source: Authors’ analysis of 2019-2021 CPS-ORG data for Illinois (EPI, 2022).

Some of this gap in employment can be explained by the loss of life associated with the pandemic. Since Illinois’ first confirmed case of COVID-19, the Illinois Department of Public Health (IDPH) has reported 3.8 million COVID cases. There have been more than 35,000 confirmed COVID-19 deaths in Illinois plus nearly 5,000 “probable” COVID deaths (IDPH, 2022). This includes more than 11,000 confirmed deaths amongst people between the working ages of 20 and 69. However, even if all 11,000 had not died and had been able to work, labor force participation would still be down by more than 1 percent. Put plainly, while the effects of the pandemic are responsible for the drop in labor force participation, the virus itself does not directly explain the missing workers.

BY INDUSTRY

Figure 2 shows the number of workers who were employed by major industry from 2019 to 2021. Except for wholesale and retail trade, employment in every industry fell in 2020, and most were still below pre-pandemic levels in 2021. Wholesale and retail trade employment was up by 81,000 jobs (12 percent) in 2021 versus 2019. On the other hand, the industry hit hardest by the

pandemic, leisure and hospitality, was the slowest to recover, with a 19 percent decline in employment when comparing 2019 to 2021, representing a decrease of 102,000 jobs in the field. Manufacturing (-11 percent) was down 78,000 jobs and construction (-10 percent) fell by 34,000 jobs. Other industries like information (-12 percent) and health services (-5 percent) also experienced significant declines in employment from 2019 levels.

FIGURE 2: Employment by Major Industry Group in Illinois, 2019-2021

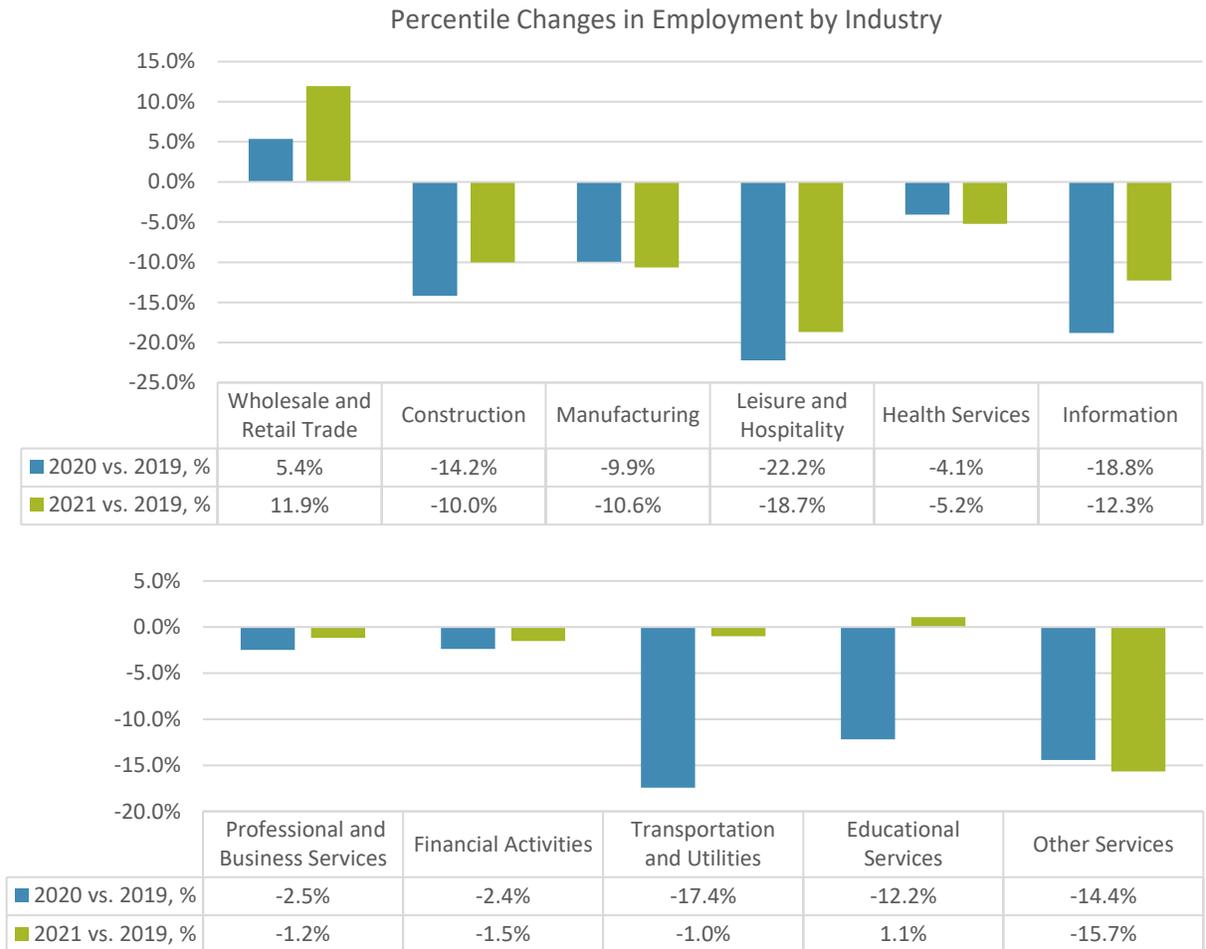


Source: Authors' analysis of 2019-2021 CPS-ORG data for Illinois (EPI, 2022).

Other industries initially experienced massive declines in the numbers of employed workers at the height of the pandemic (Figure 3). For example, employment in transportation and utilities and educational services declined by 17 percent and 12 percent, respectively, from 2019 to 2020. However, both industries largely recovered in 2021, with transportation and utilities down just 1 percent and educational services up 1 percent.

Conversely, industries with high share of workers who could work from home were less impacted by the pandemic. Both the financial activities and professional and business activities industries saw declines in the number of employed workers at the height of the pandemic of about 2 percent and remained about 1 percent below pre-pandemic levels in 2021 (Figure 3).

FIGURE 3: Changes in Employment by Major Industry Group in Illinois, 2019-2021



Source: Authors' analysis of 2019-2021 CPS-ORG data for Illinois (EPI, 2022).

BY OCCUPATION

While the majority of major occupations in 2021 had not yet returned to pre-pandemic levels of employment, six occupations increased or maintained employment (Figure 4). The largest gain was in management, business, and financial services, which are high-paying occupations that can be performed remotely, and which added over 128,000 jobs (12 percent). As consumption patterns shifted to online orders delivered to households, employment in transportation and material moving occupations also increased by nearly 81,000 jobs (18 percent) between 2019 and

2021. In response to the pandemic and broader societal trends, healthcare occupations also added nearly 70,000 jobs (14 percent). Sales and related occupations (6 percent), construction and extraction occupations (0.2 percent), and building and grounds cleaning and maintenance occupations (0.1 percent) also increased employment.

FIGURE 4: Employment by Major Occupational Group in Illinois, 2019-2021

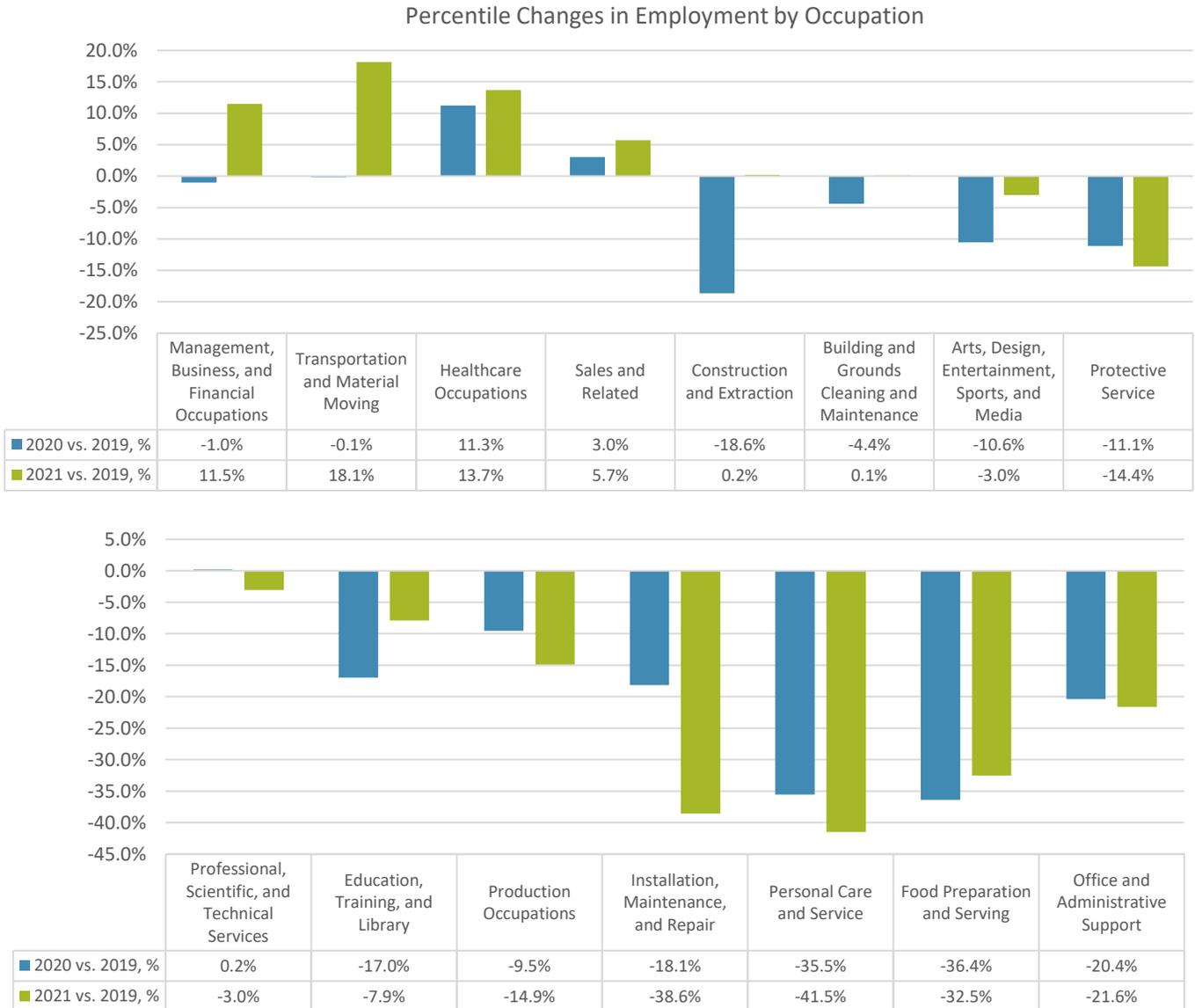


Source: Authors' analysis of 2019-2021 CPS-ORG data for Illinois (EPI, 2022).

Nine major occupations saw drastic reductions in occupational employment between 2019 and 2021 (Figure 5). The largest losses were in office and administrative support roles, which decreased by nearly 160,000 jobs (-22 percent) as offices closed or their employees performed duties remotely. Food preparation and serving occupations lost 116,000 jobs (-33 percent) and personal care and service occupations, including childcare workers and cosmetologists, lost about 88,000 jobs (-42 percent) as some venues, restaurants, barbers, and day care facilities

permanently closed due to the pandemic (Leonhardt, 2022). Employment also decreased by 71,000 jobs in installation, maintenance, and repair (-18 percent), by nearly 58,000 jobs in production occupations (-15 percent), by over 18,000 jobs in professional, scientific, and technical services (-3 percent), by 16,000 in protective service like firefighters, police officers, and security guards (-14 percent), and by 4,000 jobs in arts, design, entertainment, sports, and media (-3 percent).

FIGURE 5: Changes in Employment by Major Industry in Illinois, 2019-2021



Source: Authors' analysis of 2019-2021 CPS-ORG data for Illinois (EPI, 2022).

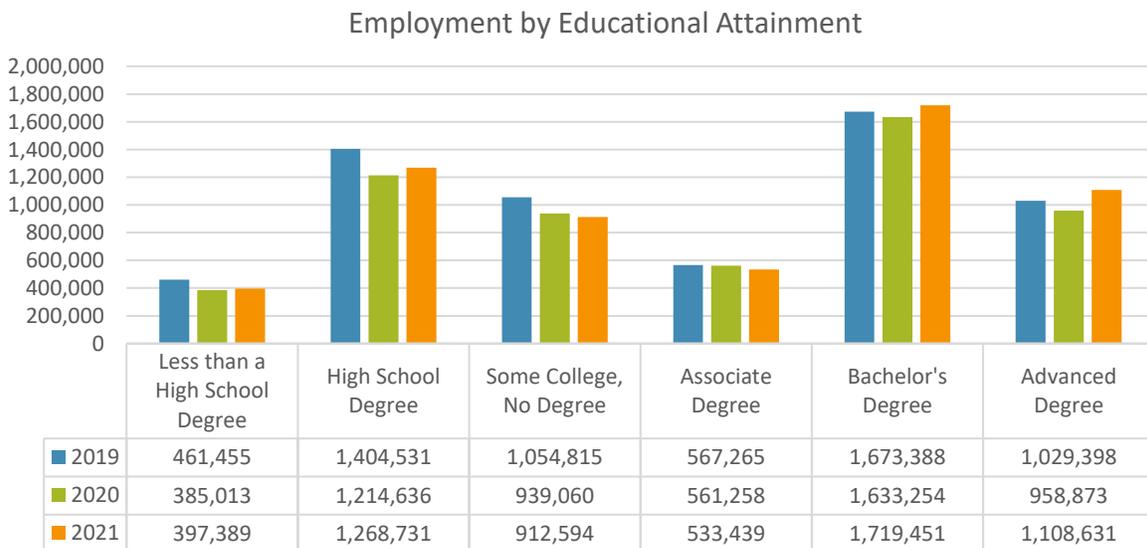
There are notable findings when comparing industries to occupations (Figures 3 and 5). For example, while blue-collar construction and extraction jobs returned to pre-recession levels, the

overall construction industry was still down by about 34,000 jobs. This indicates that the loss was concentrated among white-collar workers in the industry, such as office administrative and support workers and architects and engineers, who fall under the “professional, scientific, and technical services” category of major occupations. On the other hand, employment in the overall educational services *industry*—which includes elementary and secondary schools, colleges and universities, trade schools, and other support services—was up by 1 percent in 2021 compared to 2019. However, education, training, and library *occupations*—which include teachers, professors, and librarians—were down 8 percent. This suggests that the industry has returned to pre-pandemic levels but that teaching jobs have not. Other occupations within schools districts and universities, like jobs in administration or in counseling and support services, may have increased even though teaching jobs did not. This finding could also be due to the significant shortage of teachers. In 2022, 88 percent of schools said they had a teacher shortage problem (ROE26, 2022).

BY EDUCATIONAL ATTAINMENT

In general, the highest-educated workers in Illinois have been most protected from unemployment throughout the pandemic (Figure 6). These workers were most likely employed in either high-paying careers that can be performed remotely or careers in the healthcare sector that grew in response to the pandemic (Manzo & Bruno, 2020a). In fact, by 2021, the number of Illinois workers with bachelor’s degrees was about 46,000 higher than in 2019, a gain of 3 percent. The number of Illinois workers with advanced degrees such as doctorates and master’s degrees was over 79,000 higher in 2021 compared to 2019, a gain of 8 percent. Employment for Illinois workers with bachelor’s degrees or higher thus surpassed pre-pandemic levels last year.

FIGURE 6: Employment by Educational Attainment in Illinois, 2019-2021

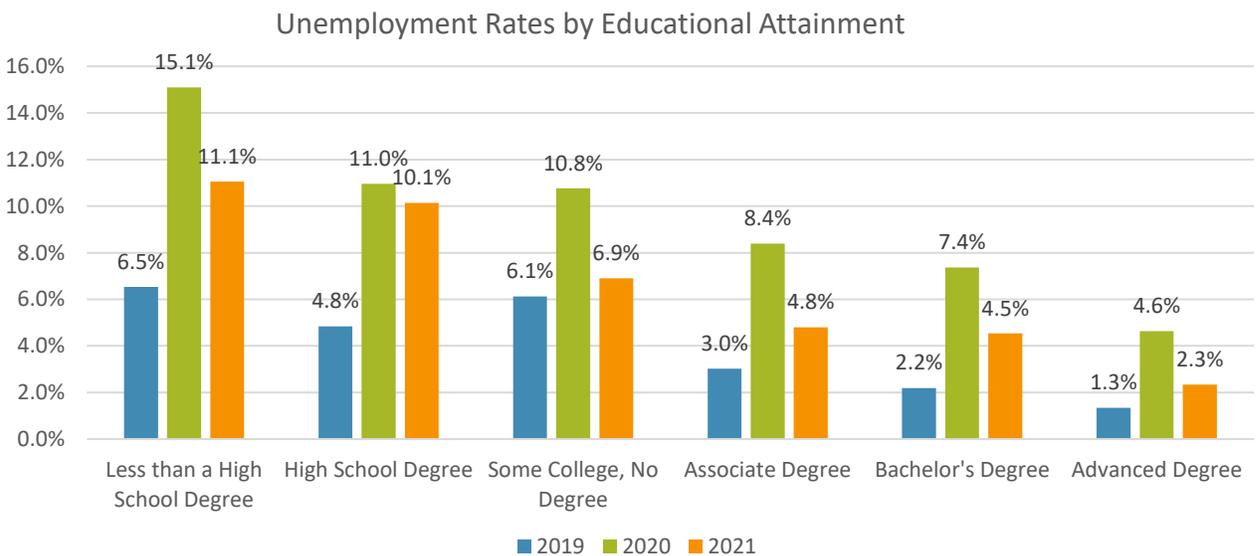


Source: Authors’ analysis of 2019-2021 CPS-ORG data for Illinois (EPI, 2022).

By contrast, less-educated Illinois residents suffered the largest losses (Figure 6). In 2021, there were 64,000 fewer Illinois workers without high school degrees, 136,000 fewer workers with high school diplomas or their equivalents, 142,000 fewer workers with some college but no degree, and 34,000 fewer workers with associate degrees relative to 2019. While some of this phenomenon can be explained by trends in the aging of the workforce—that is, younger workers are more likely to have college degrees than older workers—and by people who were in college in 2019 and graduated in 2020 or 2021, it is also because workers with lower levels of educational attainment are more likely to be employed in the leisure and hospitality industry and in the production, personal care, and food preparation and serving jobs that were most negatively impacted by the pandemic. On net, job access in Illinois has become more polarized by educational attainment. Employment has grown for those with bachelor’s degrees or higher and shrunk for those without bachelor’s degrees. Before the pandemic, 44 percent of the state’s workforce had bachelor’s degrees or higher. By 2021, 48 percent (2.8 million workers) of the state’s workforce had bachelor’s, master’s, professional, and doctorate degrees.

Figure 7 puts these numbers in the context of unemployment rates. Illinois workers with less than high school degrees were the most likely to be unemployed during the period from 2019 to 2021. While unemployment rates failed to fall to pre-pandemic levels for all workers regardless of educational attainment, the unemployment rate for workers with less than high school degrees was still 11 percent as of 2021, about 5 percentage points higher than in 2019. Workers with high school degrees had the second highest unemployment rate at 10 percent, which was also about 5 percentage points above pre-pandemic levels. Unemployment rates for those with bachelor’s degrees and advanced degrees were both below 5 percent by 2021 (Figure 7). Despite higher employment levels among these groups of workers, their unemployment rates remained elevated relative to before the pandemic because the size of the labor force with bachelor’s and advanced degrees also increased during this time.

FIGURE 7: Unemployment Rates by Educational Attainment in Illinois, 2019-2021

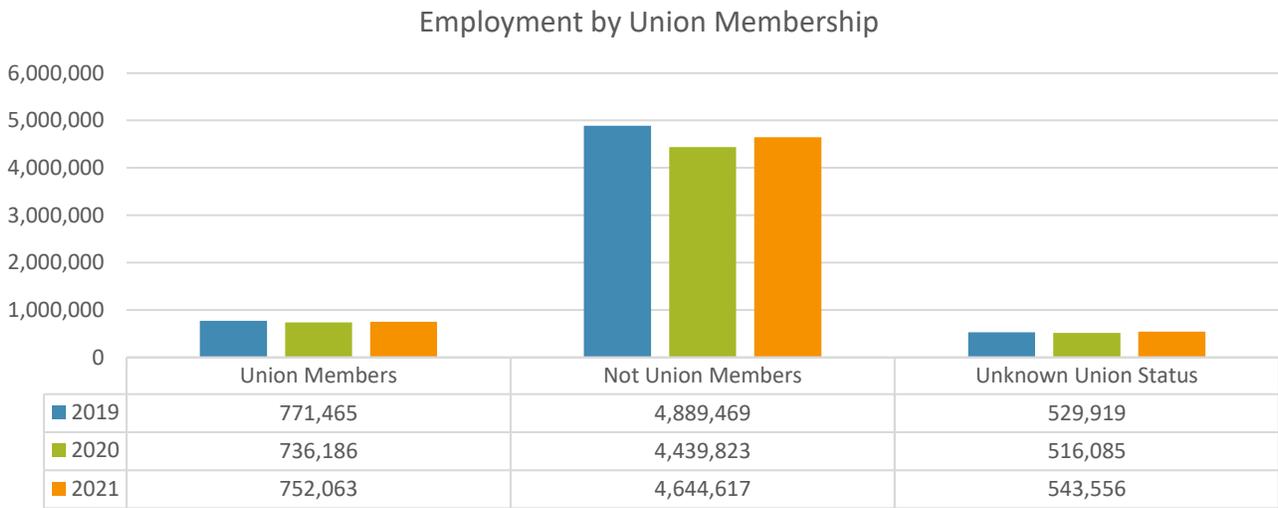


Source: Authors’ analysis of 2019-2021 CPS-ORG data for Illinois (EPI, 2022).

BY UNION MEMBERSHIP

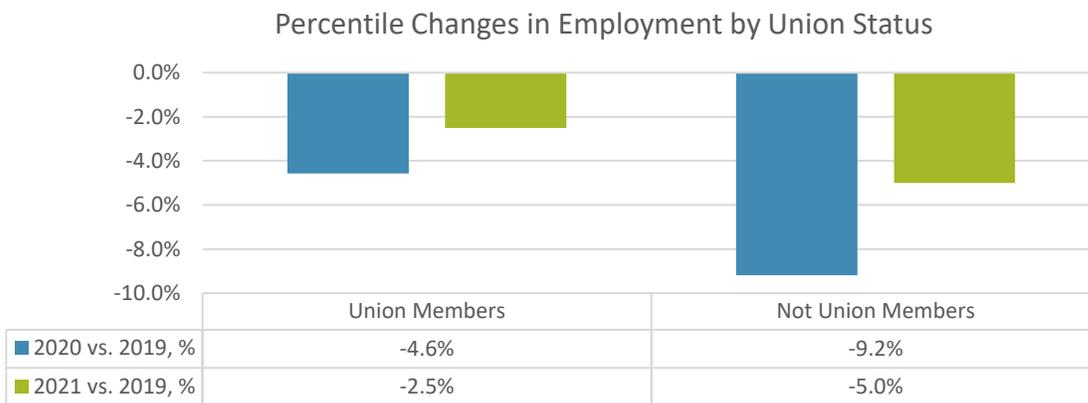
Illinois workers who are union members were also more likely to remain employed from 2019 to 2021 (Figure 8). Across Illinois, total employment was down by about 251,000 workers, or 4 percent, in 2021 compared to 2019. Employment among union workers decreased by about 19,000. The remaining losses were amongst workers without union membership or those with unknown status.

FIGURE 8: Employment by Union Membership in Illinois, 2019-2021



Source: Authors' analysis of 2019-2021 CPS-ORG data for Illinois (EPI, 2022).

FIGURE 9: Changes in Employment by Union Status in Illinois, 2019-2021



Source: Authors' analysis of 2019-2021 CPS-ORG data for Illinois (EPI, 2022).

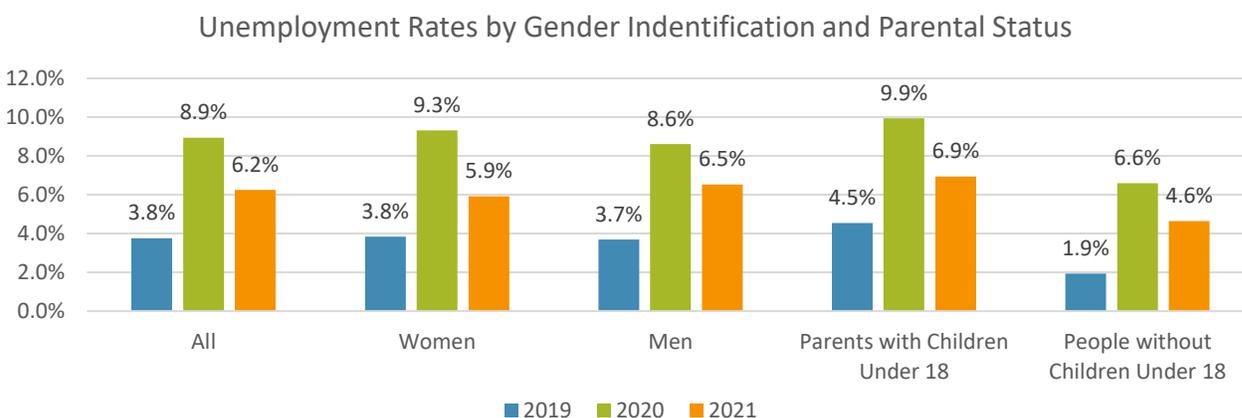
In both 2019 and 2020, employment among union members fell by about half as much as employment among nonunion workers (Figure 9). Employment initially fell by less than 5 percent for union members but by more than 9 percent for nonunion workers in 2020. By 2021, overall employment for union members was still down by 2.5 percent for union members but down by 5

percent for nonunion workers. It is clear from the data that union membership played a role in determining which workers were most likely to keep their jobs. This is partially because essential workers like teachers, police officers, firefighters, construction workers, and nurses are more likely to be union members (Manzo & Bruno, 2022). It is also due to the impact of unions promoting enhanced health and safety measures, securing premium pay and paid sick leave, protecting members from layoffs or furloughs, and working flexibly with employers to save jobs (McNicholas et al., 2020). Put plainly, union members were more likely to remain employed than nonunion workers.

BY GENDER IDENTIFICATION AND PARENTAL STATUS

In 2019, unemployment rates between men and women were similar at just under 4 percent (Figure 10). In 2020, the unemployment rate for women (over 9 percent) jumped more than for men (under 9 percent) but, by 2021, women had a lower unemployment rate (6 percent) than men (7 percent) in Illinois.

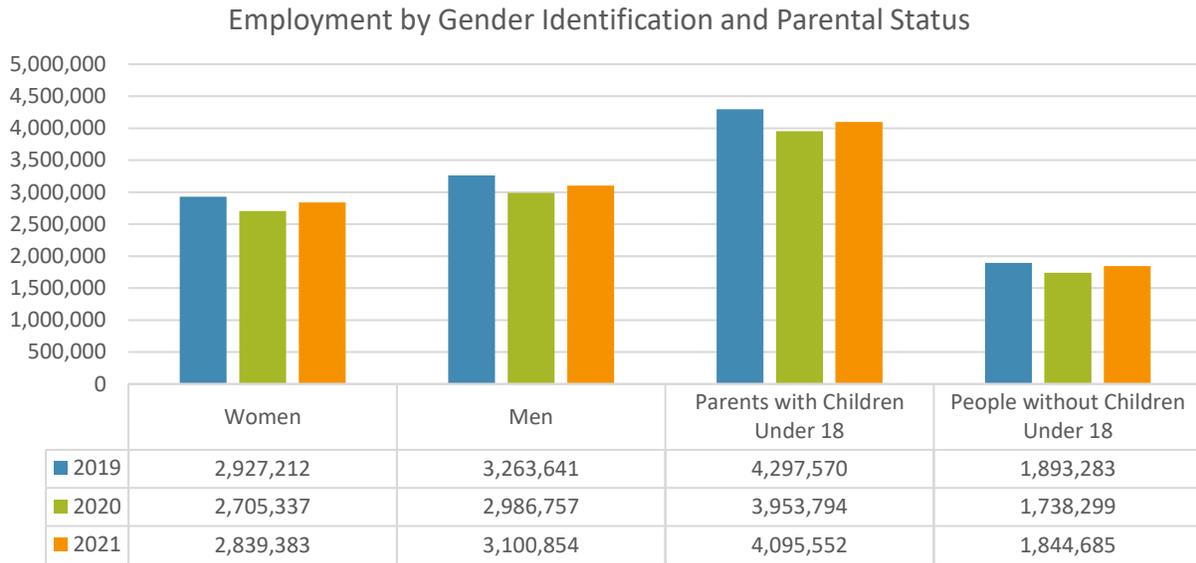
FIGURE 10: Unemployment Rates by Gender Identification and Parental Status, 2019-2021



Source: Authors' analysis of 2019-2021 CPS-ORG data for Illinois (EPI, 2022).

However, the improved overall employment status of women conceals a disparity. There were significant differences between parents with children under the age of 18 years old and workers without children under 18 years old (Figure 10). Parents with children under the age of 18 years old experienced 10 percent unemployment in 2020 and nearly 7 percent unemployment in 2021. In comparison, people without children had unemployment rates of 7 percent in 2020 and 5 percent in 2021. In fact, total employment amongst people without children in 2021 was down by less than 3 percent (-46,000 workers) relative to 2019, while it was 5 percent lower (-202,000 workers) amongst parents with children (Figure 11). The lack of access to affordable childcare has been identified as the primary cause for suppressing female labor force participation and remains an issue for working parents in Illinois (Dickson et al., 2021).

FIGURE 11: Employment by Gender Identification and Parental Status in Illinois, 2019-2021

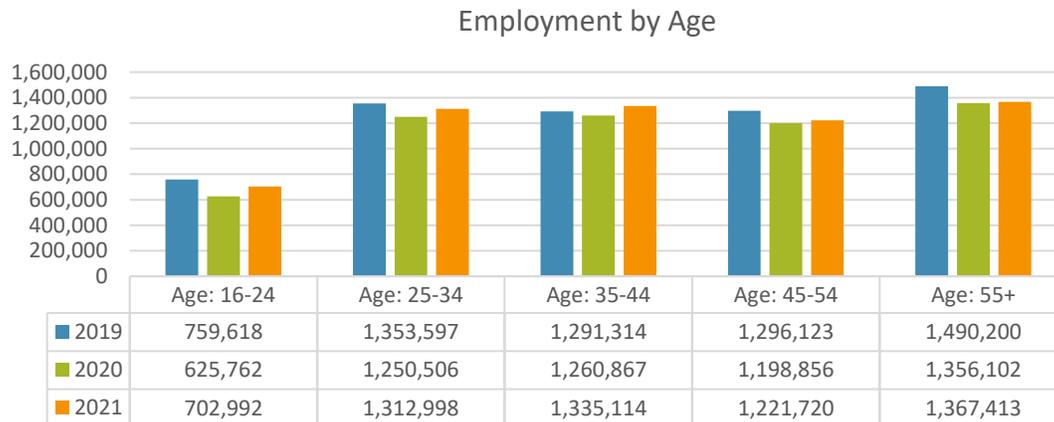


Source: Authors' analysis of 2019-2021 CPS-ORG data for Illinois (EPI, 2022).

BY AGE COHORT

In addition to factors like educational attainment, union status, and parental status, age has played an important role in determining workforce participation (Figure 12). Initially, the cohort experiencing the largest negative employment shock was adults ages 16 to 24 years old. Employment among these workers fell by nearly 18 percent (-134,000 workers) in 2020. By 2021, 16- to 24-year-old employment was still down by 7 percent (-57,000 workers) compared to pre-pandemic levels. This gap can be explained by the fact that younger workers are more likely to be employed in face-to-face service sector jobs that have been slower to recover from the pandemic (Gould & Kassa, 2020).

FIGURE 12: Employment by Age Cohorts in Illinois, 2019-2021

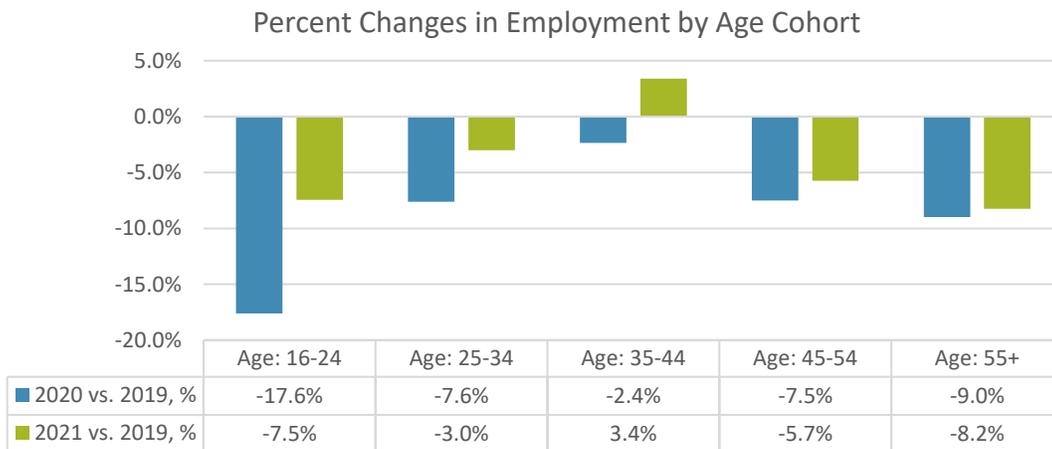


Source: Authors' analysis of 2019-2021 CPS-ORG data for Illinois (EPI, 2022).

Bigger losses occurred for the cohort of adults ages 55 years old or older (Figure 12). From 2019 to 2020, the number of employed workers aged 55 or older fell by 9 percent, or a reduction of 134,000 workers. In 2021, this number was still down by 8 percent, or 123,000 workers. Many of these workers may never return to the labor force. The significant loss of older workers is likely driven by a combination of retirements, early retirements, and COVID-19-related deaths.

In comparison, workers between the ages of 35 and 44 years old have experienced increases in employment in Illinois (Figure 13). In 2021, there were more than 1.3 million workers in this age cohort, an increase of 44,000 workers (3 percent). The loss of employment amongst 25- to 34-year-olds between 2019 and 2021 was about 41,000 workers (-3 percent). Ultimately, given the sustained loss of workers older than 55 years old and the smaller losses or modest gains amongst younger generations, the data reveal Illinois’ workforce, on average, is likely a bit younger now than it was pre-pandemic.

FIGURE 13: Percentile Changes in Employment by Age Cohorts in Illinois, 2019-2021



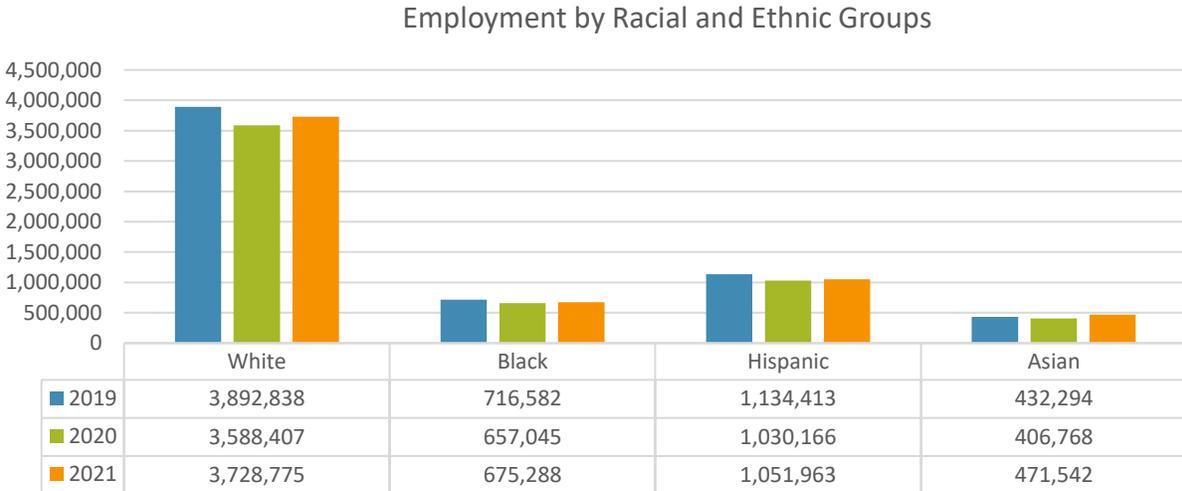
Source: Authors’ analysis of 2019-2021 CPS-ORG data for Illinois (EPI, 2022).

BY RACIAL OR ETHNIC BACKGROUND

There are racial and ethnic differences in the impact of COVID-19 on workforce participation (Figures 14 and 15). Black and Hispanic workers saw the greatest percentage reduction in employment. From 2019 to 2021, the number of employed Black workers in Illinois fell by 6 percent, or a reduction of 41,000 workers. Hispanic and Latinx workers experienced an employment loss of 7 percent, or 82,000 fewer workers. White workers, in comparison, were down by 164,000, or 4 percent, in 2021. These trends were also apparent in the broader U.S. labor market (Cassella, 2021). The primary reason why Black and Hispanic workers suffered the greatest employment losses are that they were disproportionately likely to be employed in face-to-face service sector jobs that were both hit hardest by the pandemic and slowest to recover (Manzo & Bruno, 2020a). Structural barriers affecting Black and Hispanic workers’ ability to advance out of low-paying jobs are also likely having an effect (Cassella, 2021). As examples, Black and Hispanic

workers are less likely to have college degrees and research suggests that employers may engage in discriminatory hiring practices, firing Black and Hispanic workers first when economic conditions worsen and hiring them last as they improve (Fields-White et al., 2020; Jones & Tracy, 2020).

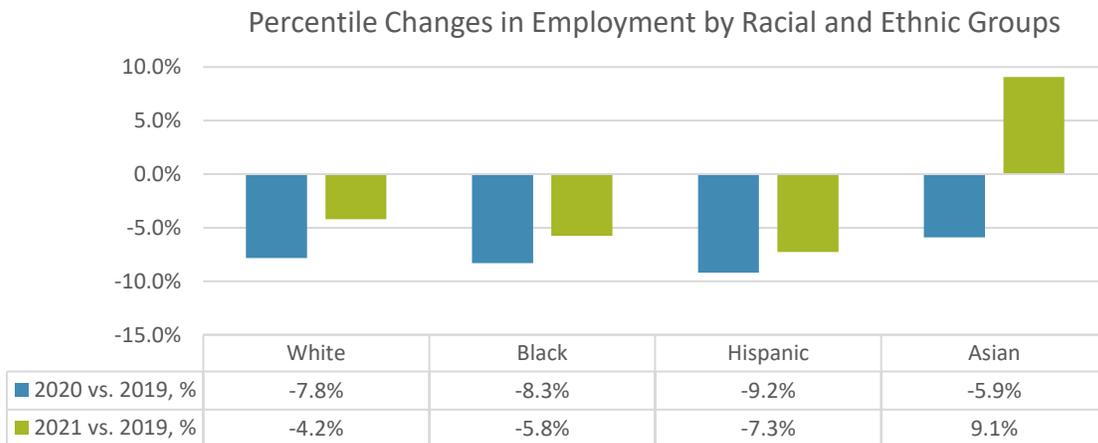
FIGURE 14: Employment by Racial and Ethnic Groups in Illinois, 2019-2021



Source: Authors' analysis of 2019-2021 CPS-ORG data for Illinois (EPI, 2022).

While employment of people with Asian or Pacific Islander descent initially fell in 2020, it had recovered and surpassed pre-pandemic levels by 2021, with 39,000 more Asian and Pacific Islander workers (9 percent) in Illinois than in 2019 (Figure 15). This could be due to growing Asian and Pacific Islander population. In Illinois, Asian American population growth has outpaced overall population growth (Budiman & Ruiz, 2021). It could also be due to Asian workers' greater propensity to be employed in healthcare occupations and other professions that could be performed remotely (NAE, 2020).

FIGURE 15: Changes in Employment by Racial and Ethnic Groups in Illinois, 2019-2021

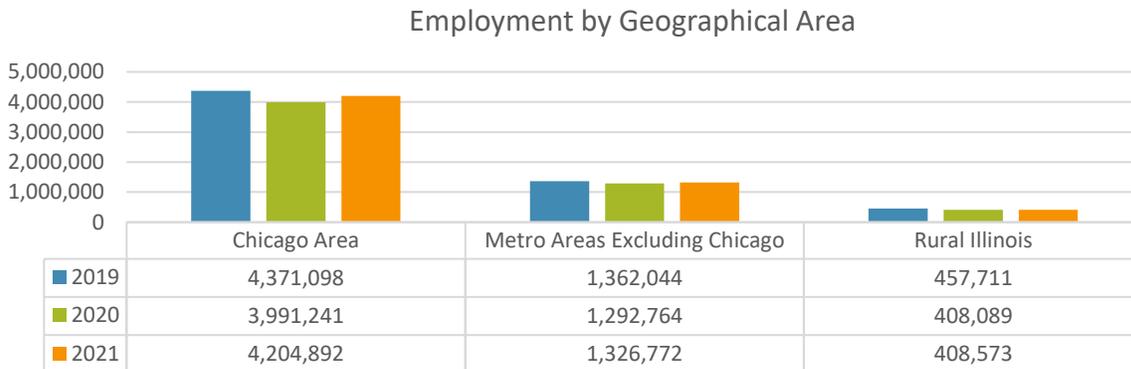


Source: Authors' analysis of 2019-2021 CPS-ORG data for Illinois (EPI, 2022).

BY GEOGRAPHY

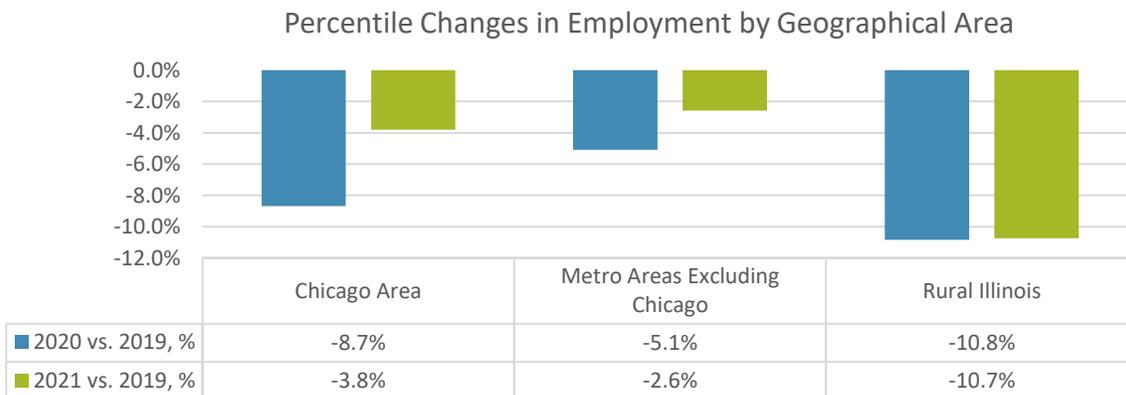
One of the most dramatic changes in Illinois’ workforce has been in the geographic distribution of jobs (Figures 16 and 17). While all areas of Illinois suffered employment losses due to the pandemic, the biggest relative decline occurred in rural Illinois. Employment in the Chicago area initially declined from 4.37 million workers to 3.99 million workers, a drop of 380,000 workers or 9 percent. By 2021, Chicago area employment had recovered to 4.20 million workers but was still down by 166,000 workers or 4 percent versus pre-pandemic levels. In other metro areas across the state—including places like Springfield, Rockford, Bloomington-Normal, and Champaign—employment initially fell by 69,000 workers (5 percent) but was down by just 35,000 workers (less than 3 percent) by 2021.

FIGURE 16: Employment by Geographical Area in Illinois, 2019-2021



Source: Authors’ analysis of 2019-2021 CPS-ORG data for Illinois (EPI, 2022).

FIGURE 17: Changes in Employment by Geographical Area in Illinois, 2019-2021

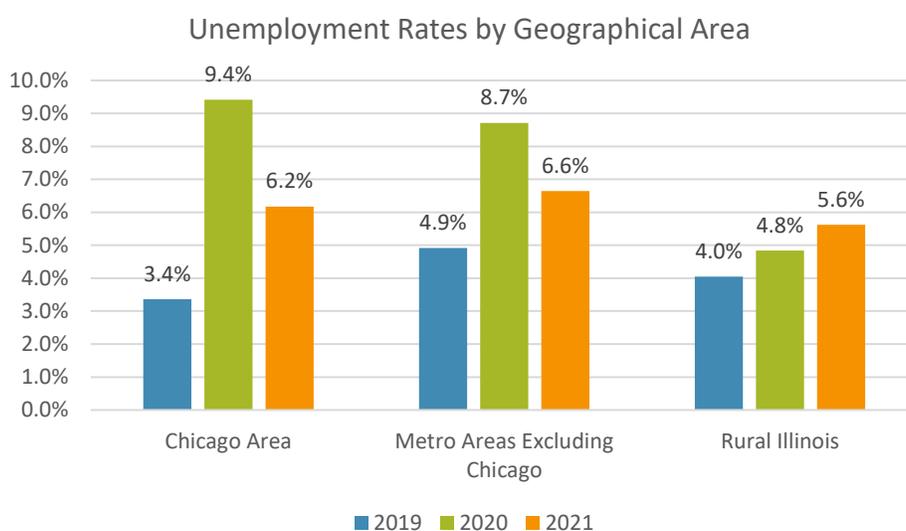


Source: Authors’ analysis of 2019-2021 CPS-ORG data for Illinois (EPI, 2022).

All other rural areas of Illinois had lost 49,000 workers as of 2021 (Figures 16 and 17). While this is fewer people overall than the Chicago area, it is proportionally much higher. Total employment in rural Illinois was down by a massive 11 percent in 2020 and failed to recover at all in 2021. Furthermore, while unemployment rates for the Chicago area and other urban areas initially

spiked in 2020, they fell significantly by 2021. In rural Illinois, however, unemployment rates increased in 2020 and continued to increase even further in 2021 (Figure 18). The most likely explanation for the huge drop in employment in rural areas is that Illinois' manufacturing industry is largely outside of the Chicago area, and manufacturing employment was down by 11 percent and production occupations were down by 15 percent as of 2021. Another reason could be continued population decline. Rural Illinois has lost population over the last decade while the Chicago area added population, and fewer people usually means fewer workers (Manzo, Wilson, & Bruno, 2022). In any case, this shift in geographic composition of jobs has meant that Illinois' workforce is now disproportionately more urbanized even as work-from-home opportunities have made living in rural portions of the state more viable for certain workers.

FIGURE 18: Unemployment Rates by Geographical Area in Illinois, 2019-2021



Source: Authors' analysis of 2019-2021 CPS-ORG data for Illinois (EPI, 2022).

Conclusion and Potential Policy Options

Illinois' labor market has experienced the same unusual phenomenon as the rest of the country: employers are hiring and workers are missing from the labor market. At a time when there are a hundreds of thousands of job openings in the state, employment is still down relative to pre-pandemic levels.

This report has shed some light on these "missing" workers. Compared to 2019, employment in 2021 was still down significantly in service industries like leisure and hospitality and in face-to-face occupations like food preparation and serving jobs and personal care and service jobs. Workers without college degrees, workers with children, workers aged 55 years old and older, workers in rural portions of the state, workers who are Black, and workers who are Hispanic all experienced

disproportionately large drops in employment in Illinois. Disproportionate employment of these workers in the hardest-hit service sector jobs and in the manufacturing industry, as well as early retirements and employer hiring practices, explain much of these changes. By contrast, college-educated workers, remote workers, essential workers, white workers, Asian workers, and union members were better protected from pandemic-related employment losses.

Given these findings, Illinois could consider a number of potential policies to attract, develop, and retain workers, protect current workers from additional economic instability, and boost economic development. The following, which is not a comprehensive list, represent seven potential options.

1. **Expand investments in e-commerce infrastructure.** The transportation and material moving occupation has experienced one of the largest increases in employment in Illinois since 2019. The state could lean into this growing sector of the economy and continue to leverage its position as a transportation hub as more goods are purchased online and stored in warehouses ([Illinois ASCE, 2022](#)). However, any state-led investment—particularly in warehousing occupations—should come with labor standards that improve working conditions so taxpayers do not subsidize low-quality employment.
2. **Implement public policies that support working parents.** According to a survey conducted by the U.S. Chamber of Commerce in May 2021, 33 percent of women who lost their job during the pandemic stated that the need to provide care for a family member or children had made returning to work extremely difficult or impossible ([COC, 2021](#)). To improve labor force participation and close gender pay gaps, Illinois could expand access to quality and affordable child care, adopt paid family leave and paid sick leave, and incentivize flexible but predictable scheduling ([Dickson et al., 2021](#); [Dunn et al., 2022](#)). These policies would help encourage parents who were forced to exit the workforce to take care of family members to return to work and address labor shortages.
3. **Develop a strategic plan for Illinois’ leisure and hospitality industry.** The Civic Federation notes that the number of visitors to Chicago fell from 61 million in 2019 to just 29 million in 2021, with hotel occupancy and revenue down dramatically ([Civic Federation, 2022](#)). The State has expanded incentives to bring conventions back to Chicago, but more needs to be done to return the leisure and hospitality industry to pre-pandemic levels.
4. **Increase access to reliable, high-speed internet.** The COVID-19 pandemic revealed the importance of broadband internet, as more families worked, learned, and shopped from home. While the Rebuild Illinois capital program and the federal Infrastructure Investment and Jobs Act are expected to save or create 14,400 short-term jobs and 11,400 long-term jobs while connecting 238,000 households, businesses, and farms to broadband internet, more than one-in-ten Illinois residents will still be without broadband internet access in the absence of additional action ([Manzo, Wilson, & Bruno, 2022](#)). Further investing in broadband internet infrastructure can create jobs, increase access to remote work opportunities for rural residents, address racial and ethnic “digital divides,” and promote business and agricultural activity across Illinois.

5. **Make college more affordable by increasing the state’s investment in higher education.** Workers with bachelor’s degrees or higher have experienced job gains in Illinois while non-college educated workers have suffered declines in employment. The State of Illinois could consider further increasing support for Monetary Award Program (MAP) grants to boost financial aid for Illinois residents, boosting state funding for public universities and community colleges, providing tuition-free two-year community college degrees, and expanding career and technical education (CTE) training while also promoting alternative pathways into the middle class, such as joint labor-management apprenticeship programs in the construction trades ([Illinois OMB, 2022](#); [Manzo & Bruno, 2020b](#)).
6. **Take steps to expand collective bargaining.** Illinois workers who were union members were less likely to lose their jobs following the onset of the COVID-19 pandemic compared to nonunion workers. Union members also earn higher wages, tend to have better fringe benefits, and can speak up about safety issues on-the-job without fear of repercussion. In November 2022, Illinois voters will have the chance to approve the Workers’ Rights Amendment to the Illinois Constitution, which would guarantee the fundamental right to unionize and collectively bargain, ensuring that workers can join together to negotiate wages, hours, and working conditions that promote good jobs and workplace safety ([Manzo, Dunn, & Bruno, 2022](#)). Expanding collective bargaining—whether through the Workers’ Rights Amendment or other actions—can promote job quality, keep workers from falling below the poverty line, and protect workers from losing their jobs in the next recession.
7. **Adopt a statewide job quality measurement index.** As detailed in a 2022 report by the Illinois Future of Work Task Force, the state could utilize an index of employment quality to define, collect data on, and identify good middle-class jobs ([Illinois Future of Task Force, 2022](#)). This job quality measurement mechanism could be applied in awarding state grants and other forms of public spending to incentivize—and invest tax dollars in—raising the quality of employment in Illinois. Enhancing job quality can attract workers back into the labor force and improve economic outcomes for workers, businesses, and communities.

Both Illinois and the nation are undergoing significant labor market changes. Many workers have changed jobs. More workers are working remotely. Employer demand for workers remains high while the number of workers has declined due to resistance to working in low-quality jobs, inadequate childcare options, early retirements, and COVID-19-related illness and fatalities. Steps can be taken to attract, develop, and retain workers in Illinois and rebuild the state’s economy back to—and above—pre-pandemic levels.

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