

SOD recovery continues to outperform the U.S.

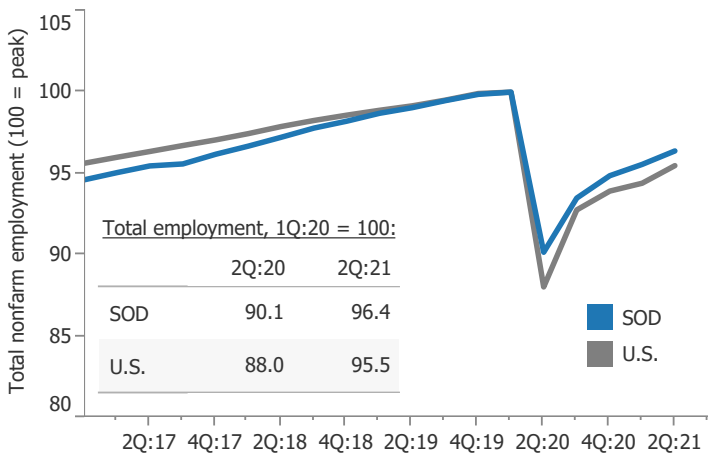
• **The Southern District (SOD) continues to lead the U.S. labor market recovery from the pandemic’s shock.** With employment only 3.6 percent below its 1Q:20 level, the SOD is closest to reaching its pre-pandemic peak. See figure 1. Rising vaccination rates spurred recovery in the leisure & hospitality industry, supporting the SOD’s economy. Further, rising oil prices are expected to bolster employment in the mining & logging industry later this year, one of the district’s key industries.

• **Though employment in all industries in the SOD remained below pre-pandemic peaks, over-the-year job growth in 2Q:21 was positive in all but one industry.** Mining & logging shed jobs, as energy firms prioritized cost reduction to attract investors. The steady rise in airport travelers through early July drove the recovery in leisure & hospitality, which added the most jobs since the 2Q:20 trough. But the Delta variant renewed traveler caution in recent weeks and sapped momentum. The SOD’s trade & transportation and manufacturing industries also experienced solid job growth over the past year. See figure 2.

• **Louisiana continued to post the worst job loss rate since the start of the pandemic due to its sharper than average drop last year and slow pace of recovery.** Record high commodity prices and a shallower downturn have supported the recovery in Arkansas. In Georgia, seaports and inland terminals are among the most important drivers of job growth as containerized cargo volumes break records. The expansion of transport capabilities is expected to support construction, warehousing, and distribution hiring in the state. See figure 3.

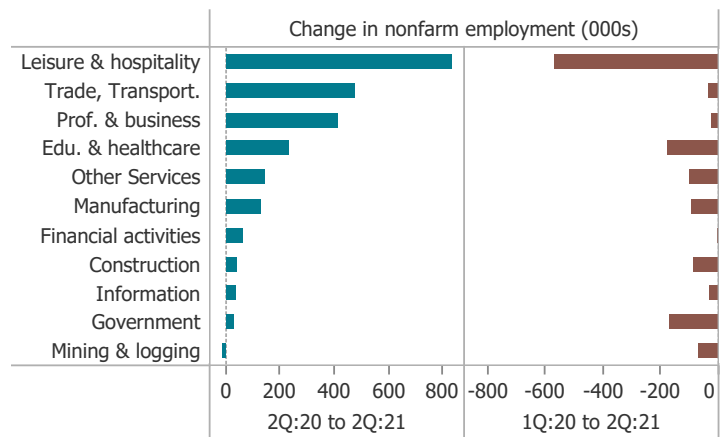
• **Over-the-year job growth rates in most SOD metros improved in 2Q:21, but only a few metros are above pre-pandemic levels.** New aerospace and defense contracts bolstered Huntsville’s professional, technical, and federal government employment. Despite considerable improvement, the incomplete recovery in tourism has held back tourist-reliant metros such as Miami and Orlando, plus casino-heavy Lake Charles. Labor shortages in the aerospace industry constrained job growth in Oklahoma City and Tulsa. See figure 4.

Figure 1: SOD job recovery continued to lead the nation



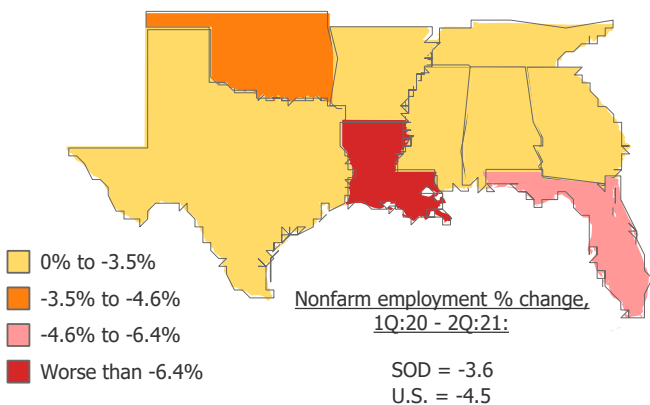
Source: BLS (data through June 2021)

Figure 2: Employment remains below pre-pandemic levels across all SOD industries



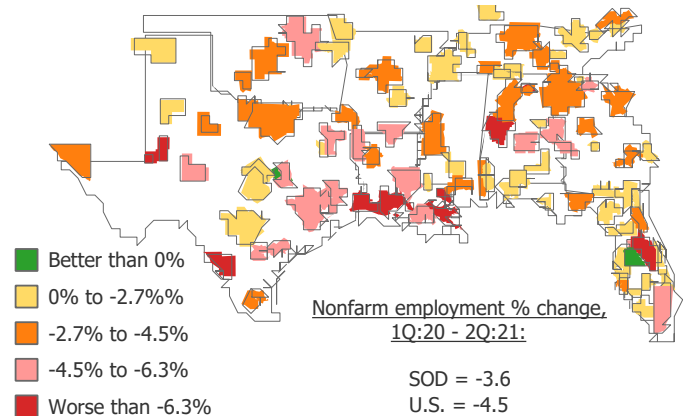
Source: BLS (data through June 2021)

Figure 3: Louisiana and Florida continue to have the worst job loss rates in the district



Source: BLS (data through June 2021)

Figure 4: Tourist-reliant metros remain among the weakest in the district



Source: BLS (data through June 2021)