







## WED recovery continues to lag the U.S. pace

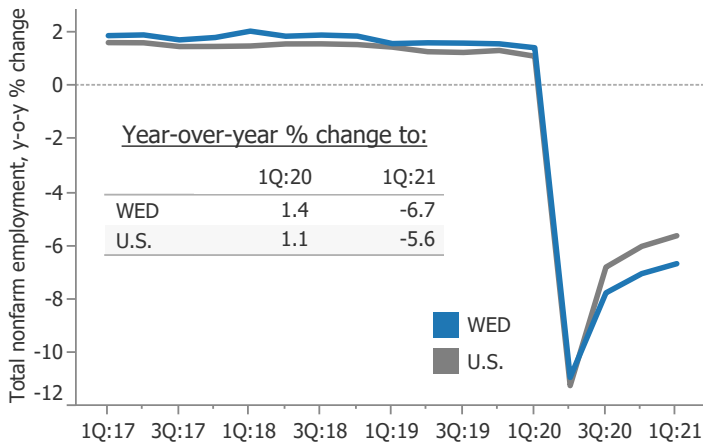
• **Western District (WED) job growth slowed slightly in 1Q:2020 compared to the prior quarter, failing to narrow the gap with the U.S. pace.** WED states are slowly returning to their pre-COVID employment levels as economic restrictions soften, albeit at different rates. The WED gained over 230,000 jobs in 1Q:2021, but the district remains 2.8 million jobs below its level a year ago. In general, coastal states have trailed the district average while mountain and plains states have had mixed results. See figure 1.

• **All industries in the WED remained below their employment levels from a year ago.** District employment is being held back by weak recoveries in three of the five largest industries: Education & Healthcare, Government, and Professional Services. The Leisure & Hospitality industry continues to be the furthest below its pre-recession employment level despite having recovered 47 percent of lost jobs. Employment in the small but high-wage Information and Mining industries remains well in the deficit, having an outsized effect on the WED's personal income. See figure 2.

• **Nevada and California, along with New Mexico, posted the worst job losses over the year due to their reliance on tourism and energy.** Idaho and Utah led the district in job growth from an increase in transportation and construction employment, while also having sizable tech industries further driving job gains. The agriculture industry in Plains states has benefited from a boom in commodity prices, which has been on the rise since 4Q:2020 from sharply higher Chinese demand for corn and soybeans. However, the futures market is projecting a modest retrenchment in prices by year-end 2021. See figure 3.

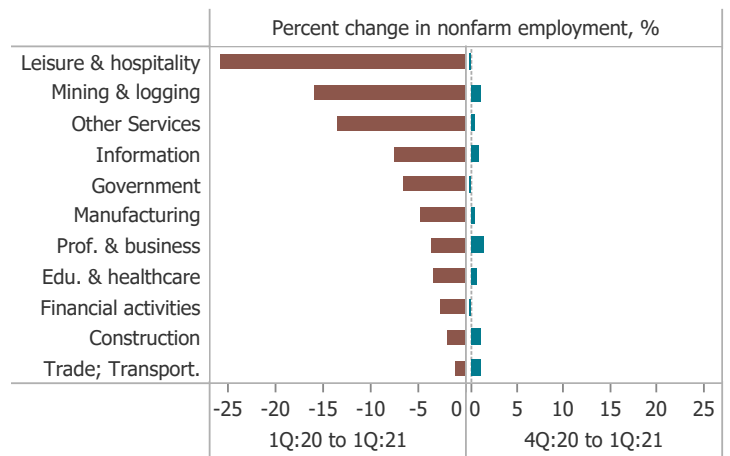
• **WED metros in coastal or tourist-dependent areas continue to have the most severe job losses.** This is most evident in California metros, among the first to have COVID-19 cases and strict lockdowns. Las Vegas and Santa Fe, both heavily exposed to the downturn in tourism, also had large job losses. Mountain metros home to local high-tech hubs bucked the regional trend, while energy-reliant Farmington trailed behind. See figure 4.

**Figure 1: WED employment growth lagged the national trend**



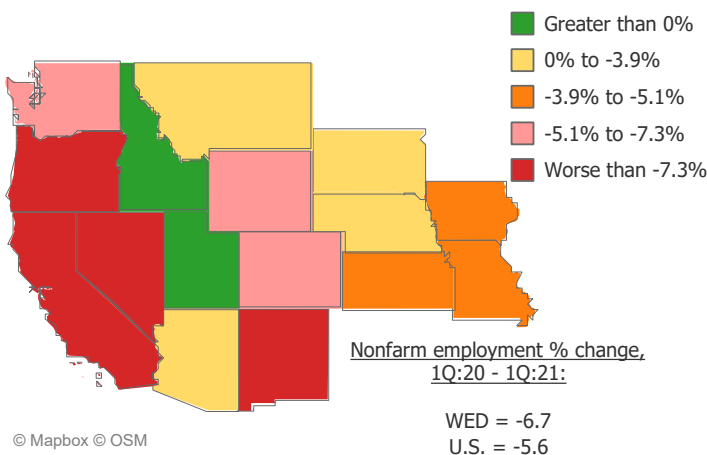
Source: BLS (data through March 2021)

**Figure 2: Employment remained below pre-pandemic levels in all WED industries**



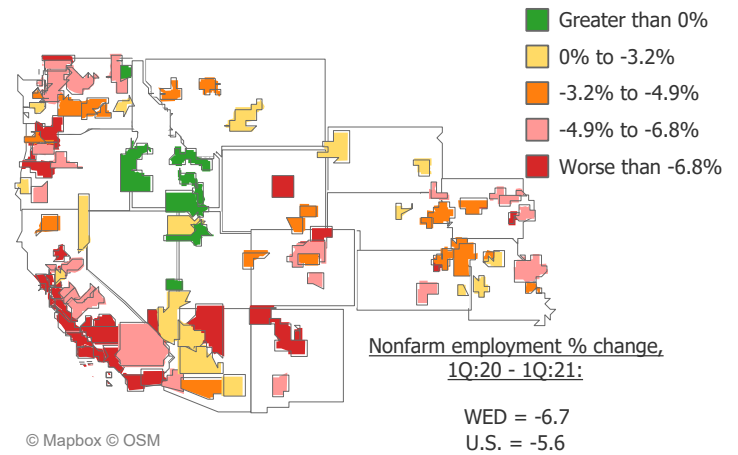
Source: BLS (data through March 2021)

**Figure 3: California, Nevada, and New Mexico led the WED with most severe job losses over the past year**



Source: BLS (data through March 2021)

**Figure 4: Worst performing WED metros are in densely-populated coastal areas or reliant on tourism and energy**



Source: BLS (data through March 2021)