

Nearly a quarter of Massachusetts labor force has filed for unemployment

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State House News Service

Nearly 900,000 Massachusetts workers, representing almost a quarter of the state's entire labor force, have filed new claims for unemployment benefits since mid-March as the COVID-19 pandemic and the widespread shutdowns it prompted continue to exert an economic toll.

Labor officials on Thursday reported 3.8 million initial standard unemployment insurance claims submitted nationwide between April 19 and April 25 and more than 70,000 in Massachusetts, the sixth straight week of elevated demand. Service industries such as restaurants and hotels have been hit particularly hard.

Over the past six weeks with the outbreak in full force, more than 30 million Americans have filed new applications for jobless aid in a historic surge. Massachusetts recorded more than 720,000 initial claims for unemployment insurance in the same span.

The state is also more than a week into offering aid to a range of applicants, including gig workers and the self-employed, who did not qualify for benefits until Congress expanded eligibility in the so-called CARES Act last month.

From April 19 to April 25, the Baker administration received 171,598 claims for that program, known as Pandemic Unemployment Assistance, the state Executive Office of Labor and Workforce Development said in a Thursday press release.

The office had said last week that it received more than 200,000 applications in the first three days. A spokesman could not be reached to clarify the difference between applications reported last week and claims reported in Thursday's update.

Many laid off workers are waiting to see when the government will begin easing restrictions that have left non-essential workplaces unable to open their doors to employees, customers or the public. The timing hinges on the success of efforts to bring the ongoing public health crisis under control.

Between unemployment insurance and the expanded PUA program, Massachusetts received 893,607 new claims between March 15 and April 25, the administration said.

Those new claims alone are about 24 percent of the state's adjusted labor force as counted in March, which totaled 3,740,600 workers, according to state data.

Combined with the roughly 2.9 percent seasonally adjusted unemployment rate observed before the start of the outbreak, some experts such as the Pioneer Institute's Greg Sullivan have projected that roughly one in four Massachusetts workers are now out of jobs.

Ongoing claims, which refer to those who seek continuing weeks of benefits, totaled 527,538 in Massachusetts last week, a roughly 14 percent increase over the previous week.

Industries most vulnerable to the economic cliff-plunge have been restaurants, hospitality and retail, according to state data. Among the more than half million workers who sought ongoing benefits last week, the Baker administration reported that 93,168 were in food and accommodation, 69,333 were in retail trade and 66,202 were in health and social assistance.

Worker Adjustment and Retraining (WARN) Act reports, which employers must file if they close facilities or units

affecting at least 50 employees or either lay off or cut hours for a significant enough part of their workforce, offer an anecdotal snapshot supporting that trend. Many of the WARN reports filed with the state in last week's update came from restaurants such as Friendly's or other tourism-related businesses.

Four Boston hotels – The Ritz-Carlton Boston, InterContinental Hotel Boston, Westin Boston Waterfront and the operator of the Boston Park Plaza Hotel – each reported layoffs some time in the past six weeks affecting 200 or more employees.

The largest total in the most recent WARN update was from Boston University, which listed 1,633 employees affected by layoffs between March 17 and April 7. Colin Riley, a spokesman for the university, told the News Service that the report referred only to student workers in jobs at the school.

"They are all students who held part-time positions at the university," Riley said. "These were positions where the students were unable to work remotely."

All were given two weeks' pay ahead of their layoffs, Riley said, while those in federal work-study programs will continue to receive paychecks through the end of the semester. He added that there have been no layoffs of full-time BU faculty.

The state Department of Unemployment Assistance is paying standard benefits to about 450,000 people and PUA assistance to about 150,000 as of Thursday. Since March 15, the office said in its press release, it has paid more than \$2.3 billion out to almost 700,000 total claimants across both programs.

Weekly benefits max out at \$823. Massachusetts is responsible for standard unemployment insurance using premiums paid by employers, while the federal government will reimburse the costs of both PUA benefits and the additional \$600 per week all recipients get as part of the so-called CARES Act.

The record level of need has dented the state's trust fund used to pay out support. On March 1, the Massachusetts unemployment insurance trust fund had a balance of about \$1.63 billion, and that was down more than half to \$748 million on April 16, according to U.S. Treasury Data.

Gov. Charlie Baker sought a \$1.2 billion loan from the federal government in early April, writing that he believes Massachusetts will need injections of \$900 million to cover costs in May and \$300 million for June.