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## Triangle, Mecklenburg unemployment fall to lowest rate since the start of the pandemic

*Sophie Kasakove*

6-8 minutes



Unemployment benefit filing.

The unemployment rate in the Triangle fell to 6.1% in August, the lowest since March, when it was 3.8%, according to numbers [released](#) by the Department of Commerce Wednesday.

That's a drop from 8% in July. Unemployment in the Raleigh-Durham-Chapel Hill area peaked in May at 11.3%.

Mecklenburg County's unemployment rate fell to 7.6%, a drop of more than two percentage points from July. It's the lowest jobless rate since April, the first data that reflects the start of the coronavirus pandemic.

Unemployment rates decreased in all 100 North Carolina counties in August from the previous month. But the Triangle's rates are some of the lowest in the state.

The Triangle area had the second lowest unemployment rate of the state's nine combined statistical areas. In the Greensboro-Winston-Salem-High Point area it was 7.2%, in the Charlotte-Concord area it was 7.1%, and in the Fayetteville-Lumberton-Laurinburg area, it was 9.1%.

According to Brenda Wilkerson, communications director of the Capital Area Workforce Development, a public-private partnership that works to expand employment opportunities in Wake and Johnston counties, the Triangle's numbers stem from the area's diversity of industries.

"We're not heavily dependent on any one industry as our economic driver. So we have some manufacturing, we have professional and scientific services, we have still some hotels and restaurants who are still open and doing business," she said.

The numbers in the Triangle and Mecklenburg County reflect people returning to work, but they also reflect people dropping out of the workforce altogether.

The number of people unemployed in the Raleigh-Durham-Chapel Hill area fell from 91,166 in July to 67,291 in August. But the total labor force also fell, from 1,128,818 in the Triangle in July to 1,094,845.

The total labor force shrank in Mecklenburg County as well in August, despite substantial gains in July: last month, around 17,000 fewer people in Mecklenburg County were in the workforce, which totals just over 601,000.

Those trends hold true statewide. The seasonally adjusted unemployment rate dropped to 6.5% in August from 8.5% in July, according to a [report](#) earlier this month from the North Carolina Department of Commerce.

But those changes also were due in part to a drop in the workforce overall, as The News & Observer previously [reported](#). Between July and August, the seasonally adjusted workforce shrank from 4,897,607 to 4,825,921, a decline of more than 70,000 people, or 1.5%.

The unemployment numbers only include people actively looking for work.

Chuck McShane, senior vice president of economic research at the Charlotte Regional Business Alliance, said the shrinking workforce in Mecklenburg County was driven largely by the effect school closures have had on working families.

“That’s going to require a lot of families to think about how they arrange those responsibilities,” McShane said. “And traditionally, that’s fallen on women. I think that’s a big concern for economists, is female labor force participation going forward.”

### **‘We’re not out of the woods yet’**

Some experts also warn that improvements in unemployment rates may be temporary.

“We’re not out of the woods yet and we have been and are being held up artificially in a lot of ways by federal dollars and other public dollars,” said Henry McKoy, a professor at North Carolina Central University School of Business and former N.C. assistant secretary of Commerce.

McKoy said many companies have been able to keep workers employed using federal assistance programs like the Paycheck Protection Program.

But when that money runs dry — as it already has for many businesses — employers “have to essentially reckon with ‘how do we make payroll?’” said McKoy. “We’ve seen COVID go down and then we’ve seen it go back up — so the question is, are we going to see the same thing with the unemployment numbers?”

In Charlotte, McShane said while there was a jump in employment in food services in May and June that coincided with the partial reopening of restaurants and breweries, that has slowed down in recent months. “The first bump of reopening has kind of leveled off now,” he said.

Experts also suggest that county unemployment numbers are less reliable than the statewide numbers. While the statewide unemployment numbers are seasonally adjusted, local numbers are not.

That means that the increase in employment between July in August may also reflect regular bumps in employment that come with the end of summer, according to Michael Walden, an economist at NC State University.

“To say that that was somehow due to the growth in the economy would be deceptive because that’s just when school starts,” he said.

McKoy also noted that the unemployment rate isn’t broken down by race or gender, giving no insight into the particular severity of the joblessness in communities of color.

“What we know about the national unemployment rates, is that even after the significant drops, that African Americans for example, still have relatively high unemployment compared to their counterparts,” McKoy wrote in an email. “So, it is important to really get underneath the numbers, and to see how those breakdowns are reflected locally as well.”

*Danielle Chemtob of The Charlotte Observer contributed to this report.*

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Sophie Kasakove is a Report for America Corps member covering the economic impacts of the coronavirus. She previously reported on the environment, big industry and development as a freelance reporter in New Orleans.