



The Berkshire Eagle

Berkshire joblessness climbs to 16.6 percent

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By Tony Dobrowolski, The Berkshire Eagle

PITTSFIELD — The full impact of the COVID-19 pandemic slammed the Berkshire workforce last month, as the county's unemployment rate soared to 16.6 percent in April, the highest number in at least 22 years, according to figures released by a state agency on Tuesday.

The jobless rates are even higher in the county's two cities: 18.7 percent in North Adams and 18.8 percent in Pittsfield, according to figures released Tuesday by the state Executive Office of Labor and Workforce Development.

"It's shocking," said North Adams Mayor Thomas Bernard, "but at the same time given everything that we've seen it's kind of in line with what the anecdotal information has been telling us.

"We've never faced a public health situation where the response has been to shut down the economy where we're seeing the effects of that," he said. "Whether it was 10 percent or 20 percent or 18 percent, we were braced for bad news."

The Berkshires, with its heavy reliance on tourism, has been hit particularly hard by the state-ordered shutdown in March of nonessential businesses and social distancing mandates. While some businesses have gotten the green light to begin to reopen in recent days, bars and restaurants remain closed for all but takeout, and most of the Berkshires' cultural institutions have written off the season, causing a ripple effect across the hospitality industry.

The Berkshire County rate, which is a more than half a point higher than the state jobless rate, is also the highest on record for the county, according to Heather Boulger, the executive director of the MassHire Berkshire Workforce Board, citing records that go back to 1998. The previous county highs were 10.2 percent in January 2010, and 10.1 percent in February 2010, the only other times the local jobless rate had reached double figures. The national unemployment rate is 14.7 percent.

"I had actually thought it was going to be higher," she said. "It's just sobering the effect this pandemic is having on local people."

To put last month's increase into context, the Berkshire County unemployment rate was 3.9 percent in March, when the lockdown of the state economy began, and 3.5 percent in April 2019.

The county's total labor force dropped by over 5,000 workers in April, from 62,705 in March to 57,856 in April, the first dip below 60,000 in at least a year, and 11,000 below the 68,184

registered last July, at the height of the Berkshire's summer tourism season. The number of employed county residents fell more than 12,000 last month from 60,273 in March to 48,003 in April. The number of unemployed residents jumped by more than 7,000 from 2,432 in March to 9,583 in April.

"It's a fluid number," Boulger said, referring to the number of unemployed Berkshire residents. The figures includes both residents who have filed for unemployment insurance and those who just report being unemployed.

"It's constantly changing," she said.

Of the 7,689 county residents who filed claims for unemployment insurance last month, 2,055 filed in the accommodations/food service sector, according to figures supplied by Boulger. Those figures do not include pandemic unemployment insurance claims.

Accommodations and food services, the county's fourth-largest job sector, includes lodging establishments, which were completely shut down by the pandemic, and restaurants, which have been open only for takeout the past two months. In Barnstable County on Cape Cod, which like the Berkshires relies heavily on tourism, the unemployment rate is 21.6 percent.

Other Berkshire job sectors with high numbers of claimants last month included retail with 1,141; construction, 921; health care and social assistance, 920; and other services, including barber shops and spas, with 520.

"While the survey is the same as always, the nature of COVID-19 means that people's behavior (and data) may not follow the same pattern that we usually see when the economy is turning down," Boulger said. "Typically, people who lose jobs in recessions are more likely to transition into unemployment than to transition out of the labor force. However, with stay-at-home orders in place and nonessential businesses closed in many communities, people who leave employment now are much less likely to be seeking work than would typically be the case. In addition, schools are closed, which means that many people who lost their jobs have child care responsibility that prevent them from seeking or accepting a new job."

"It's absolutely critical to point out that these levels of unemployment and stagnation were imposed by politicians and local governments," said Peter C. Earle, a research fellow at the American Institute of Economic Research in Great Barrington, via email. "What we're seeing and experiencing is a result of political reactions to the coronavirus outbreak; not the coronavirus itself. Policies, not a virus, lead to this.

"That the county unemployment rate is tracking so closely with the national unemployment rate is awful," he said, "but considering that Berkshire County is dominated by service versus manufacturing jobs — like restaurants, personal services, retailers, etc. — which have been hit very hard by the coronavirus lockdowns, and additionally that the economy of Berkshire County is also highly cyclical, driven by tourism and to a lesser extent, agriculture — it could be much worse."

The number of unemployed in North Adams jumped from 282 in March to 1,063 in April, while in Pittsfield it went from 818 to 3,604 last month. In Great Barrington, the number of unemployed went from 370 in March to 1,269. The unemployment rate in North Adams was 4.7 percent in March, while the jobless rate in Pittsfield was 4.0 percent.

Considering the state economy is just beginning to reopen, Boulger said the Berkshire unemployment numbers are likely to remain slightly higher through May. Despite the staggering job loss numbers, there were 1,257 Berkshire County job openings posted on Job Quest on Tuesday, Boulger said.

"But now I think with the economy beginning to open up again this is only going to be temporary," she said. "Maybe people will hopefully return to work. Gradually it will drop down again, maybe not to the pre-pandemic level but out of the double digit figures."

"Thankfully, we're hearing that consumer confidence is starting to rise again and the lockdowns are ending," Earle said, "so it's my sincere hope that we will soon put all of this behind us."

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