

Estimated 2.5 Million of the Jobs Most at Risk from COVID-19 Economic Impacts are in Co-op Areas

What has changed?

Brookings Metropolitan Policy Program recently published an articleⁱ highlighting the industries most vulnerable to job losses as a result of the COVID-19 pandemic, and the metropolitan areas with the highest shares of these types of jobs. Based on methodology from Mark Zandi, chief economist at Moody's, Brookings identified 24.2 million jobs nationwide (16.5 percent of the U.S. work force) in five "high risk" sectorsⁱⁱ from the extraction, travel, transportation, employment services, and leisure & hospitality industries. Of these, 21 million (87 percent) of the jobs are located in metropolitan areas.

What is the impact on cooperatives?

NRECA estimates that 1.9 million of the at-risk jobs in these vulnerable sectors are in parts of metropolitan areas served by electric cooperatives (or other electric distribution members of NRECA).ⁱⁱⁱ The table below shows the top 20 metropolitan areas ranked by the estimated number of at-risk jobs in co-op served areas.

Rank	Metropolitan Statistical Area (MSA)	"At Risk" Jobs, 2019	Co-op Served Share of MSA Population	Estimated "At Risk" Jobs in Co-op Areas
1	Atlanta-Sandy Springs - Roswell, GA	498,600	45.5%	226,661
2	Dallas-Fort Worth-Arlington, TX	647,188	17.7%	114,239
3	Nashville-Davidson--Murfreesboro--Franklin, TN	182,950	40.5%	74,088
4	Minneapolis-St. Paul-Bloomington, MN-WI	283,324	25.5%	72,156
5	Washington-Arlington-Alexandria, DC-VA-MD-WV	420,015	14.9%	62,535
6	Austin-Round Rock, TX	169,192	35.3%	59,688
7	Charlotte-Concord-Gastonia, NC-SC	221,119	22.1%	48,893
8	Denver-Aurora-Lakewood, CO	255,516	16.0%	40,832
9	Anchorage, AK	32,916	83.9%	27,600
10	Indianapolis-Carmel-Anderson, IN	183,108	14.7%	26,945
11	Fayetteville-Springdale-Rogers, AR-MO	44,402	59.5%	26,438
12	Tampa-St. Petersburg-Clearwater, FL	208,588	12.5%	26,041
13	Myrtle Beach-Conway-North Myrtle Beach, SC-NC	48,179	53.4%	25,729
14	Gulfport-Biloxi-Pascagoula, MS	36,613	66.3%	24,270
15	Cape Coral-Fort Myers, FL	48,929	48.5%	23,754
16	San Antonio-New Braunfels, TX	189,007	11.7%	22,169
17	Columbus, OH	165,875	13.1%	21,761
18	St. Louis, MO-IL	208,307	10.1%	20,993
19	Charleston-North Charleston, SC	69,694	29.2%	20,325
20	Louisville/Jefferson County, KY-IN	105,062	18.7%	19,654

The Brookings analysis focuses on metropolitan areas, but 40 percent of the co-op served population and 13 percent of the vulnerable jobs in the U.S. are located outside of metropolitan areas. To fill in this gap and expand on the Brookings analysis, NRECA used county-level data from the U.S. Census to calculate an estimate for all co-op areas nationwide.^{iv} Using the same five high risk sectors, **NRECA estimates that a total of nearly 2.5 million jobs in the most at-risk sectors are in co-op areas.**

What do cooperatives need to know or do about it?

Reported unemployment data for metropolitan areas and counties lags by two to three months, and preliminary unemployment data for March will not be available until the second week of May, but this analysis can give an idea of which areas are the most vulnerable to disproportionate job losses. Job losses in co-op areas can impact the ability of consumer-members to pay their electric bills and could lead to longer-term economic impacts in these regions. NRECA will continue to monitor the impact on cooperatives as additional data becomes available and provide updated analysis as feasible.

Please reach out to the contacts below, if you have questions or would like to see estimates for counties served by your cooperative.

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ⁱ Muro, Maxim, and Whiton. “The places a COVID-19 recession will likely hit hardest,” Brookings: The Avenue, March 17, 2020. <https://www.brookings.edu/blog/the-avenue/2020/03/17/the-places-a-covid-19-recession-will-likely-hit-hardest/>.

ⁱⁱ Based on the North American Industry Classification System (NAICS), the Federal government’s standard classification of business establishments. The five sectors were mining/oil and gas (NAICS 21), transportation and warehousing (NAICS 48), employment services (NAICS 5613), travel arrangements (NAICS 5615), and leisure & hospitality (NAICS 71 & 72).

ⁱⁱⁱ Primarily rural public power districts. “Co-ops” will be used as a shorthand.

^{iv} The latest available county-level dataset of employment by industry was U.S. Census’ *County Business Patterns: 2017*, posted in November 2019. The total vulnerable jobs nationwide was within 50 thousand of that found by Brookings, though the proportions across the five sectors varied somewhat, likely due to different data year. <https://www.census.gov/data/datasets/2017/econ/cbp/2017-cbp.html>.