

Six Months of COVID

A Review of Industry and Employment Trends in Solano County



WORKFORCE DEVELOPMENT BOARD

OF SOLANO COUNTY

Methodology

The unique challenges of COVID have required a new approach to data analysis of employment and economic trends. The traditional forms of data collection are often lagging indicators and do not provide the real time context and data analysis needed to understand the current impact of COVID on Solano's employment and industry base. This report combines data elements from California's Employment Development Department (EDD)'s Labor Market Information Division data on Solano County's Unemployment Insurance (UI) claims at the county and zip code levels from March 1, 2020 to August 22, 2020, analysis of the raw UI claimant data at the state level by the California Policy Lab, a landscape analysis, and objective and subjective data gathered by the Workforce Development Board of Solano County from individuals and businesses.

Report Design by



Table of Contents

Methodology	Page 2
Summary and Key Findings	Page 4
Unemployment Analysis	Page 5
<i>Unemployment Summary</i>	Page 5
<i>Trends in Weekly Claims</i>	Page 6
<i>Industry Unemployment Analysis</i>	Page 8
<i>Demographic Unemployment Analysis</i>	Page 10
<i>Spotlight on Pandemic Unemployment Assistance (PUA) and the Self-Employed</i>	Page 12
<i>Worker Considerations</i>	Page 13
Business Analysis	Page 16
<i>Business Layoff Analysis</i>	Page 16
<i>Changes in Job Growth</i>	Page 17
<i>Payroll Protection Loans Analysis</i>	Page 18
<i>Spotlight on Nonprofits</i>	Page 20
<i>Spotlight on Childcare Providers</i>	Page 21
Business Considerations	Page 22
Conclusion	Page 24
Areas of Hope	Page 24
Areas of Concern	Page 25
Recommendations	Page 25
Endnotes	Page 26

Summary and Key Findings

Six (6) months into the novel coronavirus 2019 (COVID) pandemic, Solano County, like many communities, is facing historically high unemployment and severe financial strain within the business community. Business shutdowns imposed to reduce the spread of the pandemic have had a troubling effect on Solano County's economy and community. This publication provides a comprehensive analysis of unemployment and industry trends to provide a better understanding of the magnitude of COVID's labor impacts in Solano County.

It is important to recognize that Solano County is not alone in facing these employment and industry challenges. Many of Solano County's unemployment and business impacts are reflective of both the Bay Area region and the state of California as a whole. In addition, Solano County's employment is tied to the regional economy due to its high level of commuters to neighboring counties. However, this report focuses specifically on the data and impacts within Solano County.

Key findings include

Unemployment rates tripled in Solano County due to the first phase of business shutdowns, leading to Solano County's highest rate of Unemployment Insurance (UI) claims of the century.

The job loss in Solano County during the first six (6) months of COVID has essentially negated the job gains of the past five years in the county. As businesses begin to reopen, we anticipate a number of those jobs to be regained, but some jobs may not return post-COVID.

Retail Trade and Accommodation/Food Services industries have had the highest unemployment, comprising 30% of county unemployment claims, but Healthcare and Social Assistance has consistently had the highest rate of unemployment since May 2020.

The effects of COVID on nonprofit organizations and childcare providers in Solano County may have long-term consequences for the county's safety net infrastructure.

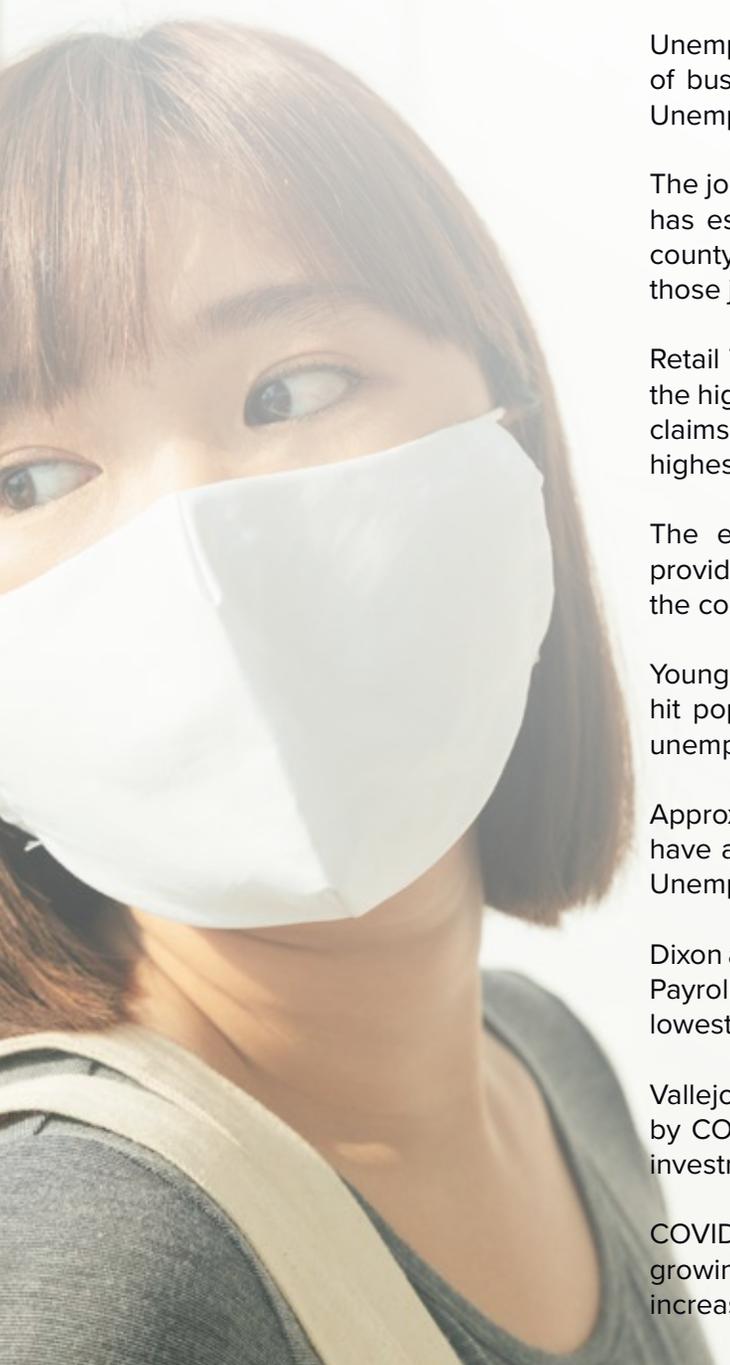
Younger workers and lower-educated workers have been the hardest hit populations by COVID unemployment, comprising about half of unemployment claims each in Solano County.

Approximately 60% of Solano County's self-employed individuals have applied for unemployment insurance under the new Pandemic Unemployment Assistance (PUA) program.

Dixon and Benicia had the highest percentage of businesses receiving Payroll Protection Program (PPP) loans, with Vallejo receiving the lowest percentage compared to number of businesses.

Vallejo and Rio Vista have been the most impacted communities by COVID with the highest unemployment and the lowest business investments.

COVID has highlighted several new worker concerns, including the growing digital divide, inequities within our economy, and an increasing strain on working parents.

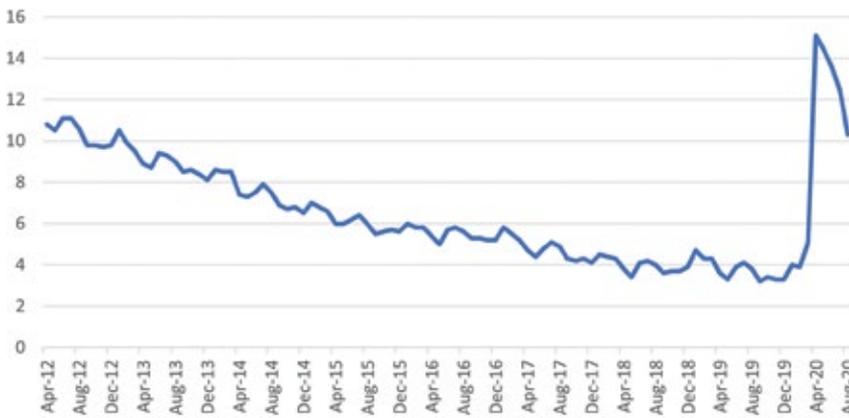


Unemployment Analysis

COVID and the mandated Shelter at Home Orders throughout California have caused historically unprecedented unemployment within our communities. Due to the fast-changing nature of pandemic unemployment, analysis of weekly UI claims data can augment traditional monthly unemployment numbers to provide a more in-depth understanding of COVID unemployment trends. From the beginning of March 2020 through August 22, 2020, 113,217 UI claims were filed by Solano County residents.¹ Using analysis of statewide UI claims conducted by California Policy Lab, we can estimate that about 86,000 unique individuals or 42% of Solano’s labor force have applied for UI benefits since the start of the pandemic.²

Unemployment Summary

Figure 1: Solano County Historic Monthly Unemployment Rates from April 2012 to August 2020



Solano County saw significant economic growth in the year prior to the onset of COVID, with recent unemployment rates consistently below 4.0%. Solano’s pre-pandemic unemployment rate (baseline of February 2020) was 3.9%. Solano’s unemployment rate more than tripled in two months due to COVID and resulting business shutdowns, reaching a peak of pandemic unemployment in April 2020 at 15.1%. Since April, unemployment rates have steadily declined to 10.3% in August 2020. [Figure 1](#) shows the historic trend of Solano’s monthly unemployment rate.

Solano County has weathered COVID unemployment better than many communities across the state, with an unemployment rate in August below the state average of 11.6%. August’s unemployment rates throughout California ranged from 6.7% in Lassen County to 22.9% in Imperial County. Of the nine Bay Area counties, Solano County had the highest unemployment rate, as shown in [Table 1](#): August 2020 Bay Area County Unemployment Rates. Solano County is a labor pool for many counties in the region, with 69% of Solano’s employed residents commuting out of the county, primarily to Contra Costa and Alameda Counties.³ Varying Shelter at Home Orders and the regional economic shutdowns have likely exacerbated unemployment in Solano County.

Table 1: July 2020 Bay Area County Unemployment Rates

County	Rate
Alameda	12.0%
Contra Costa	12.0%
Marin	8.8%
Napa	10.4%
San Francisco	10.9%
San Mateo	9.2%
Santa Clara	9.3%
Solano	12.4%
Sonoma	9.8%

Table 2: Unemployment by City

City	July Unemployment Rate	Unemployment Number
Benicia	10.0%	1,400
Dixon	12.4%	1,200
Fairfield	12.2%	6,400
Rio Vista	15.2%	400
Suisun City	12.8%	1,800
Vacaville	10.8%	4,800
Vallejo	14.8%	8,400
Solano	12.4%	25,100

Vallejo and Rio Vista have been the most impacted communities by COVID unemployment, as seen in [Table 2](#): Unemployment by City. Rio Vista has the highest rate of unemployment in Solano County at 15.2% and Vallejo has the highest volume of unemployment at 7,100 unemployed, according to August’s unemployment numbers. As such, Vallejo residents comprise one-third of the county’s unemployed.

Table 3: Unemployment in Solano County by Zip Code Compared to Poverty Rates

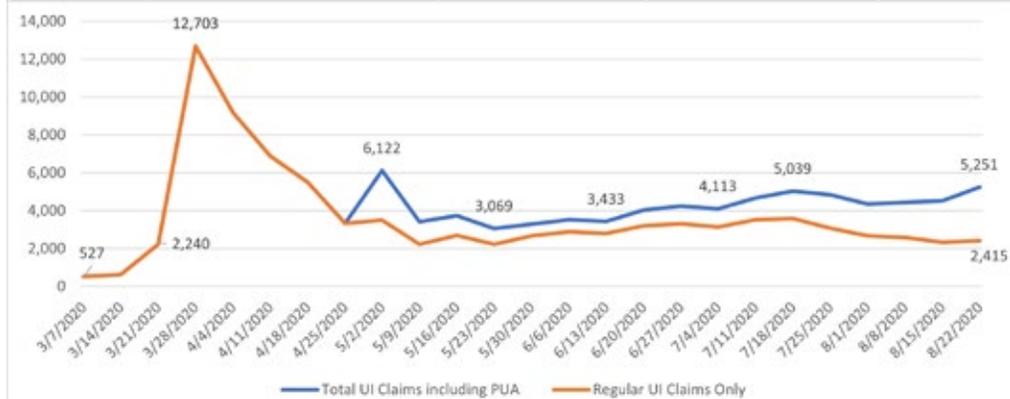
Zip Code	City	Total UI Claims	Poverty Rate
94510	Benicia	5,920	6.9%
94533	Fairfield	21,081	11.8%
94534	Fairfield	8,743	3.1%
94535	Travis AFB	190	6.2%
94571	Rio Vista	1,980	14.3%
94585	Suisun City	8,185	10.2%
94589	Vallejo	9,483	13.6%
94590	Vallejo	13,677	22.0%
94591	Vallejo	16,157	9.3%
95620	Dixon	4,490	11.6%
95687	Vacaville	14,121	7.1%
95688	Vacaville	8,100	9.2%
Solano County		112,127	10.4%

There are some similarities between areas of high unemployment in Solano County and areas of high poverty rates in the county as seen in [Table 3](#): Unemployment in Solano County by Zip Code Compared to Poverty Rates.⁴ Vallejo and Rio Vista, cities with the highest current unemployment rates in Solano County, have also historically struggled with high poverty rates, which could further intensify the impacts of COVID on these communities. However, the zip code with the highest volume of UI claims has been 94533 in Fairfield. In this zip code, 21,081 UI claims have been filed from the 34,664 employed residents. Residents in zip code 94533 were predominantly employed in Healthcare and Social Assistance and Retail Trade, which correlate with Solano County’s industries with high COVID unemployment.⁵

Trends in Weekly Claims

Weekly UI claims from the week ending March 7, 2020 to the week ending August 22, 2020 are shown in [Figure 2](#). The single highest week of UI claims was the week ending March 28, 2020 with 12,703 claims submitted in one week, more than submitted in any other week this century. The claims then experienced a steep decline over the next month until Pandemic Unemployment Assistance (PUA) claims were accepted on April 28, 2020,⁶ which led to a second peak of unemployment with 6,122 claims. Claims then declined to the lowest number since the pandemic during the week ending May 23, 2020 at 3,069. Claims have since seen a slow but steady incline through August 22, 2020, where unemployment claims are at the third highest volume since the beginning of the pandemic at 5,251 claims.

Figure 2: Weekly UI Claims in Solano County from weeks ending March 7, 2020 to August 22, 2020



[Figure 2](#) distinguishes between regular UI claims and PUA claims. PUA claims mirrored the trends in regular UI claims from mid-May to the week ending July 4, 2020, when the second wave of business closures occurred due to the increasing spread of COVID. We saw an initial increase in UI claims over the following two weeks, but since the week ending July 18, 2020, new UI claims have been declining, while PUA claims have increased. This implies that the second wave of closures has more severely impacted self-employed individuals than employees. While regular UI claims are trending down, it is important to note that regular UI claims for the week ending August 22, 2020 remain 450% higher than pre-pandemic levels.

Looking at California Policy Lab’s analysis of statewide UI claims,⁷ “additional claims” (claims reopened) were a leading cause of the rise of UI claims in July 2020. In the week ending July 25th, 57% of regular initial claims at the state level were additional claims, compared to 5% during the peak of COVID claims. The number of additional claimants shows that the second round of state closures of businesses led to an additional layoff for many of those who had previously returned to work.



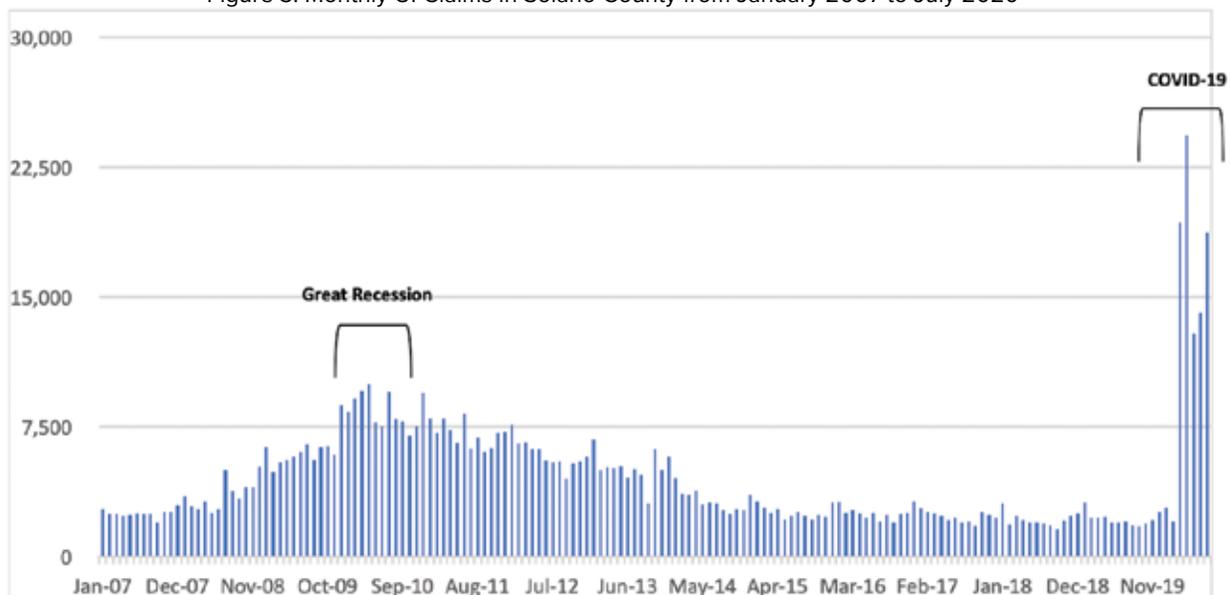
After adjusting for additional claimants, California Policy Lab analysis revealed that the number of regular UI claims has held steady since the end of May. However, this two-month level is concerning because it approximates the level of the single highest week of unemployment during the Great Recession. During the Great Recession in Solano County, April 2010 was the highest month of UI claims at 9,951 initial claims.

By contrast, each month impacted by COVID since March 2020 has substantially exceeded April 2010’s total claims, as seen in [Figure 3: Monthly UI Claims in Solano County from January 2007 to July 2020](#).

Additional analysis of statewide UI claims shows that individuals are gradually returning to work. California Policy Lab review of statewide UI claims that were denied or reduced determined that about 16% of those who have applied for UI benefits have gone back to work. We can, therefore, estimate about 13,500 of claimants have returned to work in Solano County. California Policy Lab analysis also shows that 5.3% of individuals were denied UI benefits statewide in the week ending July 11th due to excess earnings, and an additional 10.6% had partial UI benefits. While this data is a good sign that individuals are slowly going back to work, approximately two-thirds of those returning to work are not yet returning to full employment.

Another trend in recent claims is that claimants are becoming less confident of returning to work with the same employer. Upon filing an initial UI claim, individuals are asked to report whether they expect to return to their prior job, i.e. to be “recalled.” According to California Policy Lab, about 90% of claimants in March expected to return to their employer, but that expectation decreased to 61% in July. However, this recall rate remains significantly higher than the 29% average during February. As businesses reduce their workforce due to COVID compliance or ultimately decide to close their doors permanently, this will remain an important data element to watch to determine the potential longevity of COVID unemployment.

Figure 3: Monthly UI Claims in Solano County from January 2007 to July 2020



Industry Unemployment Analysis

COVID has impacted all industries; however, some industries have faced significant layoffs due to required social distancing and reduced contact measures. Statewide, Accommodation/ Food Services has seen the largest number of unique claimants at almost 760,000 unique individuals filing since March and almost 60% of the Arts, Entertainment, and Recreation industry workforce statewide have filed at least one UI claim since March 15th. Retail Trade and the Health Care and Social Assistance industries have each accounted for over half a million unique claimants.⁸



Solano County UI claims by industry follow the same trend seen statewide. [Table 4](#) shows COVID UI claims by industry compared to employment levels pre-pandemic for each industry in Solano County.⁹ The two industries with the highest UI claims have been Retail Trade and Accommodation/Food Services – together these two industries have comprised 30% of total UI claims in the county. These two industries are followed by Healthcare/ Social Assistance and Construction.

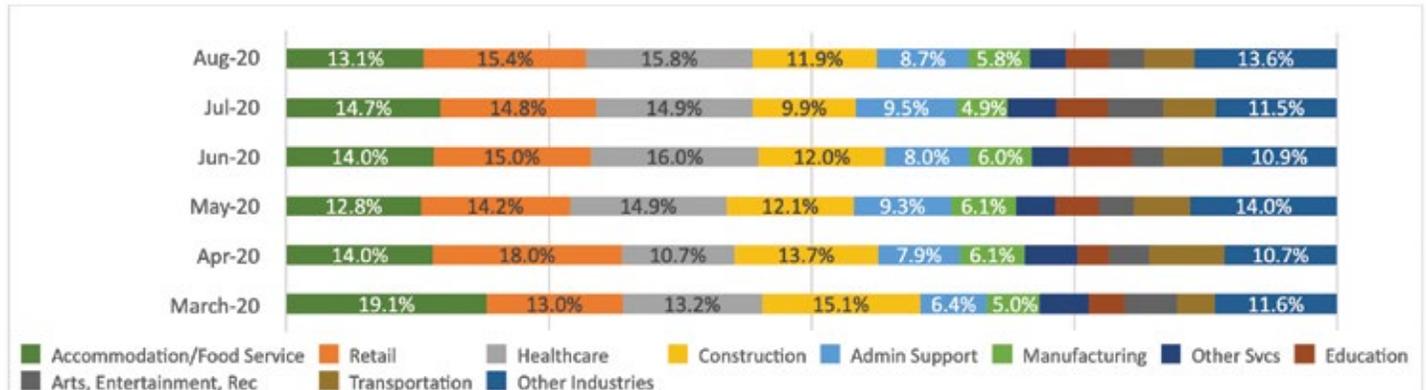
As the pandemic has progressed, unemployment by industry has shifted, as can be seen in [Figure 4: UI Trends in Solano County by Industry](#). In March, the Accommodation/Food Services industry had the highest unemployment numbers with 19% of the county’s UI claims, followed by Construction at 15.1%. In April, Retail Trade became the industry with the highest unemployment numbers with 18.0% of the county’s claims, followed by Accommodation/ Food Service. However, since May, Healthcare/Social Assistance has consistently been the industry with the highest percentage of UI claims.

Table 4: Solano County UI Claims by Industry from March 1, 2020 to August 22, 2020

Row Labels	UI Claims	Employed in Industry
Accommodation and Food Services	11,194	14,207
Administrative and Support and Waste Management and Remediation Services	6,339	7,165
Agriculture, Forestry, Fishing and Hunting	376	1,660
Arts, Entertainment, and Recreation	3,018	3,435
Construction	9,626	15,253
Educational Services	3,082	2,761
Finance and Insurance	829	3,873
Health Care and Social Assistance	10,483	28,527
Information	802	1,280
Management of Companies and Enterprises	297	692
Manufacturing	4,256	13,145
Mining, Quarrying, and Oil and Gas Extraction	161	574
Other Services (except Public Administration)	3,301	7,510
Professional, Scientific, and Technical Services	3,126	5,387
Public Administration	1,065	32,207
Real Estate and Rental and Leasing	1,180	2,353
Retail Trade	11,654	18,880
Transportation and Warehousing	3,569	5,177
Wholesale Trade	1,904	4,466

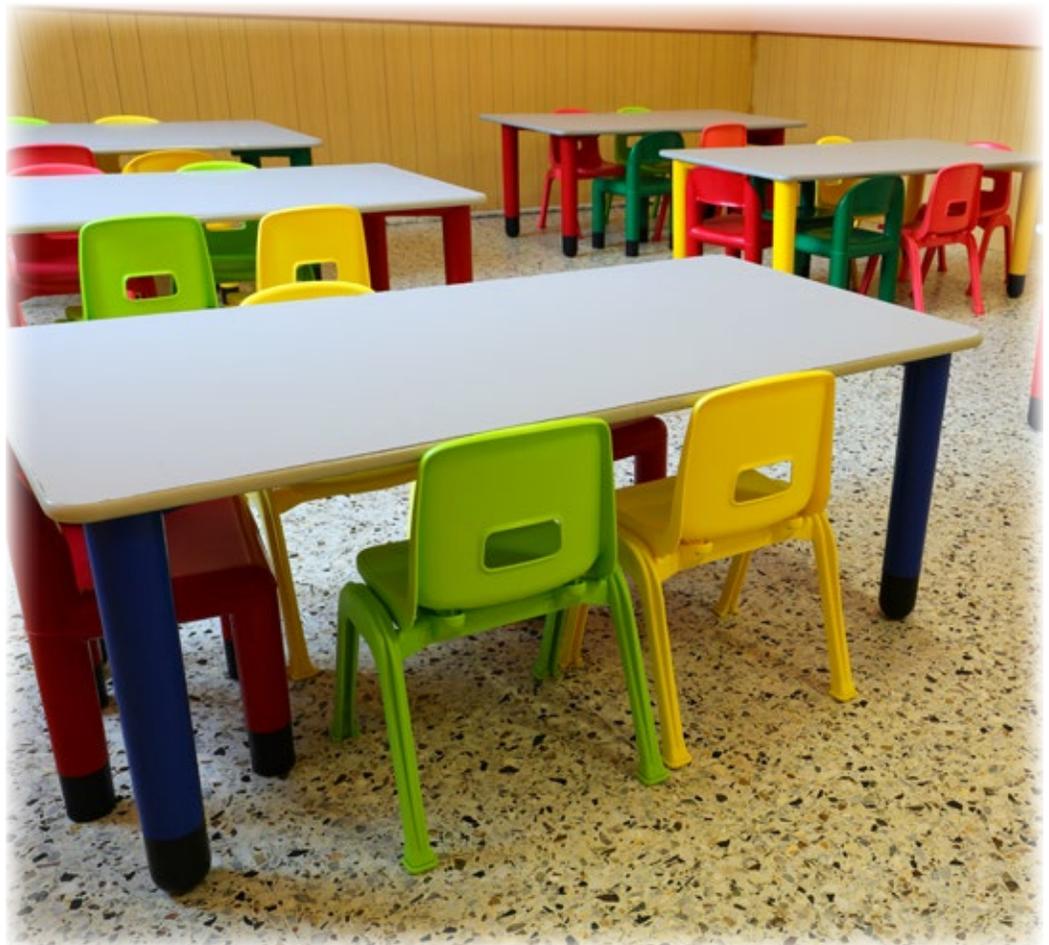
The impact to employees in the Retail Trade; Accommodation/Food Services; and Arts, Entertainment, and Recreation industries is magnified by the fact that wages for those industries rank near the bottom in industry wages. Retail Trade is the 3rd largest industry in Solano County, but ranks 18th in wages. Accommodation/Food Services ranks as the 5th largest industry in the county, but 20th in wages.

Figure 4 UI Trends in Solano County by Industry



Although UI claims by industry cannot be broken down beyond the two-digit NAICS level, local indicators show that healthcare employment has not been lost in acute health care facilities, but rather in doctors' and dentists' offices. The industry also includes Social Assistance, which includes the majority of the county's non-profit and childcare providers. Local indicators tell us that both social assistance industries have been significantly impacted as a result of COVID. A more detailed analysis on the industry impacts on non-profits and childcare providers can be found in the business analysis section.

Since May, partial UI claims have trended upward as a share of all claims statewide, with the longest sustained upward trend coming from Retail Trade and Accommodation/Food Services. The industry with the highest share of additional claims is Arts, Entertainment, and Recreation, where 77% of new UI claims come from workers who are reopening UI claims. California Policy Lab found that whereas these industries began to experience a growth in denials due to excess earnings, this trend reversed in mid-to-late June. As re-opening efforts are scaled back, this may be a sign of employers reducing hours rather than laying off workers in order to balance the uncertain timing and breadth of business reopenings.¹⁰



Demographic Unemployment Analysis

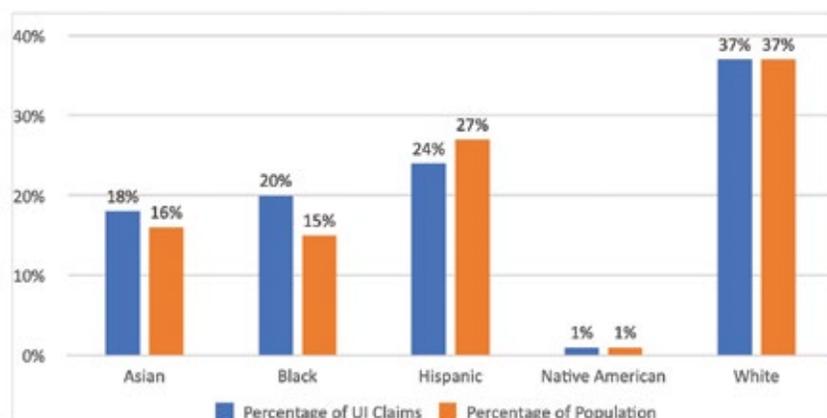
There has been considerable discussion regarding the demographics of those unemployed as a result of COVID, as well as the impact of COVID on communities of color. Statewide, COVID unemployment has disproportionately impacted women, younger workers, lower-educated workers, Hispanic workers, and African American workers. Solano County unemployment demographics share some similarities with statewide trends but are not wholly comparable.

Table 5: Solano County COVID Unemployment by Gender

Gender	UI Claims
Female	41,824
Male	42,738

In Solano County, the unemployment is evenly distributed between gender (Table 5) with males and females equally applying for UI benefits at 50% each. Caucasians have the largest share of the UI claims, but African Americans and Asians have disproportionately higher rates of unemployment (Figure 5). Caucasians had the highest share of unemployment at 37% of Solano's UI claims (vs. 37% of the population) followed by Hispanics at 24% of Solano's UI claims (vs. 27% of the population).¹¹ African Americans followed at 20% (vs. 15% of the population) and Asians at 18% (vs. 16% of the population) of Solano's claims.

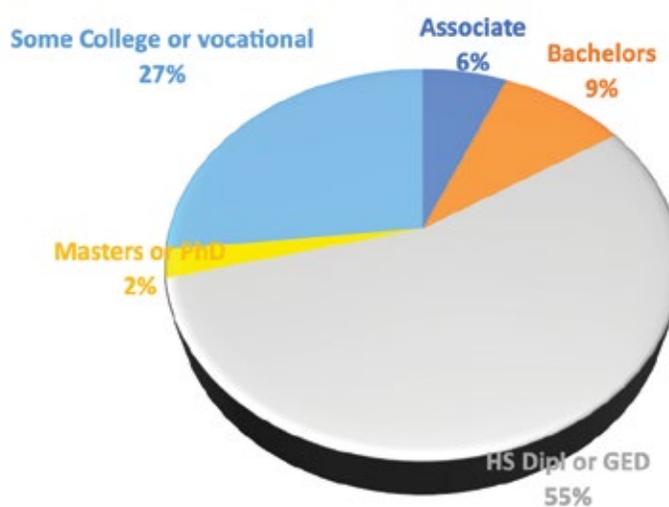
Figure 5: Solano County COVID Unemployment by Race/Ethnicity



Unemployment has also unduly impacted lower-educated and younger workers in Solano County. Individuals with a high school diploma/equivalency educational level make up just over half of the UI claims (55%) in Solano contrasted with 12% of claims representing individuals with a bachelor's degree or higher as seen in Figure 6: Solano County COVID Unemployment by Educational Level. Individuals with a high school diploma/equivalency represented 78% of claims during the peak of COVID

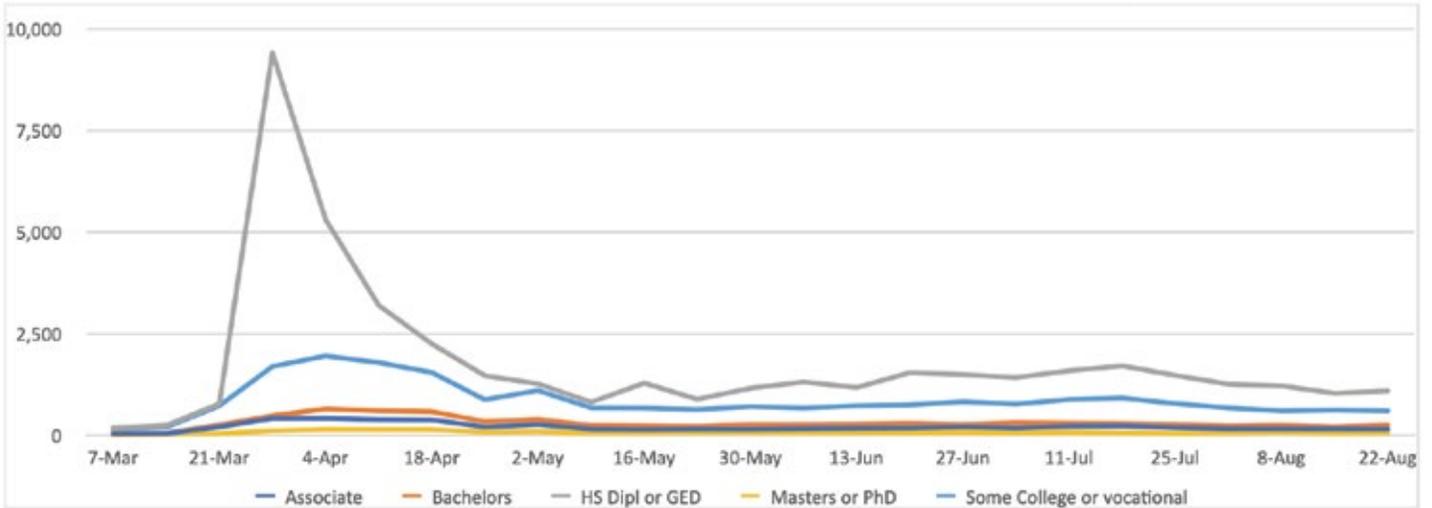
unemployment claims as shown in Figure 7: Weekly UI Claims in Solano County by Educational Level. In contrast, higher educated individuals remained more insulated from unemployment, likely due to the nature of their work and the capability of working remotely. The high degree of lower-educated unemployment also correlates to the industries with the largest COVID layoffs: Retail and Accommodation/Food Service. Both industries predominantly employ lower-wage, lower-educated individuals in Solano County.

Figure 6: Solano County COVID Unemployment by Educational Level



The younger population in Solano County has also been hit hard by COVID unemployment. Almost half (45%) of Solano County residents receiving UI benefits are under the age of 35 as shown in Figure 8: Solano County COVID Unemployment by Age Group. California Policy Lab found that regardless of education level, initial claims statewide by the youngest workers (Generation Z, age 16-23) have been largest relative to the size of their labor force and have been increasing.¹² Of individuals with a bachelor's degree or higher, one in five Generation

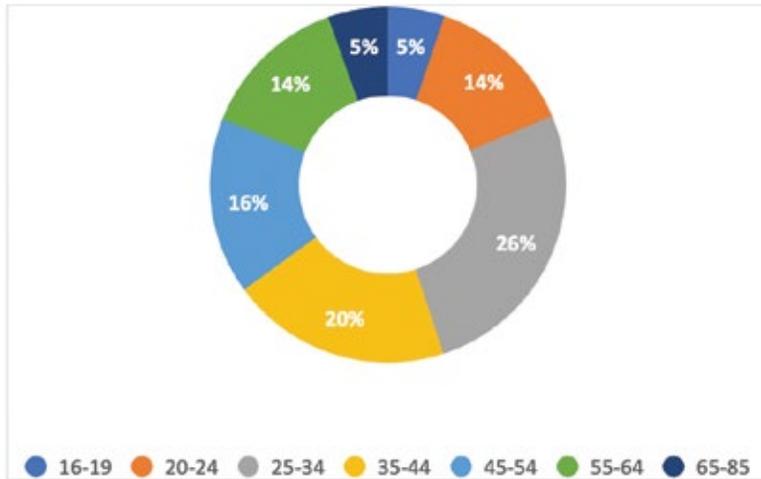
Figure 7: Weekly UI Claims in Solano County by Educational Level



Z workers were unemployed versus less than one in ten among workers over 40. This may be due to younger workers principally having lower tenure than older workers and as such one of the first to be laid off.

The Arts, Entertainment, and Recreation industry is a major employer for Solano County youth populations. The summer closing of the Arts, Entertainment, and Recreation industry severely affected younger workers supplementing family incomes and young people working to save money for returning to college in the fall. Strada Education Network survey revealed that 65% of the youngest adults (age 18-24) canceled or changed their education plans as a result of COVID, with Hispanic and African American students representing the largest percentage of those canceling or changing education plans.¹³ More analysis is needed to understand the causes of these changes in educational demand.

Figure 8: Solano County COVID Unemployment by Age Group



The data shows that educational attainment may lower the risk of younger workers from unemployment, but it does not protect their employment at the same rate as older workers. When considering that the Great Recession had a disparate impact on those 16-25, we can see that younger Millennials have now been hit twice by record-setting peaks in unemployment. This could not only impact Millennials' future career trajectory, but also their future wealth.



Spotlight on Pandemic Unemployment Assistance (PUA) and the Self-Employed

Pandemic Unemployment Assistance (PUA) is a unique component of the COVID unemployment landscape. Enacted as part of the federal CARES Act legislation, PUA was one of three unemployment programs created to mitigate the effects of COVID on employment. California Employment Development Department (EDD) opened applications for PUA beginning April 28, 2020.

While PUA claims include both self-employed individuals and those previously ineligible for UI benefits, California Policy Lab determined that over 95% of PUA claims have been from previously self-employed individuals. Since there are approximately 2.2 million self-employed individuals in California, it can be deduced that 60% of self-employed individuals have claimed PUA benefits.¹⁴ Many sole proprietors rely on contracts with other businesses or consumer spending in order to thrive, both of which have been significantly reduced since the start of COVID. Since PUA began, Solano County residents have submitted 23,255 PUA claims, about 20% of total UI claims in the county. The weeks with the highest PUA claims were week ending May 2, 2020 (the first week PUA was made available) and week ending August 22, 2020 as seen in [Figure 2](#) on page 6. The first week of PUA eligibility is understandably high; however, the upward trend of August PUA claims raises more questions than answers about how self-employed individuals are faring during the pandemic. Insights from the EDD show the increase in PUA could be due to delays in PUA claims processing. There are also rising concerns about the potential of fraud in recent PUA claims.

Table 6: Top Industries of PPP Loans Secured by Sole Proprietors in Solano County

Industry	Sole Proprietor PPP Loans
Other Services	260
Professional, Scientific, and Technical Services	164
Health Care and Social Assistance	145
Retail Trade	128
Construction	122
Accommodation and Food Services	94
Transportation and Logistics	66
Administrative and Support	59
Real Estate and Rentals	53
Finance and Insurance	49

These data points imply that the pandemic has significantly impacted our self-employed individuals. Industry data on PUA claims is unavailable, but analysis of industries in which Solano County sole proprietors secured Payroll Protection Program (PPP) loans provides some insight into the industries in which sole proprietors have been most affected. [Table 6](#) shows the top industries of PPP loans secured by sole proprietors. Sole proprietors in

Other Services have secured the highest number of PPP loans in the county.¹⁵ Other industries with high sole proprietor PPP loans include Professional, Scientific, and Technical Services; Healthcare/Social Assistance; Retail Trade; and Construction. Many of these industries have been broadly impacted economically as well, with the exception of Professional, Scientific and Technical Services. It is plausible that consulting and professional services often provided by sole proprietors have been hindered by changing COVID business demand and reduced budgets.



Worker Considerations

The COVID environment has brought to the forefront a number of challenges and opportunities for Solano County's workforce. The depth of the impact of COVID on the workforce remains to be seen, but several considerations have surfaced.

Remote Work and Digital Literacy

The necessity and urgency of remote work due to the pandemic has highlighted the growing digital divide in our communities, while also providing substantial opportunity for technological advancements in the workplace.

Those who continued to work through the pandemic have depended crucially on the suitability of their job for remote work or essential activities. UI claims analysis shows that office workers have weathered COVID unemployment better than industries where consumer interaction and on-site work is required. Anecdotal information from participant surveys conducted by the Workforce Development Board of Solano County show that many workers are looking for remote work opportunities, whereas business openings have predominantly been for on-site employment. In August 2020, only 2.6% of Solano County job postings advertised remote work.¹⁶ A disconnect between the needs of our talent supply and demand have left jobs unfilled as the economy begins to reopen.



Although remote work is highly desired by job seekers today due to public health concerns, additional skills are needed to succeed in remote work. Technology such as video conferencing platforms, collaborative document sharing and editing, online order and checkout systems, and digital forms and applications have become the new normal in the workplace as companies have shifted production, approaches, and tools to respond to the economic realities of COVID. Human Resource departments have also moved overwhelmingly to digitizing the entire recruitment process, requiring job seekers to increase their digital skill sets to obtain employment.

COVID has accelerated use of technology in occupations traditionally nontechnical, such as warehouse and retail employees. Digital US Coalition released a report in May 2020 on "Building a Digitally Resilient Workforce" that dissects digital literacy and technological changes in the COVID environment. They found that eight (8) out of ten (10) middle-skill jobs now require digital literacy skills. However, 73% of service sector employees, those most impacted by COVID, lack skills to problem solve in a digital environment.¹⁷

Even in office settings where employees use computers daily, the enhanced technological demands of businesses have shown gaps in digital literacy and access among the employed. The business shift to digital provision of services have required employees to learn new remote platforms and tools, yet many workers lack the digital problem-solving skills to easily adapt to the myriad of new cloud-based programs and processes.

Another consideration in the COVID environment is online learning. Schools at both the K-12 and post-secondary level have had to transform their curricula and operations to react to the new learning environment. However, this shift has shown that many students do not have access to computers or stable, high-speed internet connections that can handle the streaming needs of online learning. Others struggle to adapt to the new digital learning environment. In fact, Digital US Coalition found that half of Americans are uncomfortable with learning in a digital format.¹⁸ The new digital platform of higher education in California may lead to significantly reduced enrollments in fall 2020, particularly with those lacking digital access or digital literacy skills.

Our vulnerable populations are likely to struggle the most with digital literacy, given one-half of Black and Latinx workers nationwide have limited or no digital skills and only half of households with income under \$30,000 have a computer, according to the Digital US Coalition.¹⁹ Rural communities face additional challenges with access to broadband. COVID has exposed inequities in access to technology and digital literacy among our talent base and has become a growing consideration in workplace and educational settings as a result of COVID.



Impacts of School-Age Distance Learning

Distance learning in our K-12 system as a result of social distancing has also placed a strain on working parents. Nationwide, about 76% of mothers and 92% of fathers with children between the age of 6 and 17 worked in 2019.²⁰ This means the majority of our parents must balance working, childcare, and supporting the academic success of their children, all in a time of high stress and anxiety due to the current environment. Nationwide, almost a third of our workforce (32%) have children under 14,²¹ so businesses are also faced with how to balance the needs of the business with the challenges facing their employees with children.

For parents to work on-site, additional hours of childcare are necessary. Supervision during the current distance learning atmosphere is now required for an additional 30 hours a week due to school closures, which increases the cost of childcare for parents who may be already struggling with loss of wages. According to the Urban Institute, parents could face a doubling or tripling of childcare expenses as a result of the increased hours of childcare alone.²² In addition, the added concerns of safety and quality distance learning become considerations and stressors for working parents. It is possible that we may see more parents drop out of the labor force given the added strains of childcare and distance learning during COVID, increasing both family financial insecurity and potential long-term earning loss.



Reduced Wages and Potential Long-Term Unemployment

Statewide analysis shows that approximately 10% of UI claims have received partial benefits during the pandemic. For UI claimants who were employed in lower-wage jobs, the option of reduced hours creates a choice between uncertain employment with low earnings and more stable UI benefits that reduce the risk of poverty and exposure. The median UI benefit statewide in the week ending July 11th was \$314, implying prior average weekly earnings of \$628. If claimants receive more than two-thirds of their prior wages while on UI, they are denied both UI benefits and the additional federal payments. If

“I am the sole provider in a single parent household. My child’s school is distance learning and that can help me...I was finally able to find a job for her, but now who’s going to teach her? I have an IEP that has already put her behind. How do we get the money we need and give her the education she desperately needs and deserves?”

they only received half of prior wages, they would receive \$78 in partial UI benefits, plus \$600 from the additional federal benefits while enacted, for a total of \$678 in UI benefits. Benefits, in addition to the \$314 from working, would provide a total of \$992 in weekly earnings.²³ Working 50% of prior hours versus 75% of prior hours has been more advantageous for low-income workers. This creates difficult choices for workers and creates a perfect storm for businesses wanting to bring back employees part-time.



As COVID unemployment continues longer than originally predicted, concerns are growing about increasing rates of long-term unemployment (unemployment lasting longer than 6 months). It is likely that workers who have been displaced from non-essential jobs with a higher risk of exposure to COVID will have higher rates of long-term unemployment.²⁴ Considering that these occupations tend to consist of lower-wage jobs, this could impact future poverty rates in the county.



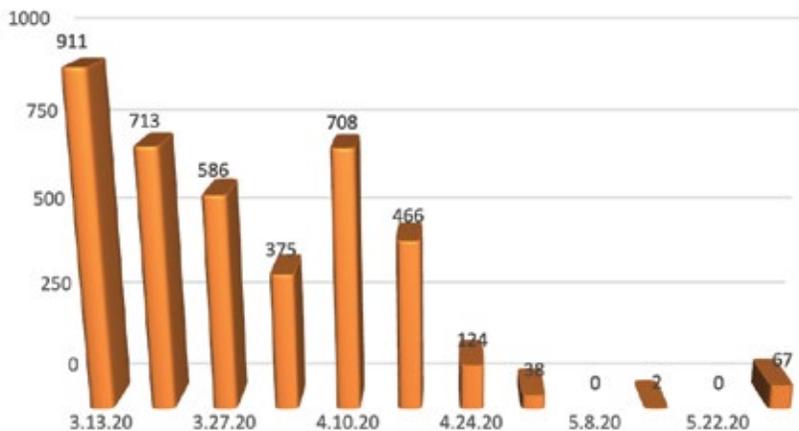
nt household.
nd I have no one
find child care
er? She's 9 with
How do I earn
ducation she so

Individuals who are long-term unemployed have historically had more difficulty in returning to employment than those with shorter-term unemployment. The depth of the impacts of this recession is challenging to predict, but lessons from the Great Recession give us indicators to observe post-COVID and address proactively. Older workers have historically had lower unemployment rates than other age groups but tend to have more difficulty reentering the workplace after economic recovery. As such, the long-term unemployment resulting from the Great Recession disproportionately affected older workers. The Great Recession also showed us that the long-term unemployed are 45% less likely to receive callbacks from resumes than those unemployed for only one month and had to apply for 3.5 times as many jobs as the short-term unemployed.²⁵ We anticipate that businesses will be more forgiving of long-term unemployment due to the COVID circumstances, but proactively addressing the stigma and barriers of long-term unemployment will accelerate economic recovery post-COVID.

Business Analysis

COVID and the mandated Shelter at Home Orders have created an induced economic recession due to the public health concerns of the pandemic. This environment has created significant strain for Solano County's businesses, which have faced necessitated furloughs and layoffs, reduced customers and profits, required changes in service delivery due to reopening compliance, and uncertainty in reopening timelines.

Figure 9: Affected Employees by WARN Notices by Week from March - May 2020

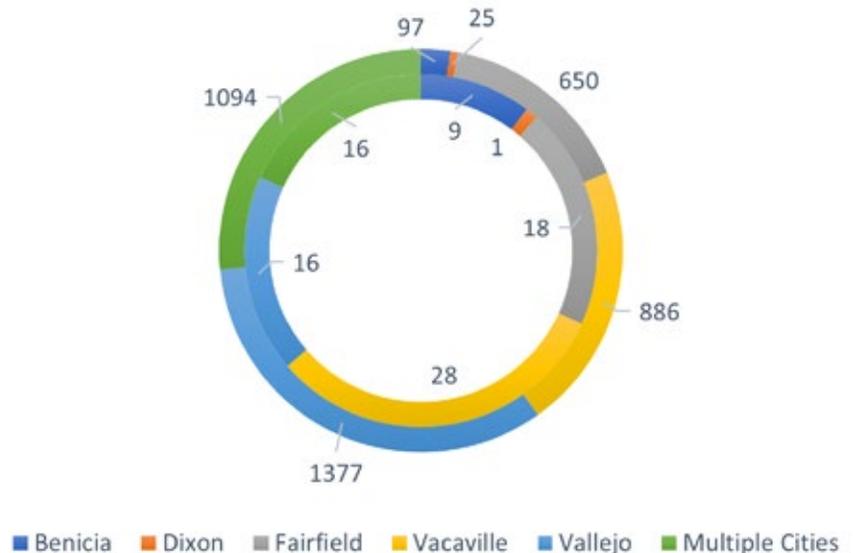


Business Layoff Analysis

The Shelter at Place Orders have led to either the closure or reduction of many business operations, resulting in layoffs in occupations across industries. In the first three months of COVID (March-May 2020), the Workforce Development Board of Solano County received layoff notices from 82 employers for a total of 3,982 impacted workers, shown in Figure 9: Affected Employees by WARN Notices by Week from March – May 2020.²⁴ To put this into perspective, the Workforce Development Board of Solano County

received only 13 layoff notices during 2019. While this figure is staggering, we know this is only a small fraction of the jobs lost in Solano County. Figure 10 shows the number of businesses and affected employees by reported layoffs in Solano County from March – May 2020 by city. The inside ring shows number of businesses and the outside ring shows number of affected employees. Whereas UI claims analysis shows unemployment by place of residence, layoff analysis gives a clearer picture of where jobs have been lost. Notices show layoffs by place of business and could include employees from surrounding areas. Layoff notices received by the Workforce Development Board of Solano County show Vacaville and Vallejo businesses have been the most impacted by large-scale layoffs. Six Flags in Vallejo experienced the largest volume of layoffs with over 900 individuals temporarily laid off, and many of the outlet retail stores in Vacaville experienced significant layoffs as well. This data validates that cities heavily reliant on tourism and hospitality are experiencing the most job loss. Fairfield, in comparison, has more diversity of industries and a higher level of government employment, and as such, has experienced fewer layoffs comparatively during the pandemic, despite having the largest number of businesses in the county.

Figure 10: Business and Affected Employees by Reported Solano County Layoffs from March - May 2020 by City



received only 13 layoff notices during 2019. While this figure is staggering, we know this is only a small fraction of the jobs lost in Solano County. Figure 10 shows the number of businesses and affected employees by reported layoffs in Solano County from March – May 2020 by city. The inside ring shows number of businesses and the outside ring shows number of affected employees. Whereas UI claims analysis shows unemployment by place of residence, layoff analysis gives a clearer picture of where jobs have been lost. Notices show layoffs by place of business and could include employees from surrounding areas. Layoff notices received by the Workforce Development Board of Solano County show Vacaville and Vallejo businesses have been the most impacted by large-scale layoffs. Six Flags in Vallejo experienced the largest volume of layoffs with over 900 individuals temporarily laid off, and many of the outlet retail stores in Vacaville experienced significant layoffs as well. This data validates that cities heavily reliant on tourism and hospitality are experiencing the most job loss. Fairfield, in comparison, has more diversity of industries and a higher level of government employment, and as such, has experienced fewer layoffs comparatively during the pandemic, despite having the largest number of businesses in the county.

Changes in Job Growth

Prior to COVID, Solano County was experiencing considerable growth in jobs. From 2014-2019, jobs increased by 11.4%, outpacing the national job growth rate of 7.9%.²⁷ This five-year job growth represents approximately 17,000 jobs, leading to a county-wide job total in February 2020 of 144,600 jobs, as seen in [Table 7: Total Jobs, All Industries in Solano from July 2019-July 2020](#).²⁸ Monthly job data and industry gain and loss numbers represent jobs at Solano-based establishments. Twenty thousand jobs were lost to the outbreak in March and April, equating to 14% of February’s pre-pandemic job levels.

There have been some signs of job gains as the economy has reopened at varying rates. Between May and June 2020, 20% of the jobs lost in the first month of the pandemic were regained, but July’s job loss due to the second wave of business closures stymied those job gains. At the end of July, Solano County’s job total was 128,800, or 10.8% below February’s pre-pandemic job levels. Businesses have also greatly reduced hiring as a result of the pandemic, with an 18% decline in job postings over last year’s postings as businesses remain hesitant in hiring during the pandemic uncertainty.²⁹ Despite the encouraging job gains over the past months, the pandemic loss of employment has nearly negated the past five years of job growth.

The ability to reopen business this fall may show encouraging signs of job gains, but many businesses may simply not have the cash flow to recover to pre-pandemic levels of revenue and employment. Large companies tend to have large cash reserves, but small businesses often lack the resources to survive sustained economic reduction. Considering that 95% of Solano’s businesses have less than 50 employees, job recovery to pre-pandemic levels will likely be a long-term progression.

Table 7: Total Jobs, All Industries in Solano from July 2019 - July 2020

Month	Total Jobs
Jul-19	142,000
Aug-19	142,900
Sep-19	142,700
Oct-19	144,200
Nov-19	144,000
Dec-19	146,600
Jan-20	144,100
Feb-20	144,600
Mar-20	144,800
Apr-20	123,600
May-20	124,900
Jun-20	129,000
Jul-20	128,800



Figure 11: Job Gains/Loss by Industry in Solano County from April - June 2020

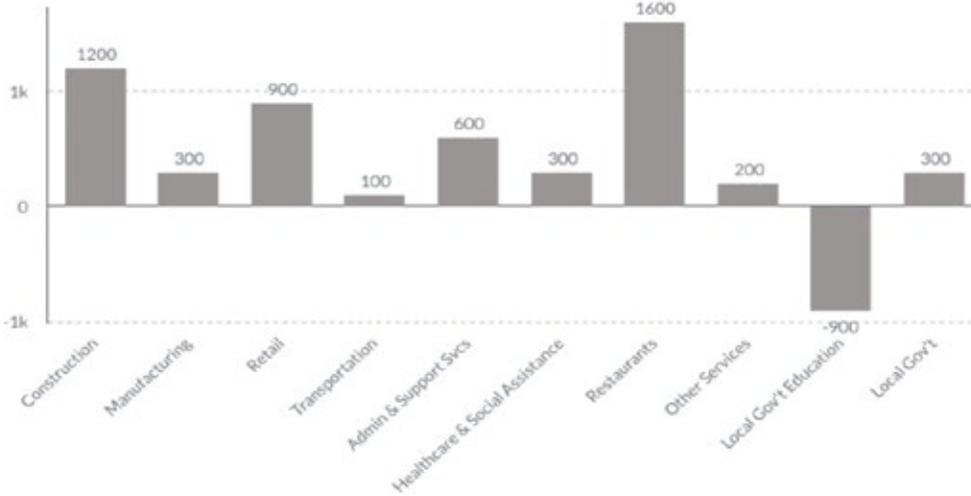
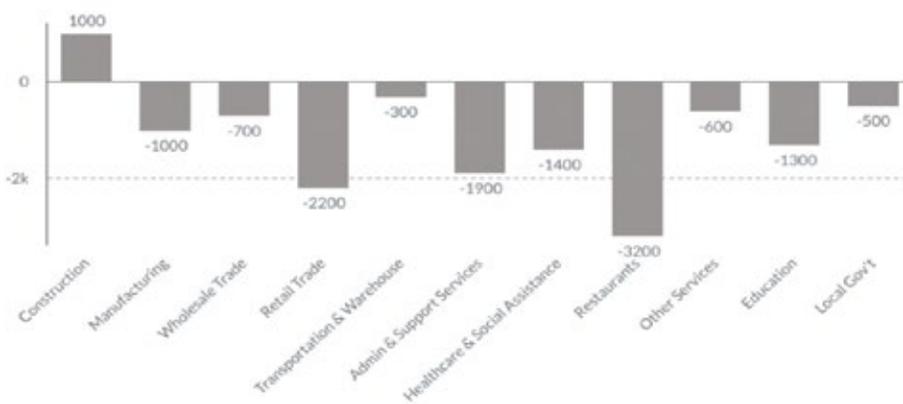


Figure 12: Job Gains/Loss by Industry in Solano County from July 2019 - July 2020



Figures 11 and 12 show Solano County's job gains and losses during the pandemic in select industries. Figure 11 shows the job gains and losses by industry from April – June 2020 as the county began to reopen the first time. Restaurants gained the most jobs during this period, followed by Construction. Education was the only industry that saw job loss, losing 900 jobs. Figure 12 shows job gains and losses over a one-year period from July 2019 – July 2020. July 2020's industry employment in Leisure and Hospitality was 4,600 less than in July 2019. Of the overall job loss in this industry sector, 70% (3,200 jobs) of job loss has been in restaurants. Construction was one of the few industries that saw job gains over last year, with 1,000 jobs gained since July 2019.

Payroll Protection Loans Analysis

Payroll Protection Program (PPP) forgivable loans from the Small Business Administration (SBA) under the federal CARES Act was a lifeline for many businesses, alleviating revenue loss and layoffs. SBA released data on PPP loans awarded through August 8, 2020.³⁰ In Solano County, 3,961 PPP loans were awarded, 3,438 of which were loans under \$150,000 totaling \$117.9 million. Only four Solano County businesses received PPP loans over \$5 million: Blue Mountain Construction Services, Jelly Belly Candy Company, Mariani Packing Company, and Meyer Corporation. Businesses reported 41,087 jobs saved in Solano County as a result of PPP loans, 1,681 of which were reported saved by these four largest PPP loans. Jelly Belly Candy Company reported saving the highest number of jobs as a result of their PPP loan with 500 jobs saved.



One challenge many businesses faced in securing PPP loans was effectively connecting with lenders. Many lenders had stipulations about who they would provide PPP loans to, including requirements to be current recipients at the lending institution. Lending provisions proved to be a barrier for many businesses in securing PPP loans. As such, analysis of PPP loans can provide us an understanding of the financial impacts of COVID on businesses but does not provide a fully inclusive perspective.



Businesses across Solano County communities received PPP loans as seen in [Table 8](#): Payroll Protection Program Loans by city.³¹

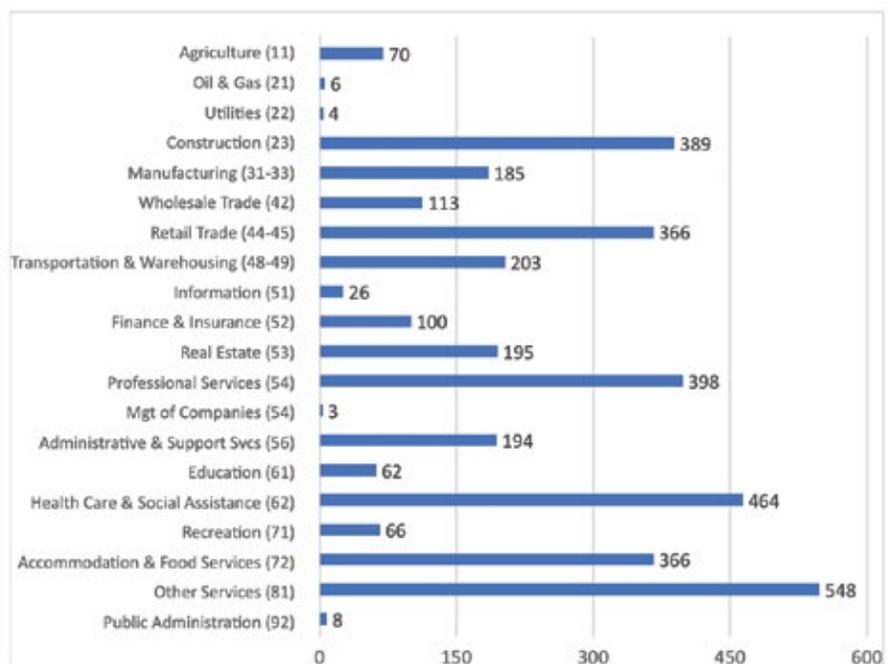
Table 8: Payroll Protection Program Loans by City

City	Loans
Benicia	528
Dixon	255
Fairfield	1,076
Rio Vista	86
Suisun City	150
Vacaville	992
Vallejo	869

Businesses in Fairfield received the most PPP loans with 1,076 loans awarded, followed by businesses in Vacaville and Vallejo. Dixon had the highest percentage of loans with 42% of businesses in Dixon receiving PPP loans, followed by Benicia at 32% of businesses receiving loans. The economic development departments in both Dixon and Benicia ardently promoted PPP loans in their cities, which likely contributed to their high percentage of PPP recipients. Vallejo had the lowest percentage of loans with 27% of Vallejo businesses receiving PPP loans.

Examining PPP lending in Solano County by industry can give us additional insights on the financial strain of the pandemic on different industry sectors. As seen in [Figure 13](#): Payroll Protection Program Loans in Solano County by Industry, businesses in Other Services received the highest number of PPP loans. Additionally, Healthcare/Social Assistance, Professional Services, and Construction industries received a high volume of PPP loans.

Figure 13: Payroll Protection Program Loans in Solano County by Industry



Detailed analysis of sub-sectors within these industries paint a more comprehensive picture of business strain across industries. [Table 9](#) shows the Top 10 Industry Sub-sectors receiving PPP loans in Solano County. Not surprisingly,

Restaurants received the most loans out of any industry sub-sector.

Personal Care Services, including hair salons and nail salons, was the largest subset of Other Services receiving loans and the second largest sub-sector across industries. Under California’s reopening guidance, Personal Care Services were not allowed to reopen in Solano until

May 27, 2020 due to the high contact nature of services. As a result, Personal Care Services remained closed for over two months, leading to high financial stress.

Analysis of the types of businesses receiving PPP loans shows that corporations (33% of loans) and sole proprietors received the most loans (29% of loans). Of note, ten (10) professional associations and 115 nonprofit organizations also received loans in the county. Unfortunately, it is unfeasible to determine how many veteran-owned or minority-owned businesses received PPP loans considering only 6% of recipients chose to enter demographic information. The PPP Loans were provided through lenders rather than directly from the SBA. Figure 14 shows lenders who provided over 50 PPP loans in Solano County. Large national banks provided the highest number of loans, with Bank of America providing the most PPP loans in the county. Of local lenders, First Northern Bank of Dixon provided the highest number of PPP loans.

Table 9: Top Ten Industry Subsectors Receiving Payroll Protection Program Loans in Solano County

Industry Subsector	Number of PPP Loans
1 Restaurants and Other Eating Places (7225)	270
2 Personal Care Services (8121)	195
3 Offices of Dentists (6212)	128
4 Automotive Repair and Maintenance (8111)	113
5 Residential Building Construction (2361)	109
6 Offices of Real Estate Agents and Brokers (5312)	98
7 Management, Scientific, and Technical Consulting Services (5416)	89
8 Offices of Other Health Practitioners (6213)	86
9 Other Professional, Scientific, and Technical Services (5419)	79
10 Religious Organizations (8131)	79



Spotlight on Nonprofits

Nonprofit organizations are in a precarious position as a result of COVID. In 2016, Solano County nonprofits received an average amount of \$896 in foundation dollars per nonprofit, compared to an average \$152,570 per nonprofit in San Francisco; and Solano County received only 0.1% of the foundation dollars received in the nine county Bay Area region.³² Therefore, many non-profits in Solano County rely heavily on

government funding. With the increased expenditures and revenue loss of local government, many community contracts have been terminated or are at risk of termination during Fiscal Year 2020-21. The financial strain on local governments is likely to have a substantial effect on our non-profit base.

A survey of Northern California nonprofits conducted in July 2020 shows that more than two-thirds (70%) of nonprofits have been significantly or severely impacted by COVID.³³ More than half (56%) of nonprofits expected salary freezes in Fiscal Year 2020-21 and are worried about the following year's finances, and almost one-third (32%) of nonprofits have either implemented or expect layoffs. Of those laying off, 60% said it was likely the layoffs would be permanent.

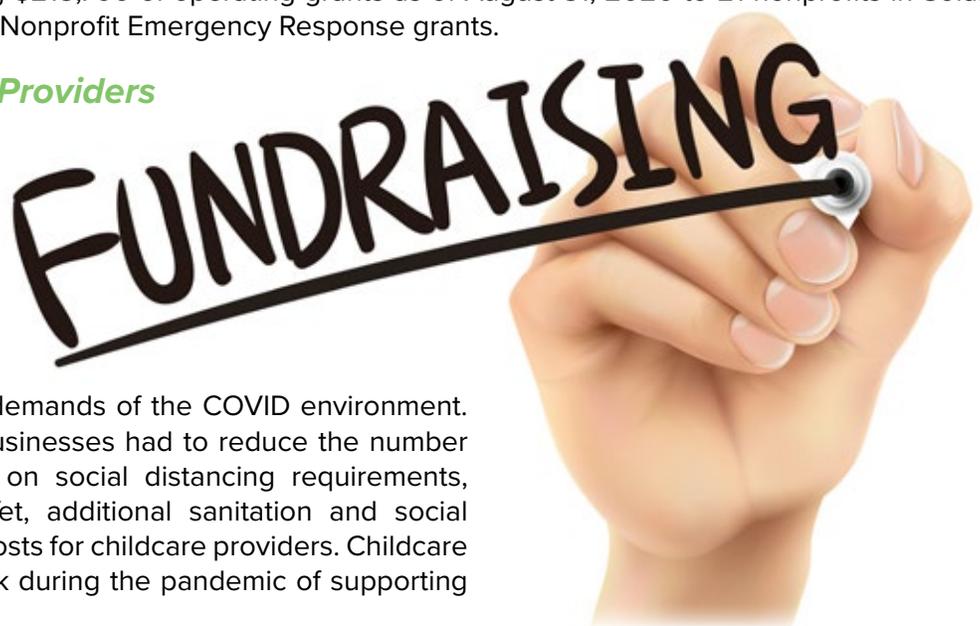


Membership-based nonprofits, 501(c)(6)s, are in a unique financial situation as their revenue is often based on events and fundraisers that have been canceled as a result of social distancing. However, they have been largely ineligible for both small business and nonprofit grants. Membership-based nonprofits will be faced in the coming year with the challenge of reimagining revenue streams, while continuing to provide expected services to their members.

Many of Solano's nonprofits provide the social services needed in the community, especially during COVID, such as mental health, legal services, basic needs assistance, and youth services. Continued support of our nonprofits will be necessary to maintain needed services for our most vulnerable populations affected by COVID. Solano Community Foundation is one local organization that has worked to reduce the negative effect of COVID on the nonprofit community, infusing \$215,700 of operating grants as of August 31, 2020 to 21 nonprofits in Solano County as part of their COVID-19 Nonprofit Emergency Response grants.

Spotlight on Childcare Providers

Early childhood education facilities and childcare providers have faced challenges in not only maintaining childcare availability, but also in meeting the increased need of childcare and the new demands of the COVID environment. Childcare providers like many businesses had to reduce the number served in their facilities based on social distancing requirements, leading to reduced revenue. Yet, additional sanitation and social distancing measures increased costs for childcare providers. Childcare providers face the additional task during the pandemic of supporting K-12 distance learning.



These challenges are exacerbated by the high percentage of childcare workers in populations vulnerable to COVID and the higher risk of exposure to COVID, leading to a reduced talent base.³⁴ This is especially important when considering that 93% of all childcare workers are women and disproportionately women of color and immigrant women.³⁵ These challenges and increasing demands are difficult for the childcare industry to face, considering that the childcare workforce is one of the lowest paid industries with average wages in Solano County at \$30,432 or a median wage of \$13.31/hour.³⁶

We have seen that childcare providers have struggled to meet these challenges. Solano Family and Children’s Services reported that COVID significantly decreased childcare services in the county. From February to April 2020, 218 childcare providers in Solano County closed due to COVID, devastating an already fragile industry structure.³⁷ What is perhaps most concerning regarding childcare services is that the county was already considered a childcare desert prior to COVID with few licensed childcare options for families.

First 5 Solano has worked to address these industry challenges by establishing essential childcare drop-in services and releasing grants to childcare providers, but more energy will be needed. To ensure the childcare industry and the ability for working parents to maintain childcare for their children, it will be important to find ways to help stabilize the childcare industry.



Business Considerations

The lessons from the first reopening of businesses in May-June give us insight into anticipated consumer habits once Solano County businesses are able to reopen again. During the first reopening, office workers did not return to their business location at the pre-pandemic level, instead continuing to work remotely, which reduced the consumer demand for restaurants, stores, and services.³⁸ With the growing trend of remote work and the continued challenge of school closures and daycare limitations, consumer demand may remain low once businesses are able to reopen.

Businesses that lend unique character to our Main streets throughout the county are currently at economic risk right now. Many of our Main Street storefronts have a small physical footprint that does not lend itself to social distancing. Some projections suggest that as many as three-quarters of them may not survive the current crisis. The loss of our Main Street businesses would be irreparable, not only economically, but also culturally for the communities they characterize.

Local Investment in Small Businesses



Local government and large local businesses have been responsive in supporting Solano’s small business community. Three cities to date; Benicia, Fairfield, and Vacaville; have invested in their small business communities with micro-grant programs. [Table 10](#) shows known local investments. The Workforce Development Board of Solano County utilized Workforce Innovation and Opportunity Act (WIOA) funding, in addition to donations from Wells Fargo and Genentech, Inc. to invest \$207,000 in 49 small businesses countywide in April 2020 through its Layoff Aversion Fund.

Benicia businesses have received the largest local investment in Solano County. The City of Benicia partnered with the Workforce Development Board of Solano County to administer \$50,000 in small business grants through the Layoff Aversion Fund, and then launched a two-phase small business grant program totaling \$300,000. Benicia Industrial Business Park (BIPA) commenced Business Helping Business, in partnership with the Benicia Chamber of Commerce, investing an additional \$236,000 in Benicia’s small businesses. To date, Benicia has provided grants to 134 of its small businesses.

Fairfield and Vacaville utilized CARES Act funding and Community Development Block Grant (CDBG) funds to invest in their small business base. Fairfield opened the application period for their small business program, in partnership with the Solano Small Business Development Center, in August 2020 to invest \$400,000 in Fairfield businesses. Vacaville launched their small business grant program on September 4th with plans to invest \$440,000 in Vacaville businesses. Both Dixon and Vallejo are currently developing small business assistance grants as well.

The County of Solano is infusing the largest amount of funds into Solano small businesses with \$2,000,000 in CARES Act funding, to be administered by the Workforce Development Board of Solano County and the Solano Small Business Development Center. The Rebuild Solano’s Small Businesses grant program opened for applications on September 15, 2020.

Table 10: Local Investment in Small Business

City	Local Investment in Small Business
Benicia	\$ 536,000
Dixon	<i>in progress</i>
Fairfield	\$ 400,000
Rio Vista	-
Suisun City	-
Vacaville	\$ 440,000
Vallejo	<i>in progress</i>
County-wide	\$ 2,207,000

Conclusion

COVID has both negatively impacted and changed our community and economy. Looking at areas of hope and concern will allow us to proactively respond to the effects of the pandemic moving forward.

Areas of Hope

Industry Diversity

Areas with diverse industrial compositions and occupational mix, as well as areas with higher levels of government employment may be more insulated from economic shocks of COVID. Cities with high reliance on tourism across the country have had higher rates of unemployment and business strain, whereas cities with a diverse economy are less likely to depend on specific industries for economy stability.³⁹ Solano County's economy base is quite diverse, ranking 41st in industry diversity of the 3,142 counties in the United States.⁴⁰ In addition, Solano County's largest industry is government, which should help mitigate the economic pressures of COVID.



Public Policy Response

Public policy responses have also led to different economic outcomes throughout the state. Solano County leadership has focused on maintaining public safety, while providing businesses as much flexibility as possible to operate under the social distancing measures. Whereas surrounding areas considered the Construction industry a non-essential industry, for example, Solano County provided more flexibility in defining essential activities. Considering that Construction is the 4th largest industry in the county with the 5th highest wages, the continued operation of Construction should support a more accelerated economic recovery.



Areas of Concern

Economic Uncertainty

COVID has created an economic environment of uncertainty, where operational requirements are fast-changing to minimize the COVID infection rate and the length of business shutdown remains a lingering question. Many businesses are hesitant to reopen and rehire, given the unknown of whether businesses will remain open, the complications of conducting business within the parameters of social distancing measures, decreased profit margins, and the uncertain level of consumer demand. It is plausible

that consumer spending habits will shift permanently to more online mediums, which generates additional uncertainty on the long-term impact of our brick and mortar businesses in Solano. Solano County businesses and employees must continue to contend with the uncertain environment and find ways to innovate and pivot operations to remain successful. Continued review of business and consumer reactions to the COVID environment will be necessary.

Effect on Local Government

Another area of concern is the long-term effect of COVID emergency response and revenue loss on local governments. Since government agencies are the largest employer in Solano, continued financial strain on local governments could lead to additional layoffs, furloughs, or reduction in local contracts for services. CARES Act funding and reimbursements for emergency response will help, but continued monitoring is required to ascertain long-term effects on local government and proactive measures will be needed to support this anchor industry.



Impact on Vulnerable Populations

The populations most vulnerable in Solano County are younger workers, lower-educated workers, and lower-wage workers. The data shows a startling theme that populations most economically susceptible will likely be the most negatively impacted long-term by COVID unemployment. These populations will need additional support to recover from the recession, but without a strong non-profit and childcare infrastructure, resources may be scarce when the county moves into post-COVID recovery.

Recommendations

The COVID pandemic has created a myriad of new challenges and opportunities in the county that may have lasting impact on our economy and community. The Workforce Development Board of Solano County has identified four (4) recommendations for responding to COVID unemployment and preparing for economy recovery:

- 1. To lay the foundation for a sustainable and equitable economic recovery, local leaders and stakeholders should target resources and supports to the populations most vulnerable in the COVID-induced recession.**

Investments in education and workforce for our younger workers and lower-educated workers will be necessary to increase their economic resiliency post-COVID. As we continue forward, Solano County stakeholders will also need to be more intentional and inclusive in their service delivery to ensure equity in our economy and labor force. Strengthening safety nets for our most vulnerable populations will be needed to help mitigate potential long-term poverty and unemployment.

Promising practices are already beginning at City and County levels. The County of Solano invested \$4 million in rental assistance for vulnerable tenants to allay evictions and lessen the strain on small landlords. Many cities are also expanding their Project Roomkey and Homekey initiatives to improve conditions for Solano's homeless population. In addition, the Solano Community Foundation has provided grants through the COVID-19 Regional Response Fund to fund local non-profits providing basic needs assistance to the community.

Solano County stakeholders should continue and expand provision of safety net supports in all Solano County communities, with a focus on Vallejo and the county's rural communities to lessen the long-term effects of COVID on families. In addition, stakeholders should explore additional ways to target resources and supports for Solano's vulnerable populations.

2. Solano County education and workforce providers should help prepare the county's talent base for the new digital realities of school and work.

Our economy is witnessing a paradigm shift in essential workplace skills with digital literacy becoming a new foundational skill for the workplace. Both workers and businesses will need to examine digital literacy and explore ways to upskill in this increasingly crucial foundational skill. Many households lack access to high-speed internet connections, an oft-necessary prerequisite to engage in the streaming and video conferencing activities required in today's education and workplace. Review and augmentation of broadband access in the community could also improve access in our more vulnerable communities. In addition, developing and implementing new ways to build digital literacy both among the unemployed and incumbent workforce will lead to a more efficient employee base and ensure a more inclusive economy moving forward.

3. Solano County businesses should reimagine service delivery and consumer engagement to maintain viable revenue sources.

Pre-pandemic business operations and sales models have proven ineffective in maintaining viable revenue sources during the Shelter at Home Orders. Innovative and nimble businesses have switched to online and outdoor sales, virtual offerings, and reduced contact measures to build consumer confidence in spending safely.

The Solano Small Business Development Center has provided guidance to over 500 businesses since the start of COVID, with over 200 businesses choosing to take advantage of more in-depth business advising. The key indicator of success they found among small business owners during COVID was the ability to pivot operations and more effectively engage with consumers virtually. Services such as those the Small Business Development Center provides can help businesses strategically respond to the COVID environment. Consumer trends also show beginning signs of lasting changes in consumer spending, with increased online shopping and home delivery of goods. Businesses should prepare for a transformed economy, and stakeholders can help facilitate this transition.

4. Leaders and stakeholders in Solano County communities should explore policies and initiatives to support continued job growth.

To ensure economy recovery, local leaders and stakeholders should closely watch the monthly trends in job gains and losses, and explore policies and initiatives that can encourage continued job gains. While this will clearly be difficult to influence, many cities and the County have already implemented measures to sustain the economy, including reconfiguring downtowns to allow for Main Street outdoor sales, clemency of fees, revising permitting processes, and intensive education and awareness campaigns. Continued exploration of policies and measures to sustain business operations and encourage job growth will aid in Solano County's economic recovery.



Endnotes

¹Total “UI claims” include new claims (full and partial), Pandemic Unemployment Assistance claims, additional claims, and transitional claims. A new claim is an individual who applied for UI for the first time in a given benefit year. PUA claims include business owners, independent contractors, self-employed workers, freelancers, and gig workers that are traditionally not covered by Unemployment Insurance. An additional claim represents individuals who filed a claim previously, gained wages, and subsequently reopened their claim before their benefit year expired. Transitional UI claims represent individuals who were still collecting benefits at the end of their benefit year and were able to transition their claim to the following benefit year. Transitional claims have been less than 0.5% of total initial weekly claims throughout the crisis, and as such are often grouped with additional claims.

²Statewide, approximately 24% of claimants reapplied for UI benefits. For more information, visit “Policy Brief: An Analysis of Unemployment Insurance Claims in California During the COVID-19 Pandemic” by California Policy Lab.

³U.S. Census, Center for Economic Studies, “Longitudinal Employer-Household Dynamics: Inflow/Outflow Analysis,” based on 2017 data.

⁴Poverty Rates are based on 2018: ACS 5-Year Estimates. US Census Table S1701.

⁵Employment numbers and industries of residents are pulled from Industry by Occupation for the Civilian Employed Population 16 Years and Over, 2018: ACS 5-Year Estimates. US Census Table S2405.

⁶Pandemic Unemployment Assistance (PUA) was established under the federal CARES Act for individuals ineligible for regular Unemployment Insurance. PUA claimants include business owners, self-employed workers, independent contractors, people with a limited work history, people who have used all their regular UI benefits as well as any extended benefits, and people who are serving false statement penalty weeks on their regular UI claim. PUA includes up to 46 weeks of benefits from February 2, 2020 through December 26, 2020 for individuals impacted by COVID.

⁷Thomas J. Hedin, Geoffrey Schnorr, and Till Von Wachter, “Policy Brief: An Analysis of Unemployment Insurance Claims in California During the COVID-19 Pandemic,” California Policy Lab, August 6, 2020.

⁸California Policy Lab, August 6, 2020.

⁹Numbers are not a direct comparison as UI claims are number of claims rather than unique individuals. PUA claims are included in UI claims by industry, whereas industry employment counts only individuals on payroll by an employer. Employed in Industry pulled from EMSI Industry Table on September 8, 2020.

¹⁰California Policy Lab, August 6, 2020.

¹¹Percentage of population pulled from US Census Bureau Quick Facts for Solano, 2019 Estimates.

¹²California Policy Lab, August 6, 2020.

¹³Strada Education Network, “Public Viewpoint: COVID-19 Work and Education Survey,” updated August 26, 2020.

¹⁴Ibid.

¹⁵Other Services represents a broad range of industry sectors, including automotive repair and maintenance, electronic equipment repair and maintenance, promoting or administering religious activities, grantmaking, advocacy, dry cleaning and laundry services, personal care services, death care services, pet care services, photofinishing services, temporary parking services, and dating services.

¹⁶EMSI, “Job Posting Analytics: August 2020,” pulled September 10, 2020.

¹⁷Digital US Coalition, “Building a Digitally Resilient Workforce: Creating On-Ramps to Opportunity,” May 2020.

¹⁸Ibid.

¹⁹Ibid.

²⁰Gina Adams and Margaret Todd, “Meeting School-Age Child Care Needs of Working Parents Facing COVID-19 Distance Learning: Policy Options to Consider,” Urban Institute, July 2020.

²¹Ibid.

²²Ibid.

²³California Policy Lab, August 6, 2020.

²⁴For more information, see “Race, Risk, and Workforce Equity in the Coronavirus Economy,” PolicyLink, June 2020.

²⁵Executive Office of the President, “Addressing the Negative Cycle of Long-Term Unemployment,” January 2014.

²⁶Businesses who lay off more than 50 employees are required to submit Worker Adjustment and Retraining Notices (WARN) in order to provide workers with sufficient time to prepare for the transition. The WARN Act of 1988 requires employers to provide written notice of plant closings and mass layoffs to the California Employment Development Department, the local Workforce Development Board, and local elected officials.

²⁷EMSI, “Economy Overview in Solano County,” pulled September 9, 2020.

²⁸Monthly employment numbers pulled from the California Employment Development Department’s Solano County Labor Force and Industry Employment Data.

²⁹EMSI, “Job Posting Analytics in Solano County: Unique Postings Trend,” pulled September 3, 2020.

³⁰The Small Business Administration released data regarding loans over \$150,000, showing business name but only the range of the loan amount. Loans under \$150,000 show total loan amount, but do not include the business name. Payroll Protection Program (PPP) data analysis is based on the dataset for loans awarded through August 8, 2020.

³¹EMSI and Data USA, “Businesses for All Industries in Solano County, Q3 2020 Data Set,” pulled September 1, 2020.

³²Applied Survey Research, “Foundation Giving in the Bay Area,” March 2016.

³³Nonprofit Compensation Associates, “Fair Pay for Northern California Nonprofits: The Economic Impact of the COVID Outbreak,” July 2020.

³⁴Urban Institute, July 2020.

³⁵For more information, see The Center for Law and Public Policy (CLASP), “Five Reasons Stabilizing Child Care during the Coronavirus Pandemic is Critically Important for Families and the Economy,” April 27, 2020.

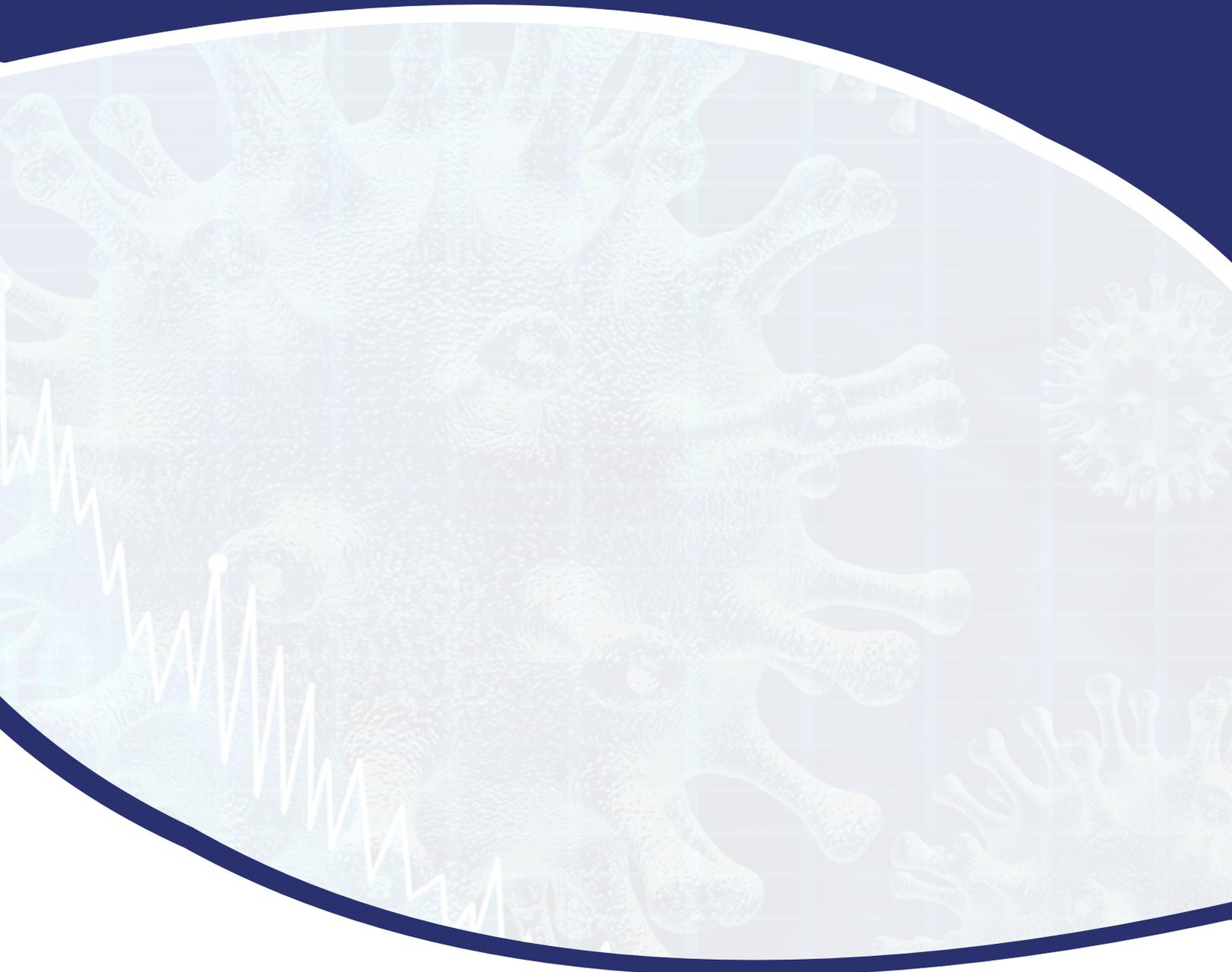
³⁶EMSI, “Child Day Care Services in Solano County, Industry Snapshot from 2019-2020” and “Childcare Workers in Solano County, Occupational Snapshot from 2019-2020,” pulled September 6, 2020.

³⁷Solano Family and Children’s Services report. June 2020.

³⁸For more information, see Michael Bernick’s Series on COVID Employment in Forbes.

³⁹PolicyLink, June 2020.

⁴⁰EMSI, “Industry Diversity,” pulled May 2020.



WORKFORCE DEVELOPMENT BOARD

OF SOLANO COUNTY