

Montana After the Pandemic

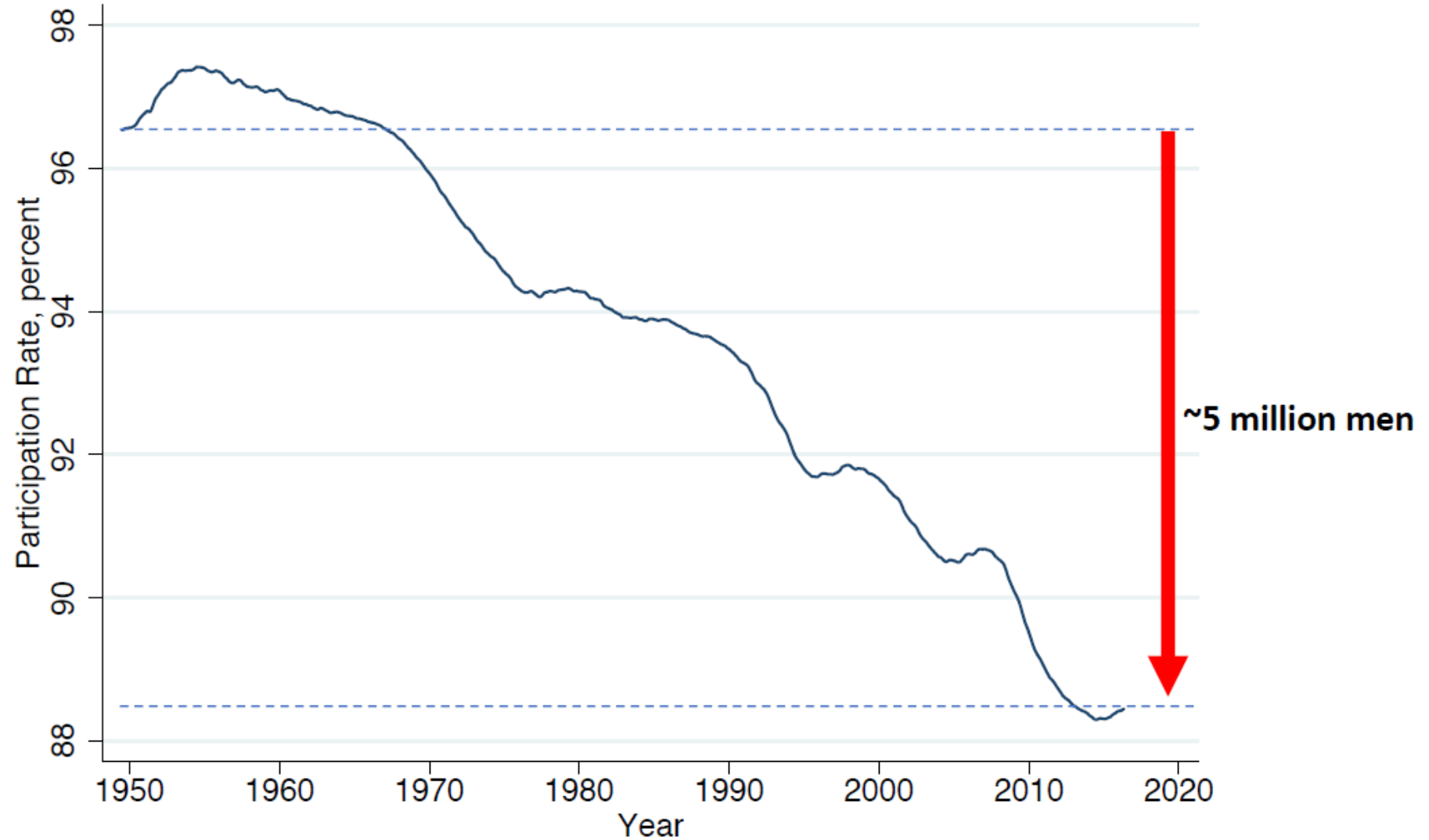
Edward Glaeser

Fred and Eleanor Glimp Professor of Economics

Harvard University

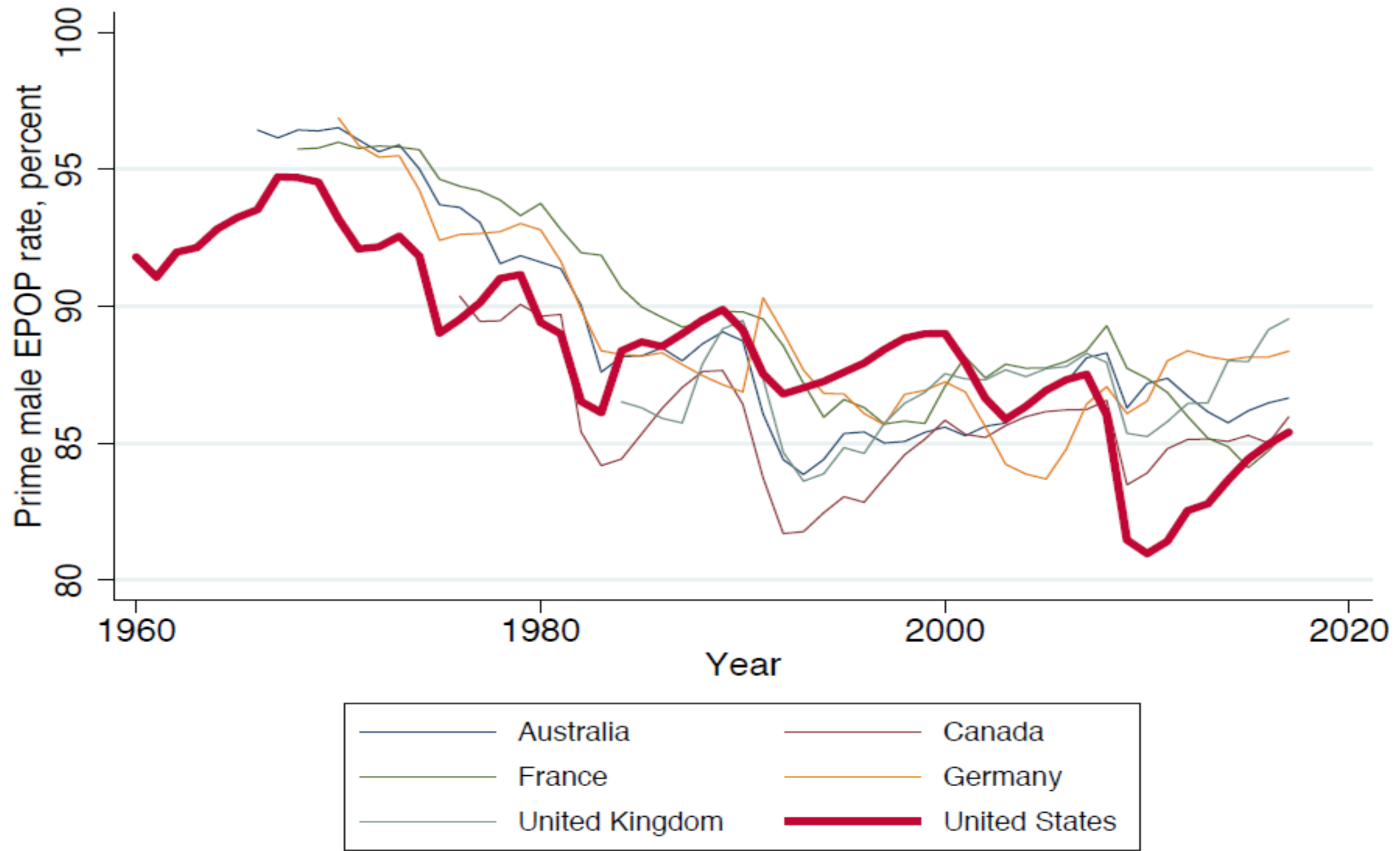
Prime male labor force participation has declined over the past 40 years

Prime age male labor force participation

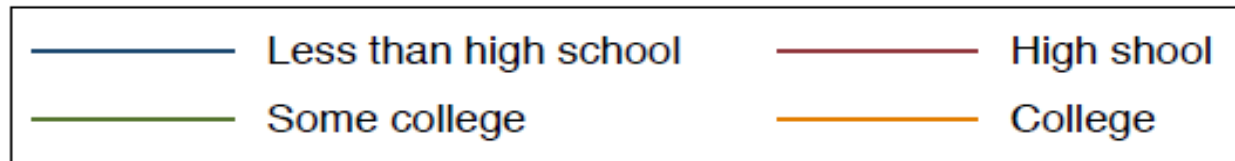
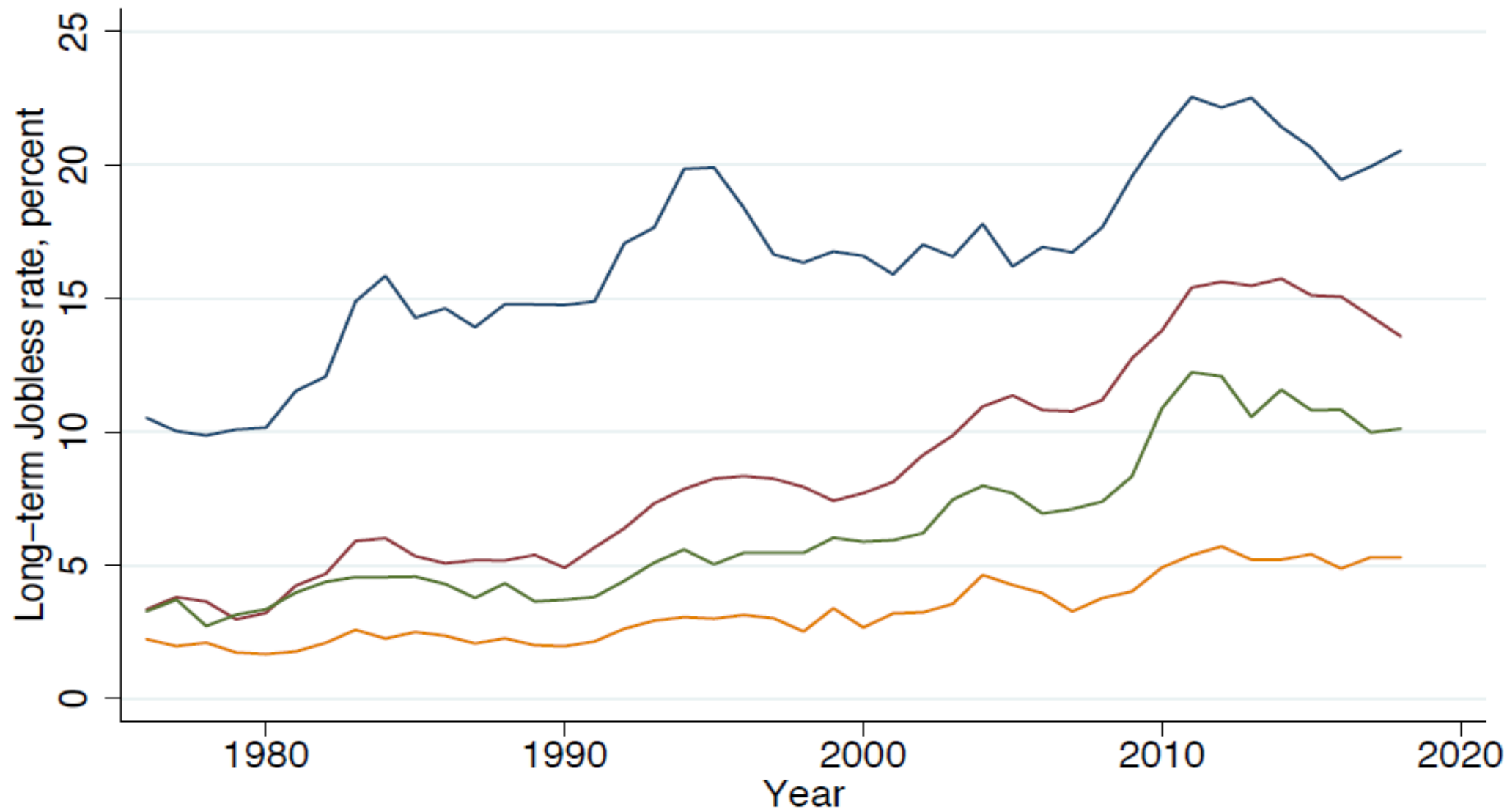


Prime male EPOP levels are slightly below comparable OECD countries

Prime age men

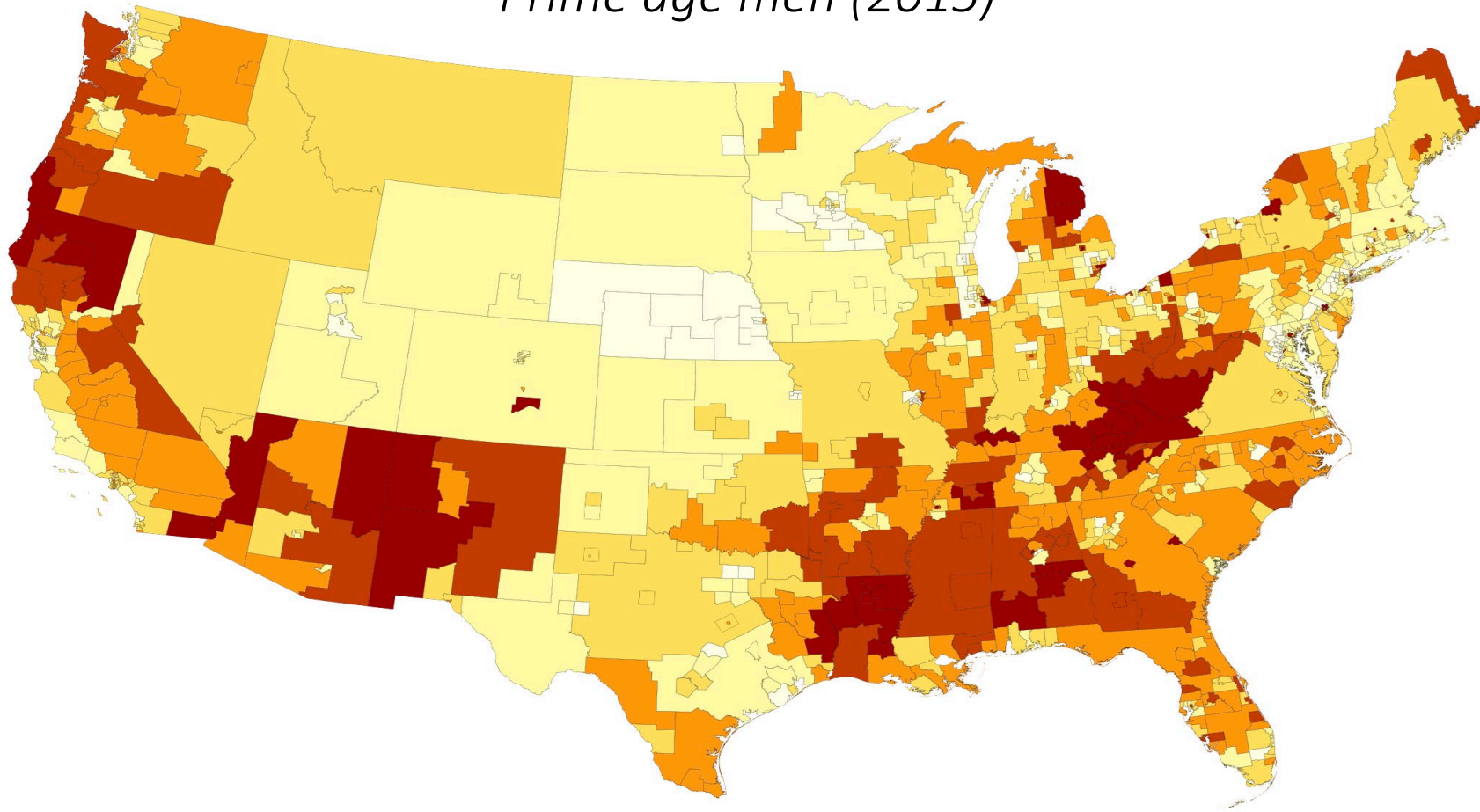


Prime age men

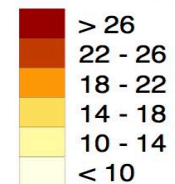


Geography of not working

Prime age men (2015)



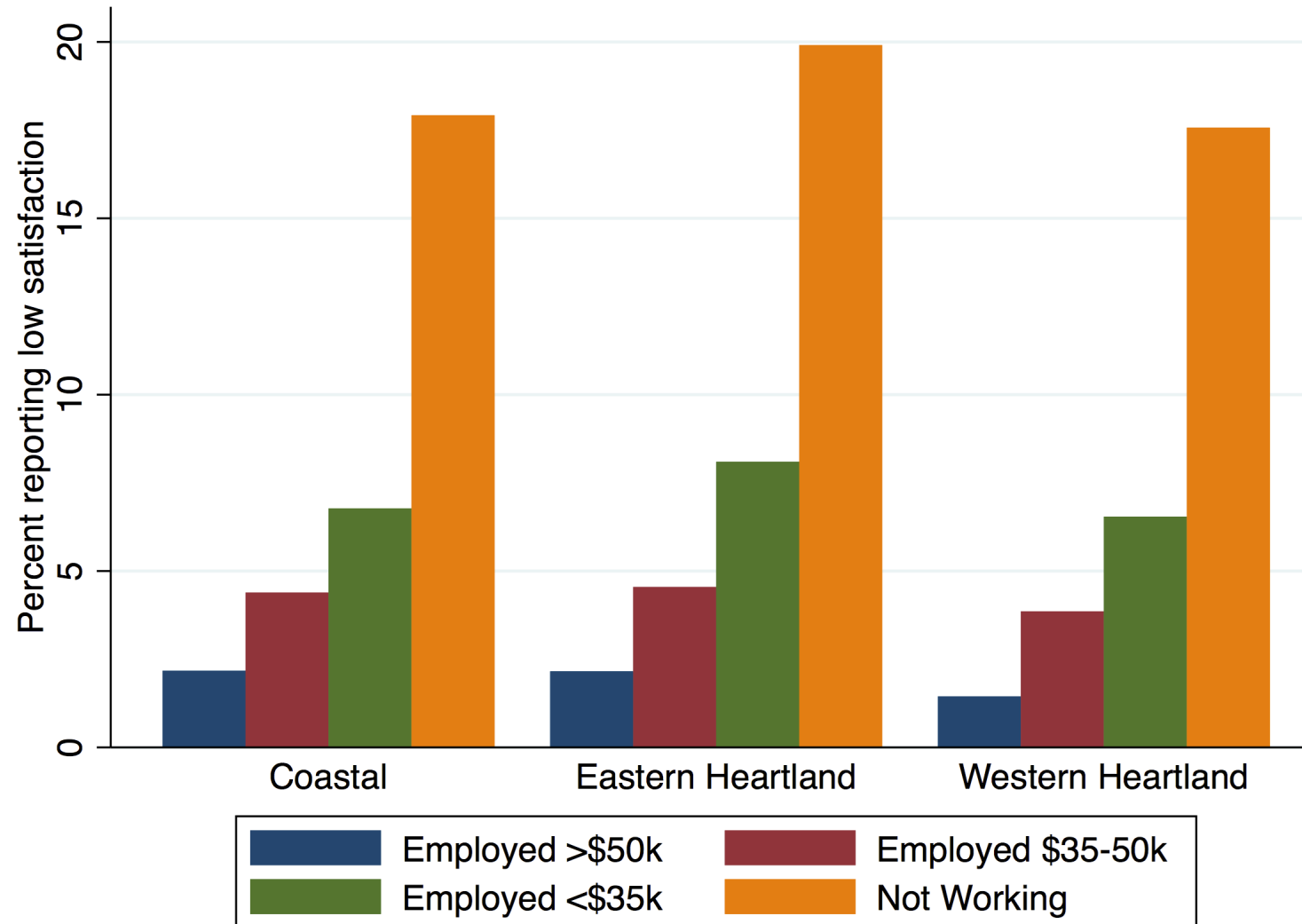
Not Working Rate, percent



Persistence of not working rates



Low life satisfaction of not working men



Improvements in leisure (TV, video games) may be linked to decreasing employment

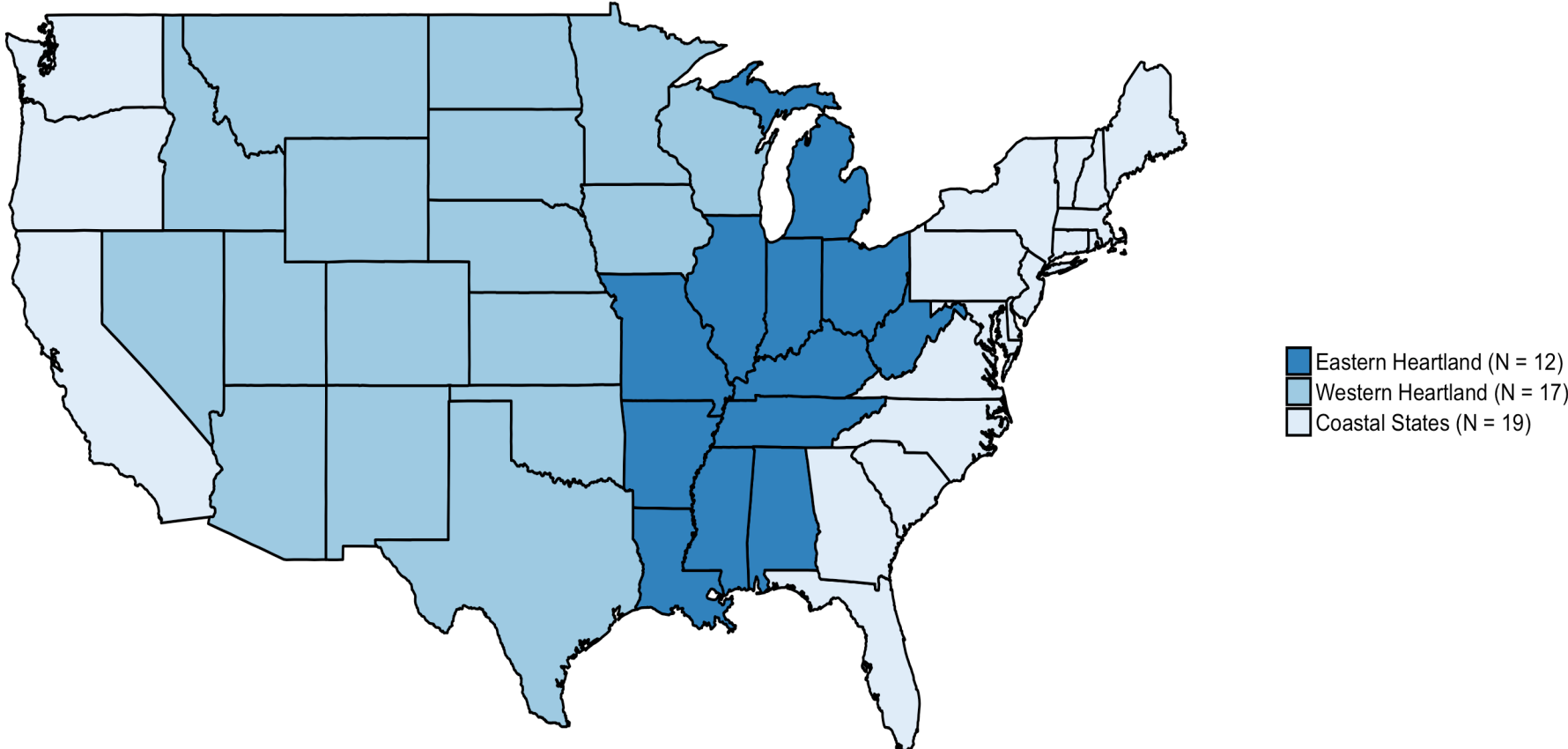
Prime age men reported disability rates, 2015

Table 9. Time Use by Prime Age Men, 2003–16^a

<i>Activity</i>	<i>Employed</i>			<i>Not working</i>		
	<i>Coasts</i>	<i>Eastern heartland</i>	<i>Western heartland</i>	<i>Coasts</i>	<i>Eastern heartland</i>	<i>Western heartland</i>
Personal care	530	529	529	598	604	587
Household activities	74	83	75	115	114	122
Food preparation	76	73	76	67	62	62
Caring for others	41	42	41	56	51	53
Working	392	382	401	33	28	32
Searching for work	1	1	1	21	16	21
Education	6	5	6	35	22	38
Leisure	257	262	248	450	481	449
Socializing	36	37	34	51	57	56
Watching TV	137	142	133	258	303	269
Computer use ^b	17	17	17	41	34	37
No. of observations	19,213	9,738	10,258	2,590	1,480	1,068

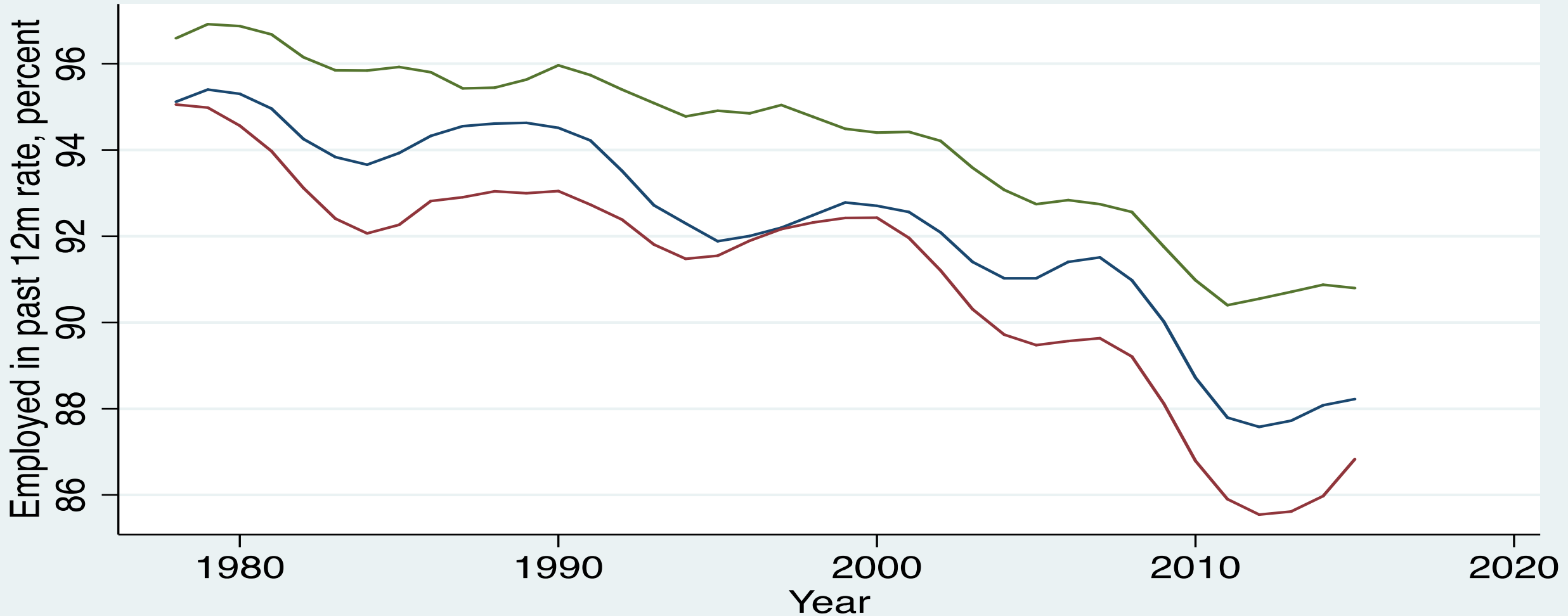
A Tale of Three Heartlands

State Definitions

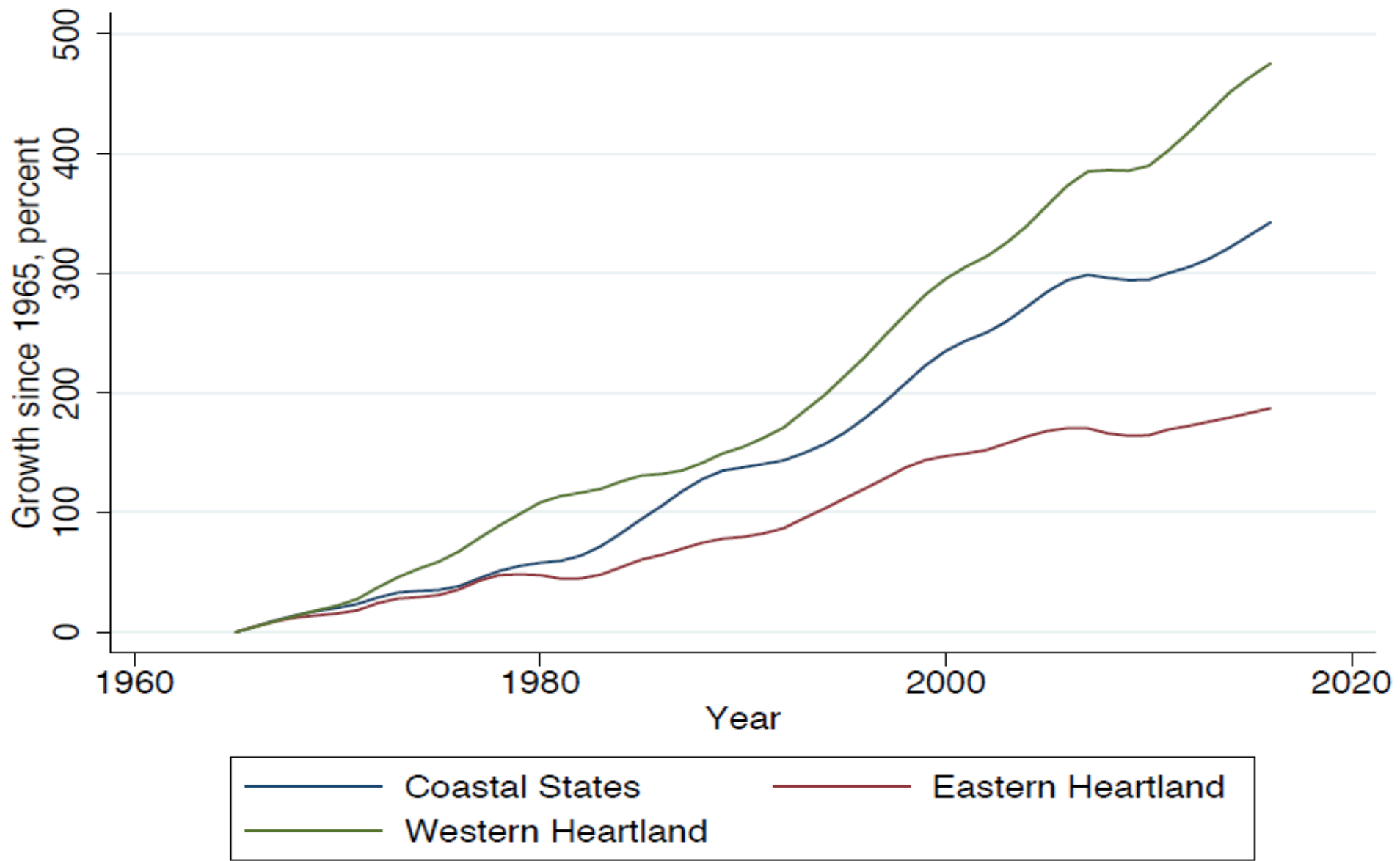


Employed in past 12m rate

Employed in past 12m Prime Men, 3yr avg, 1978-2015



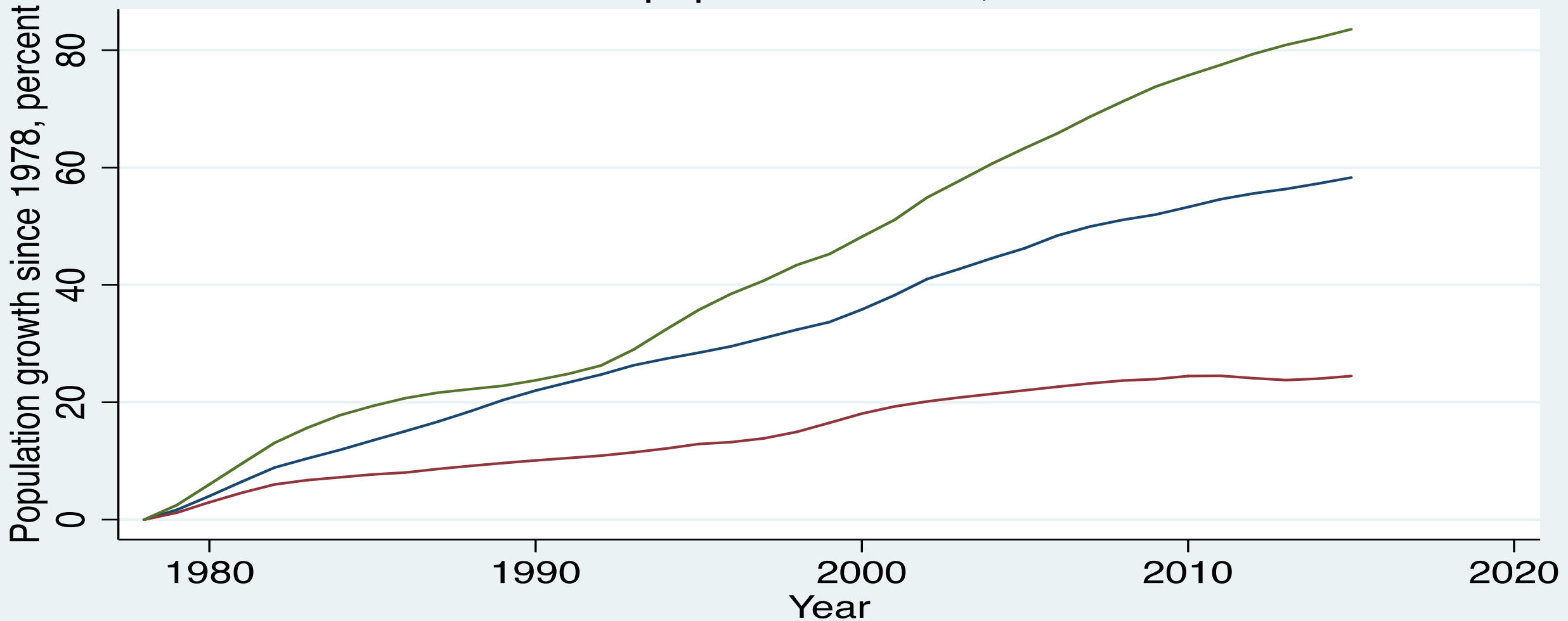
GDP Growth, 1965-2016



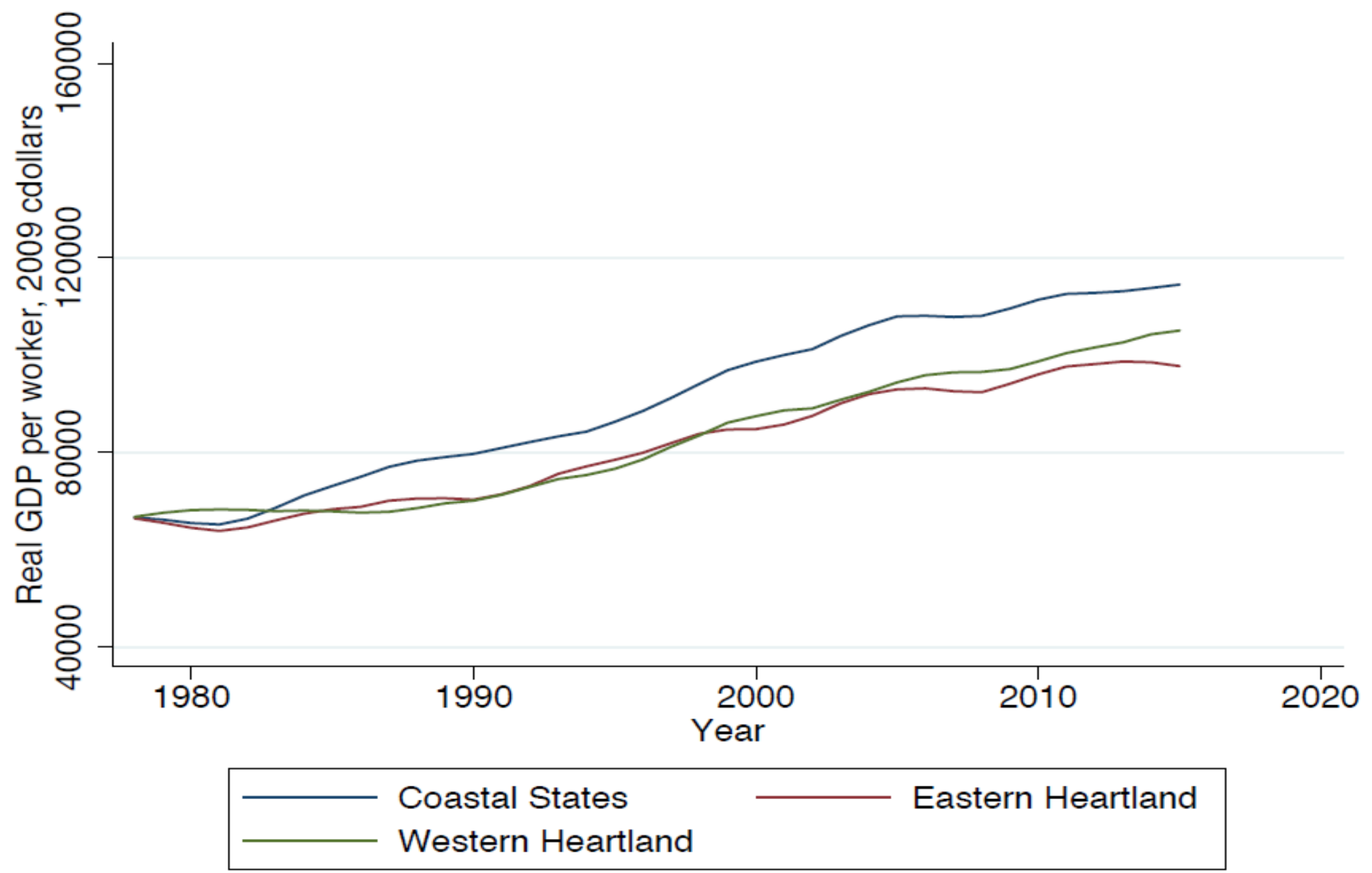
Source: U.S. Bureau of Economic Analysis; authors' calculations

Working population growth

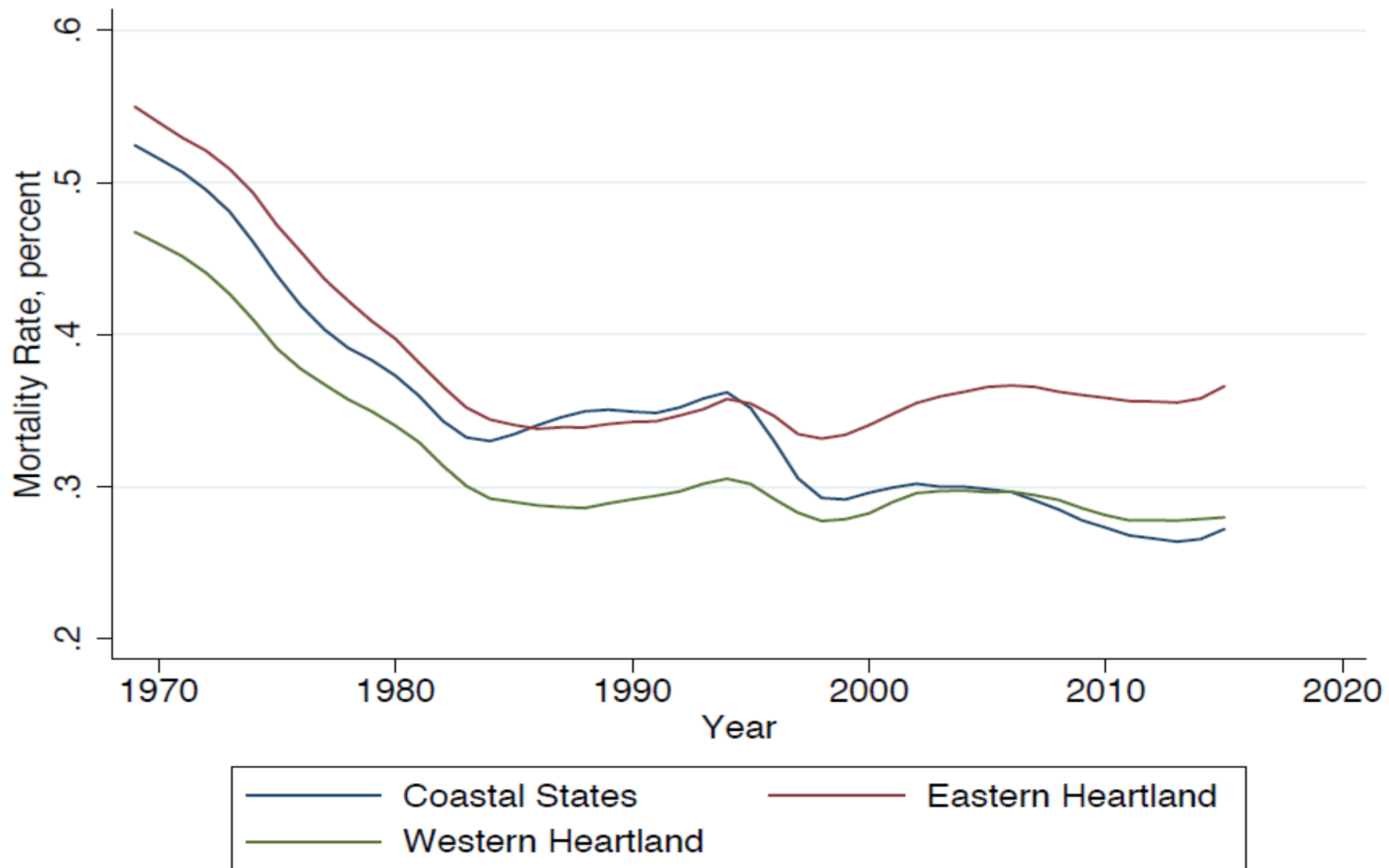
Growth in population 18-64, 1978-2015



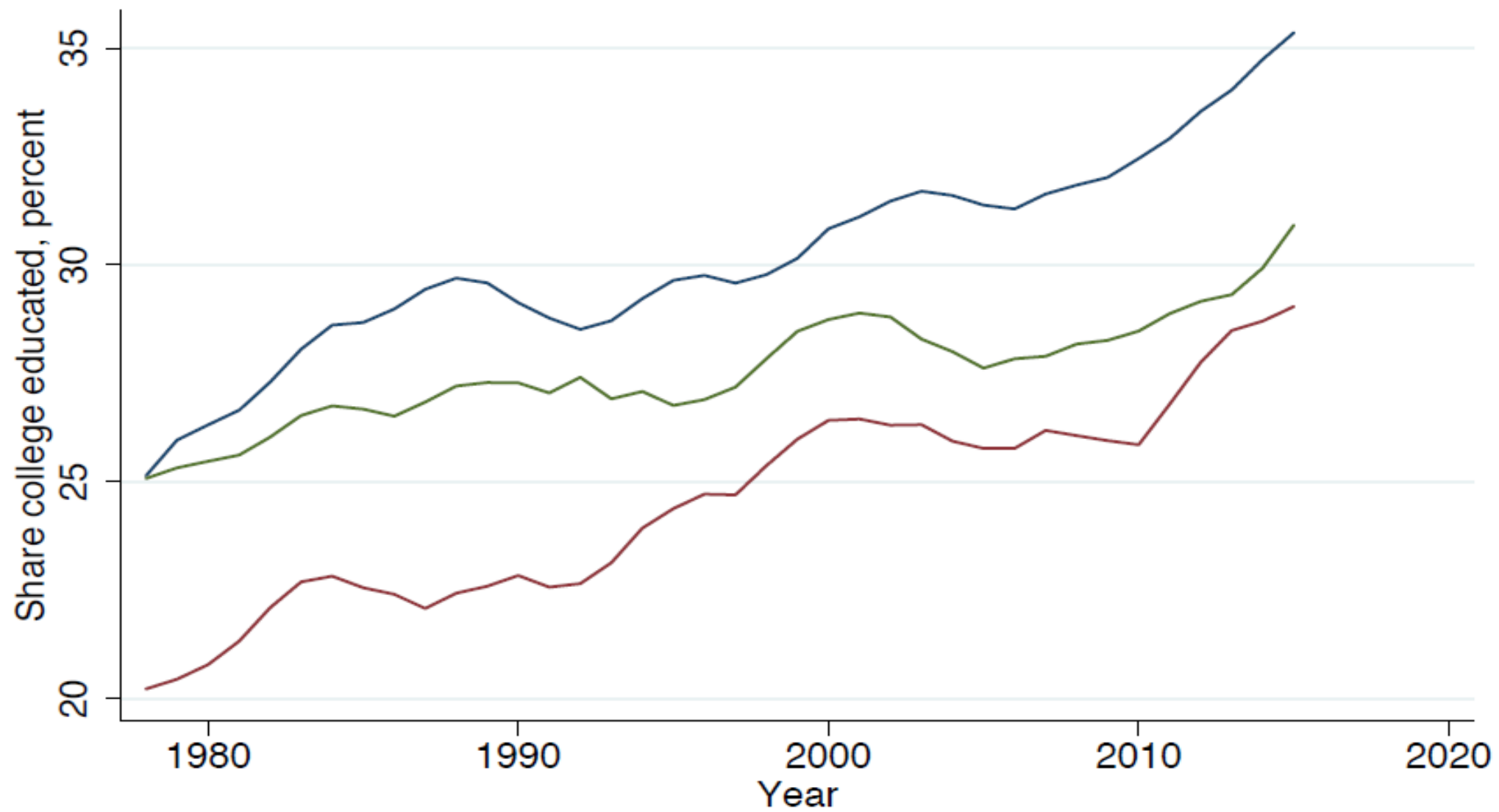
GDP per worker, 1978-2016



Prime male mortality rate, 1970-2015



Prime age men



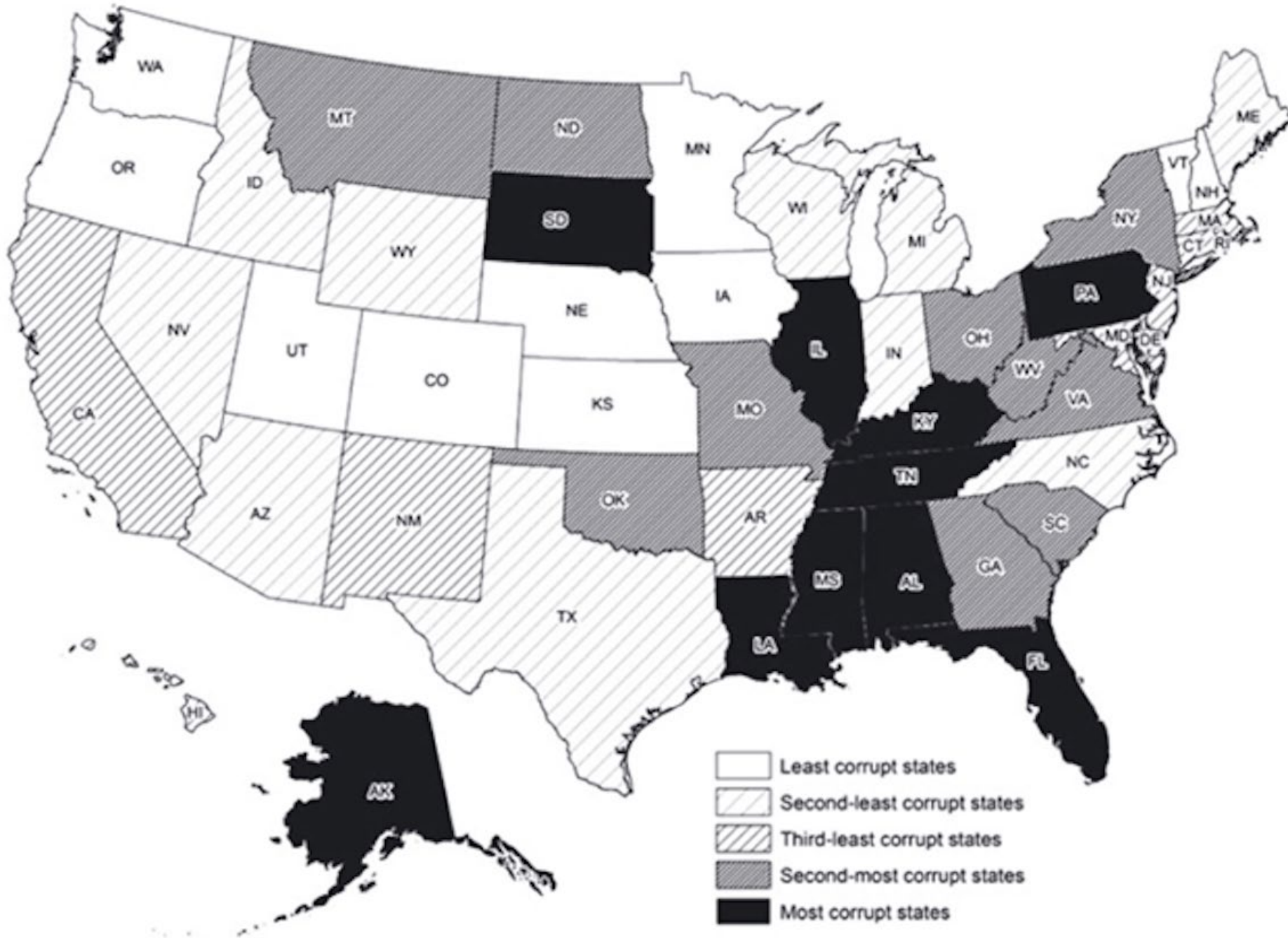
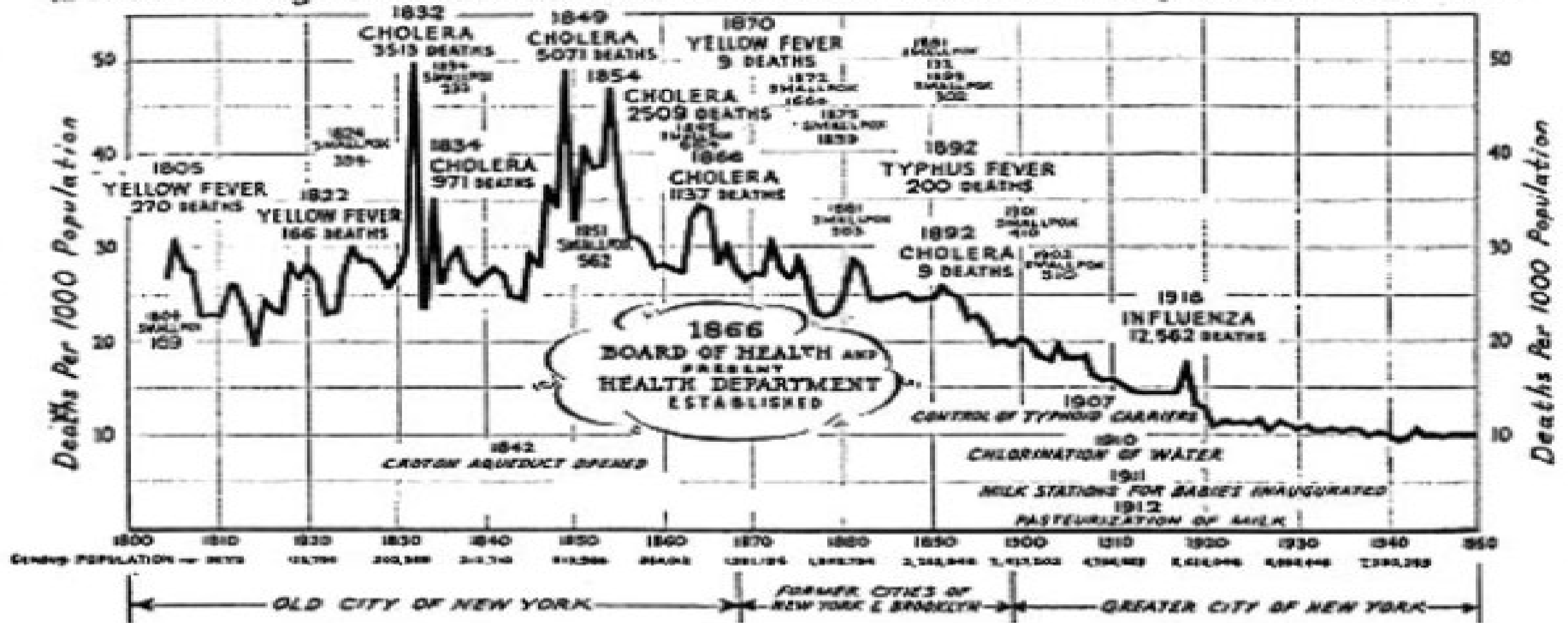


Figure is from
Liu and
Mikesell(2014)
*Public
Administration
Review*



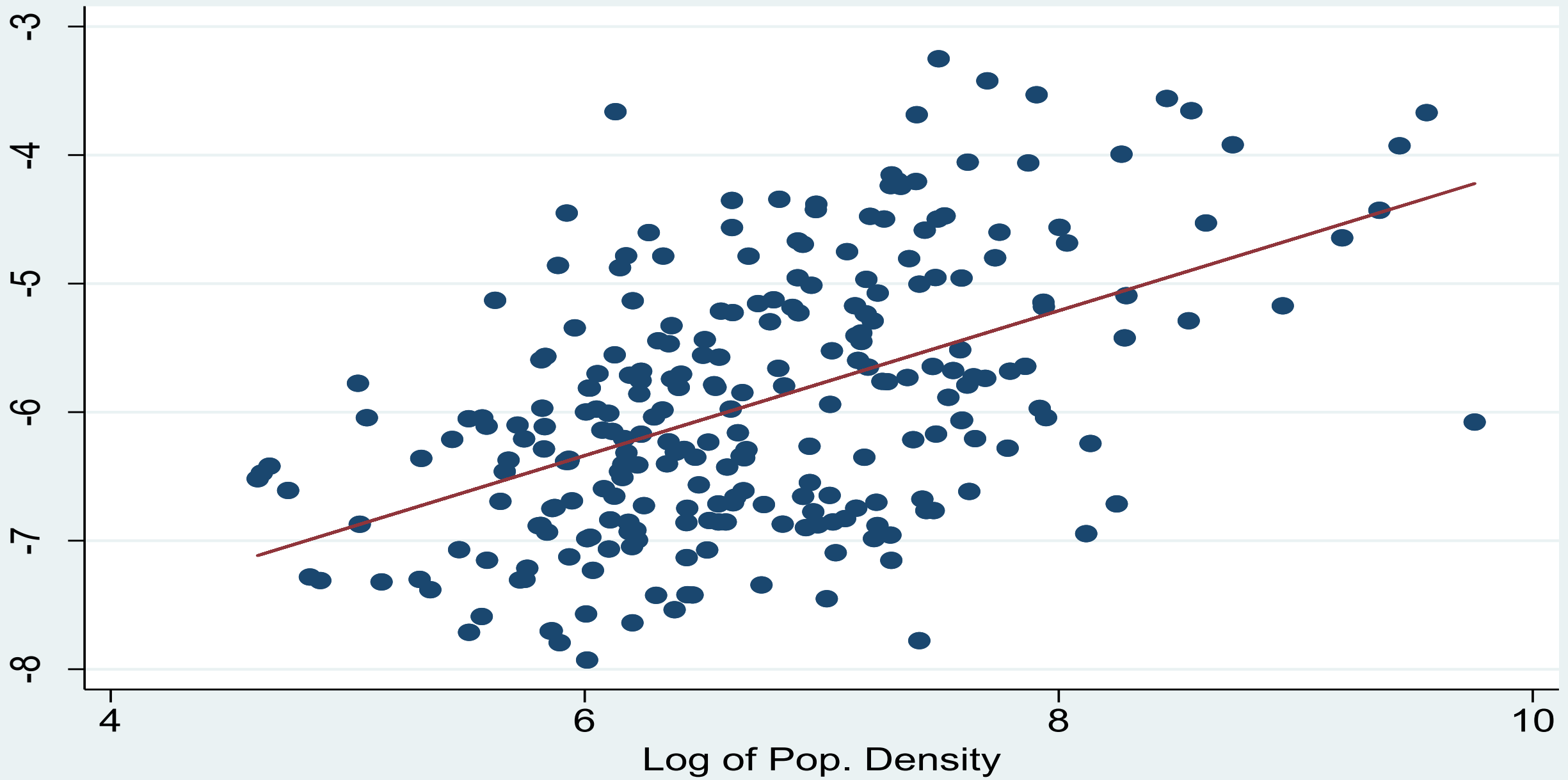
The CONQUEST OF PESTILENCE in New York City ~

... As Shown by the Death Rate as Recorded in the Official Records of The Department of Health.



New York City's Department of Health shows the timeline of the city's mortality rate, which sharply dropped with the provision of clean water in the nineteenth century.

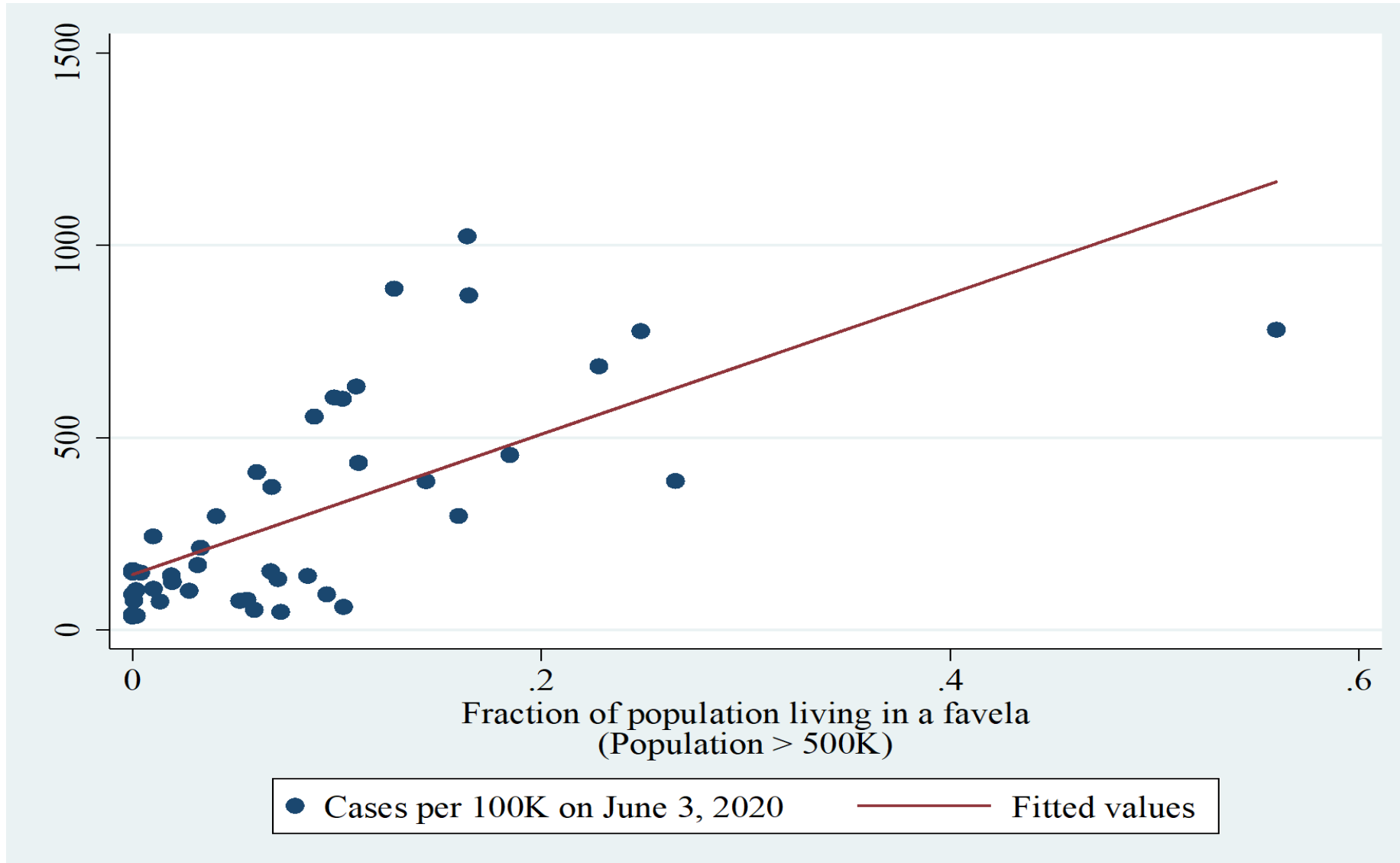
New York City Department of Health and Mental Hygiene



● Log of Cases P.C. — Fitted values

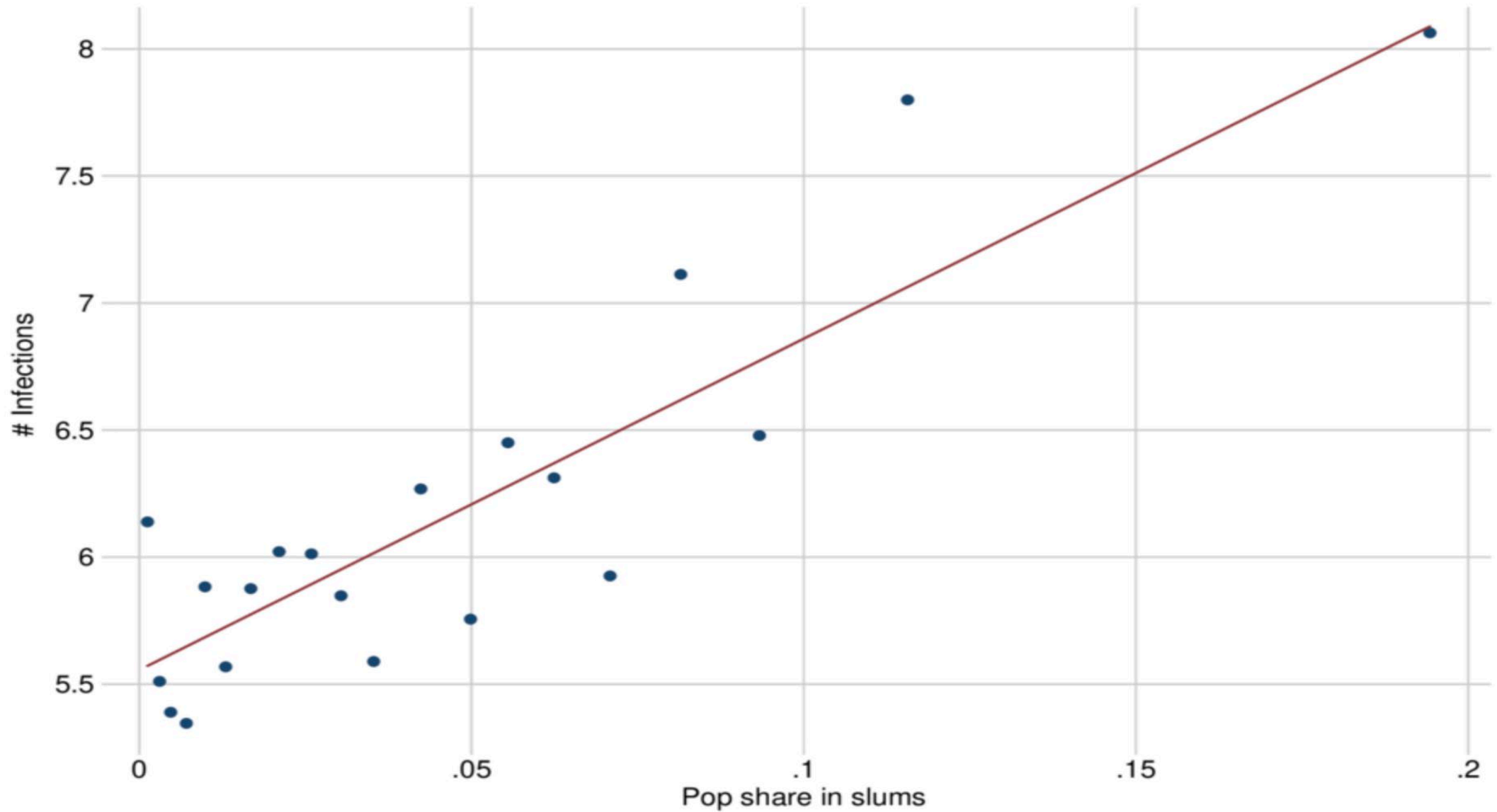
Results from Brazil

Chauvin and Kestelman



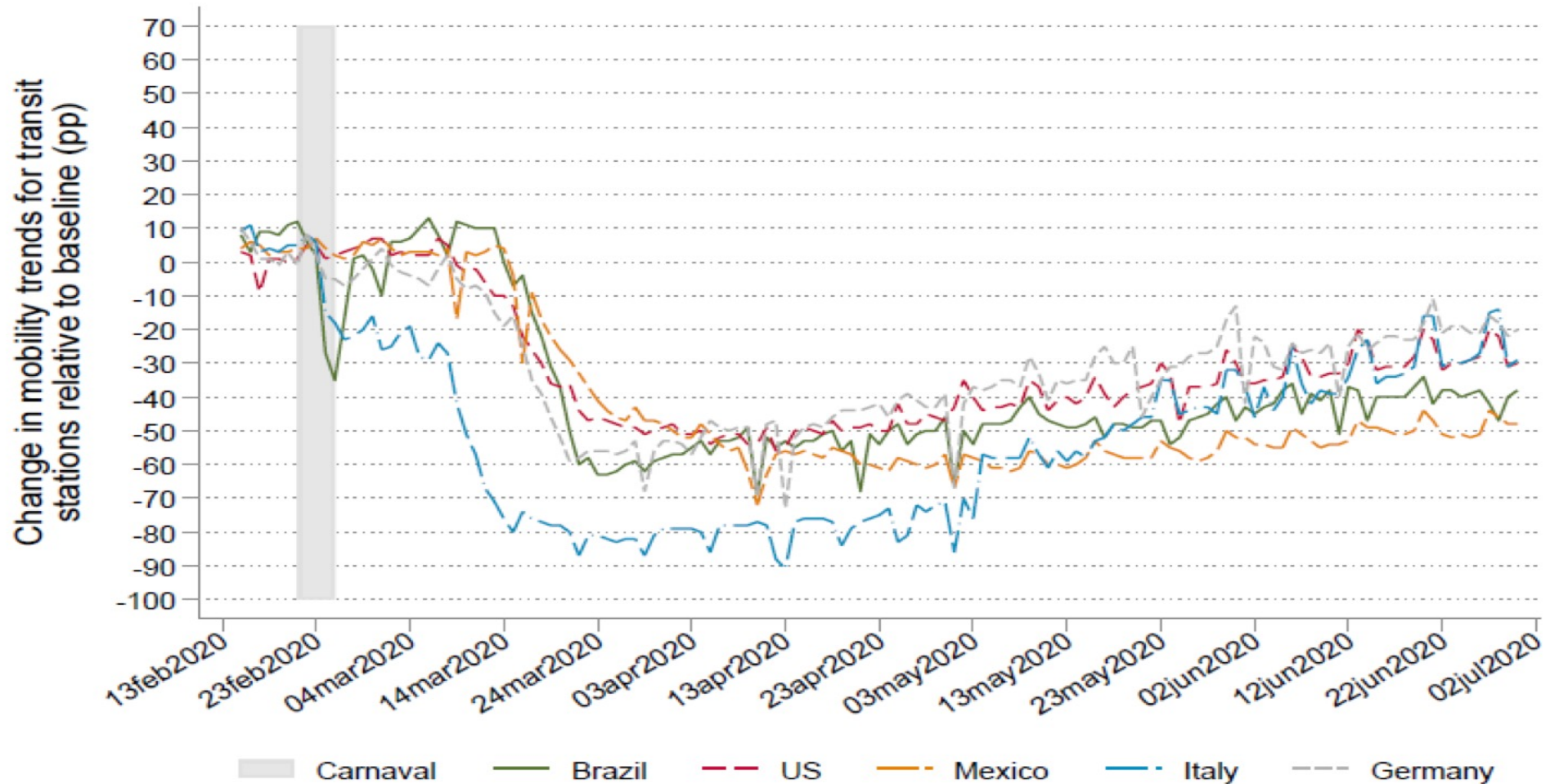
Results from India

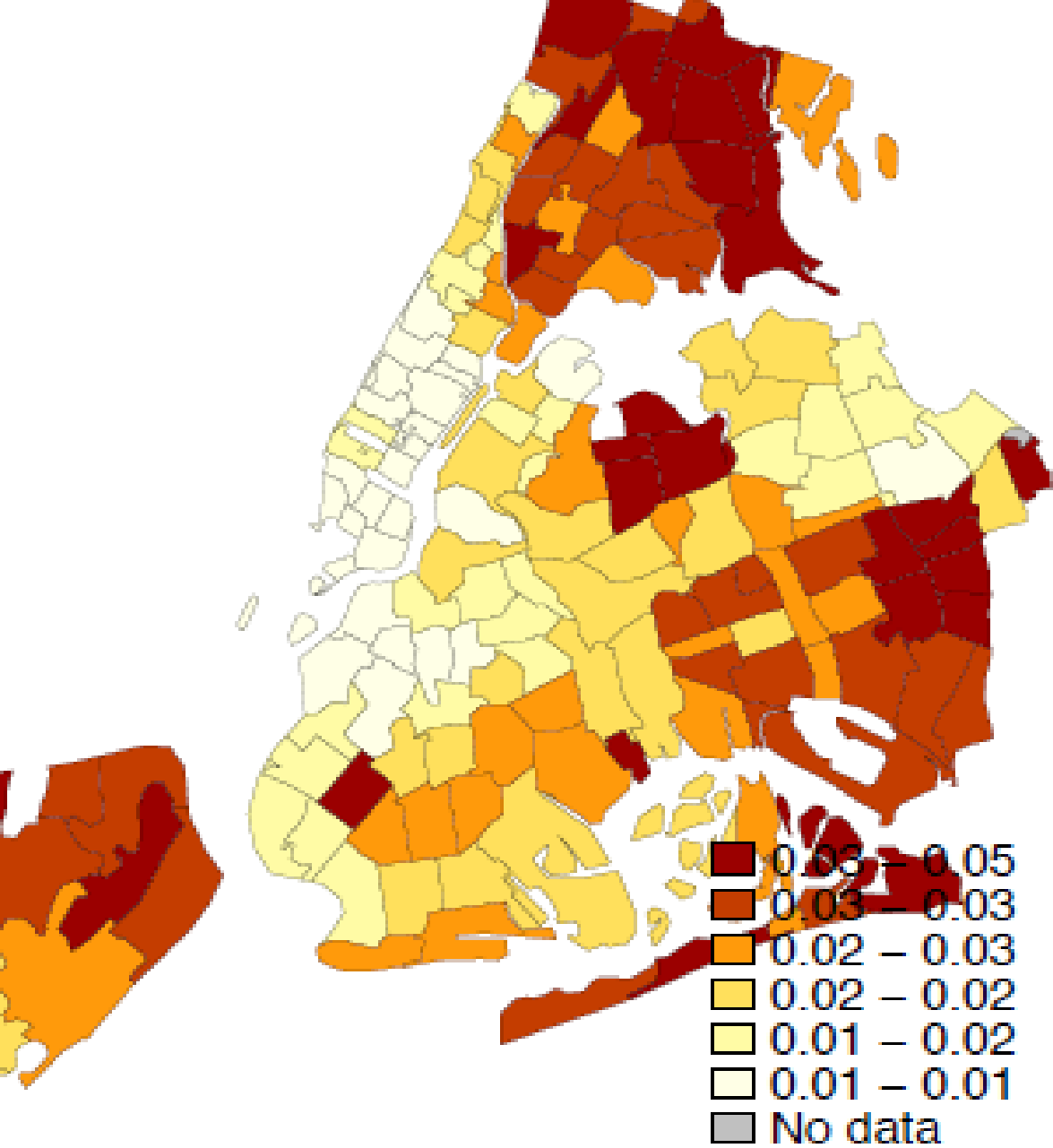
Asher and Novosad



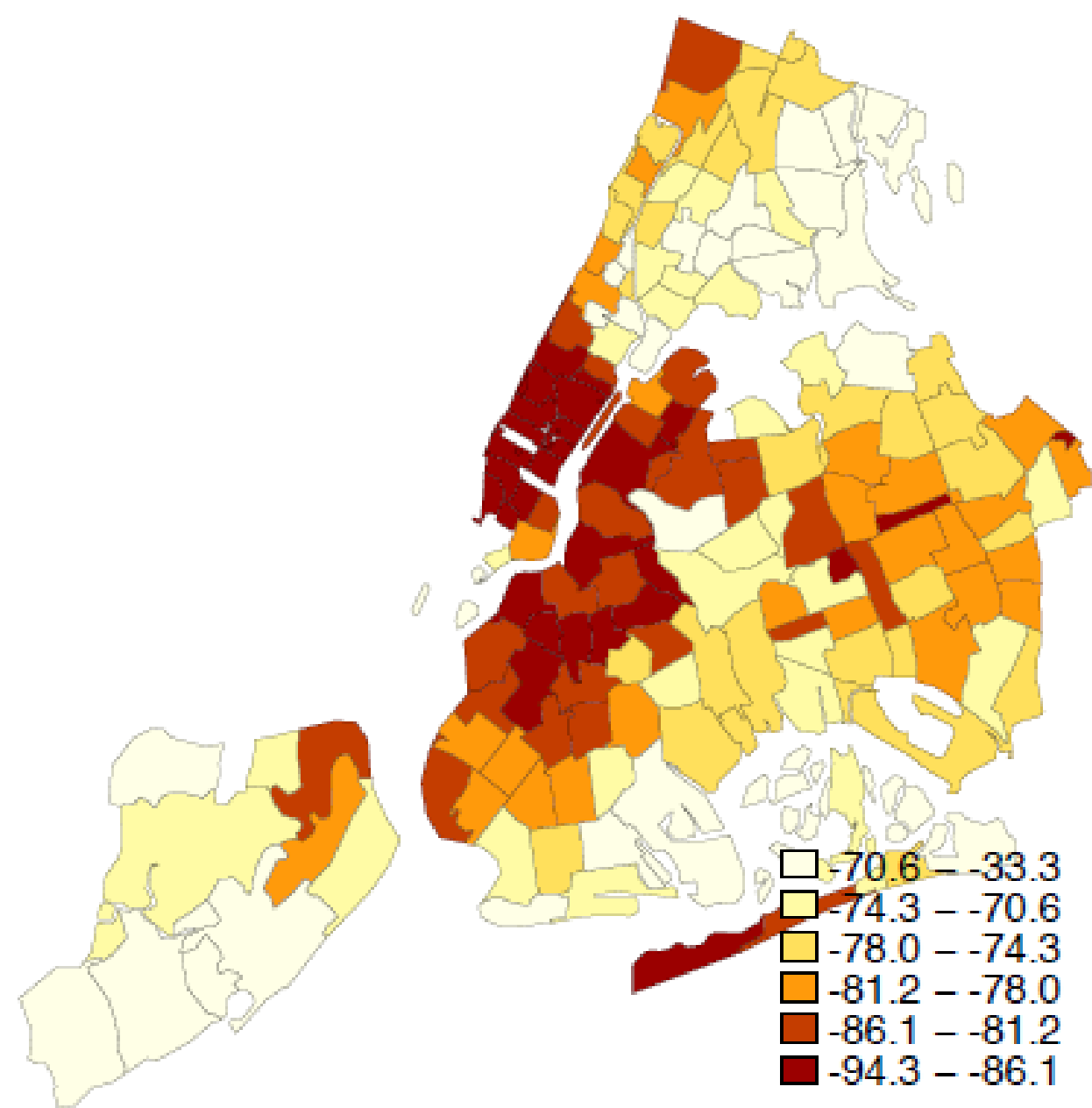
The Deurbanizing of our World and the Particular Problem of Public Transit

Transit stations



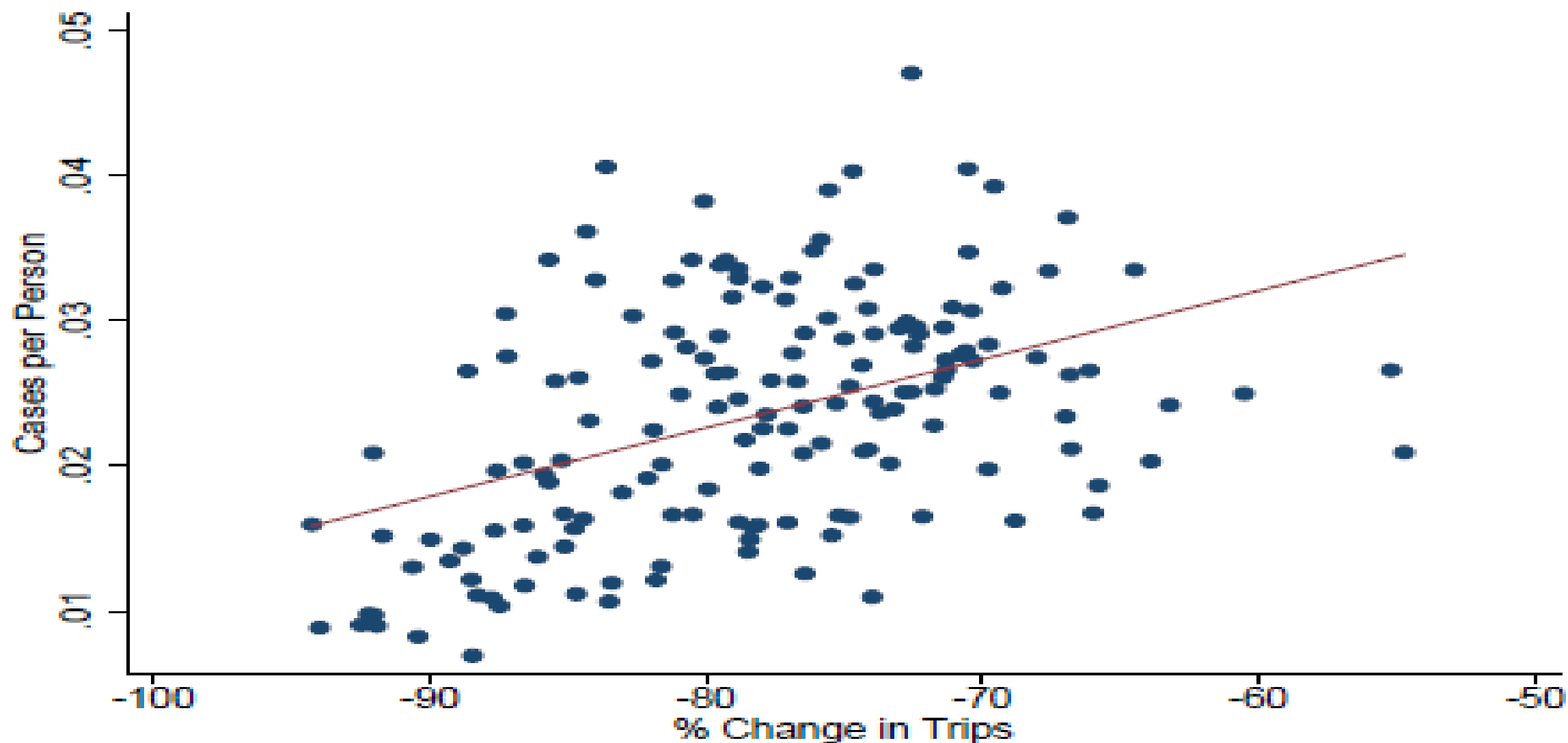


(b) Cases per Person



(a) Change in Trips, by Residential Zip code (SafeGraph)

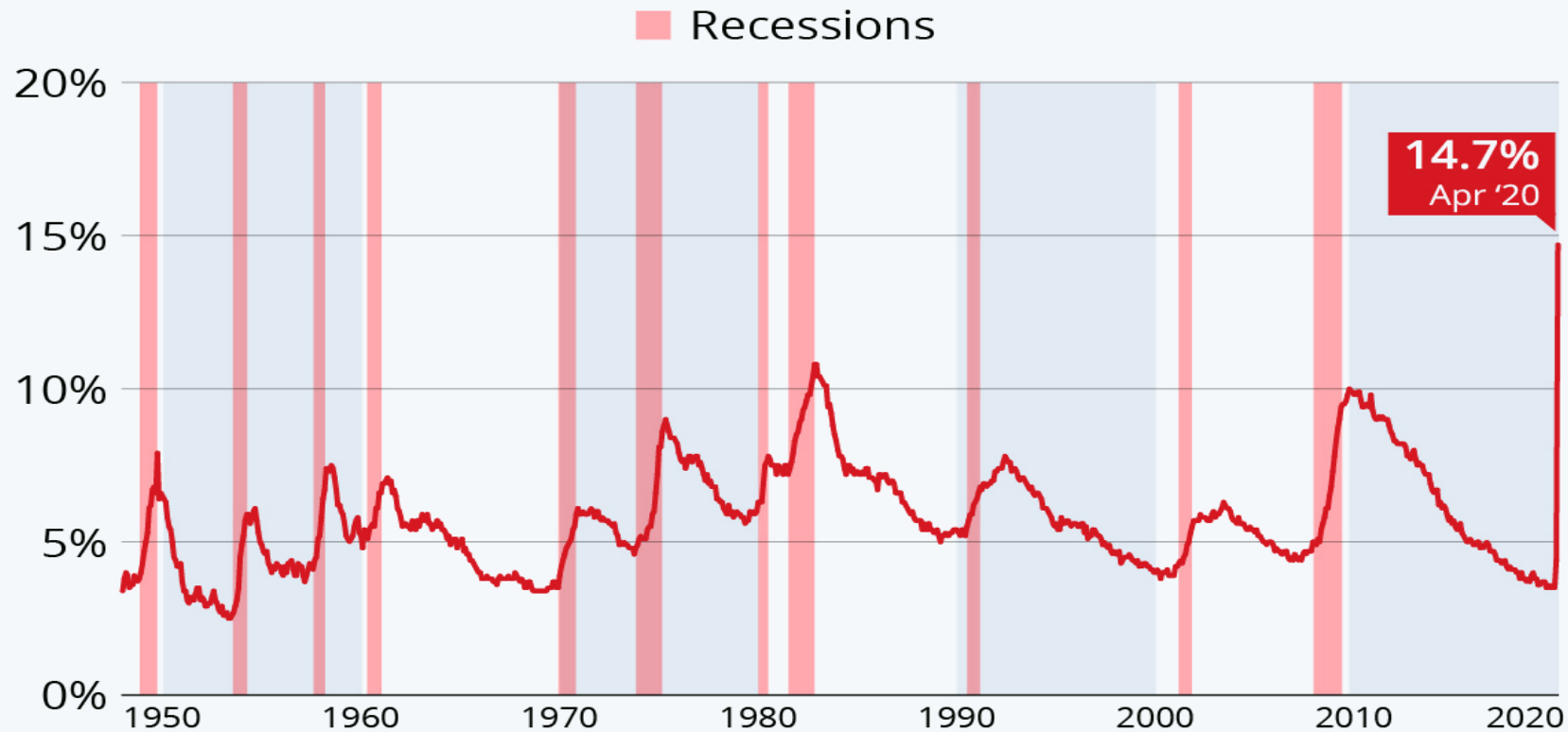
Figure A1: Correlation between Travel Change and COVID-19 Cases per Person in NYC



Source: Cases per person from NYC Health Department, available at <https://www1.nyc.gov/site/doh/covid/covid-19-data.page>. % Change in trips from SafeGraph Weekly Patterns Data, using visitors traveling from home. % Change in trips calculated between May 13-19, 2019 and May 4-10, 2020.

Unemployment Rate Jumps to Highest Level Since WWII

Seasonally adjusted unemployment rate in the United States since 1948



Source: U.S. Bureau of Labor Statistics



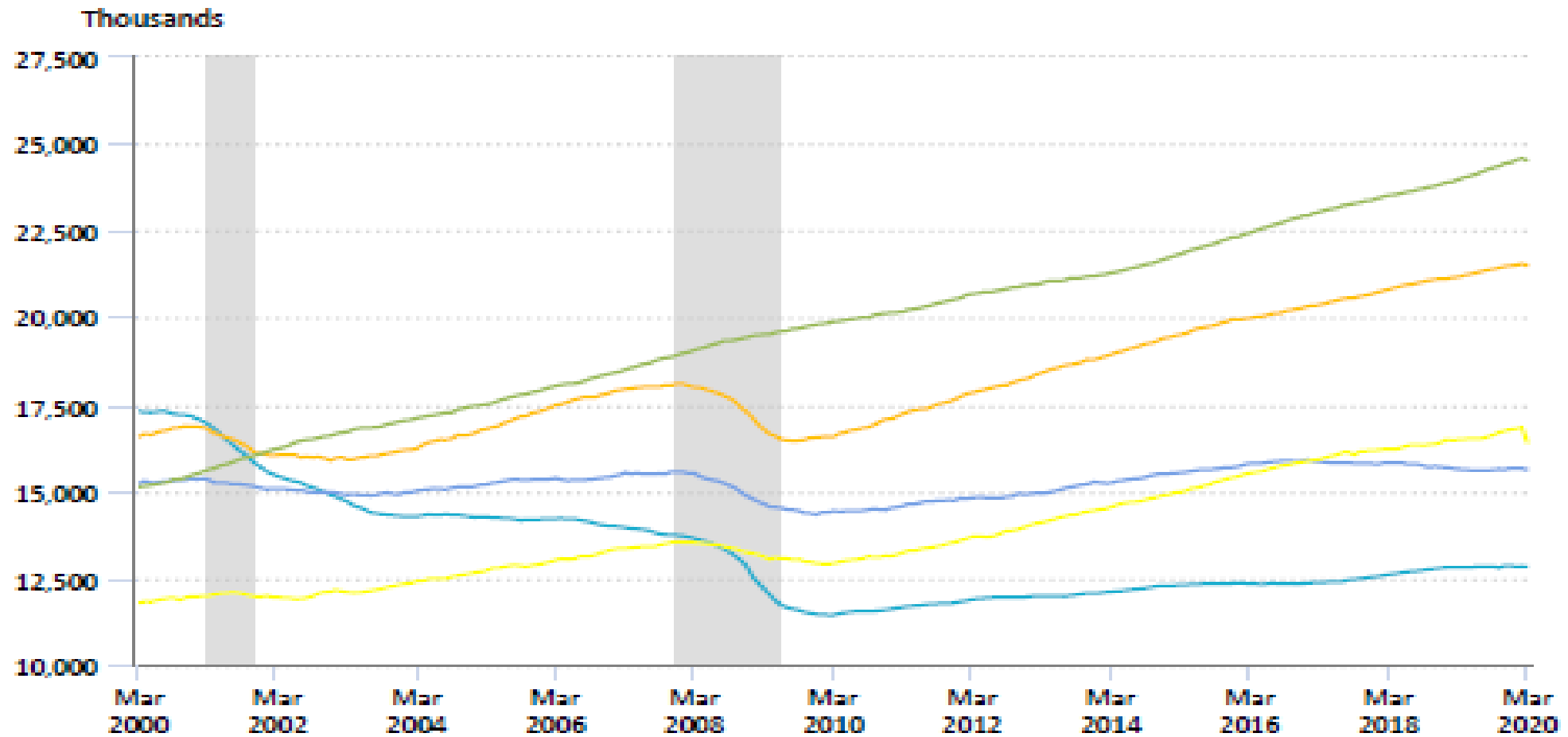
Farm to factory to urban service workers to...
extreme pandemic vulnerability



Employment levels by industry, seasonally adjusted

Click and drag inside chart to change dates displayed

- Total nonfarm
- Total private
- Mining and logging
- Construction
- Manufacturing
- Wholesale trade
- Retail trade
- Transportation and warehousing
- Utilities
- Information
- Financial activities
- Professional and business services
- Education and health services
- Leisure and hospitality
- Other services
- Government
- Federal government
- State government
- Local government



Hover over chart to view data.

Note: Shaded areas represent recessions, as determined by the National Bureau of Economic Research.

Source: U.S. Bureau of Labor Statistics.

Closure Rates by Industry

(circa April 1, 2020)

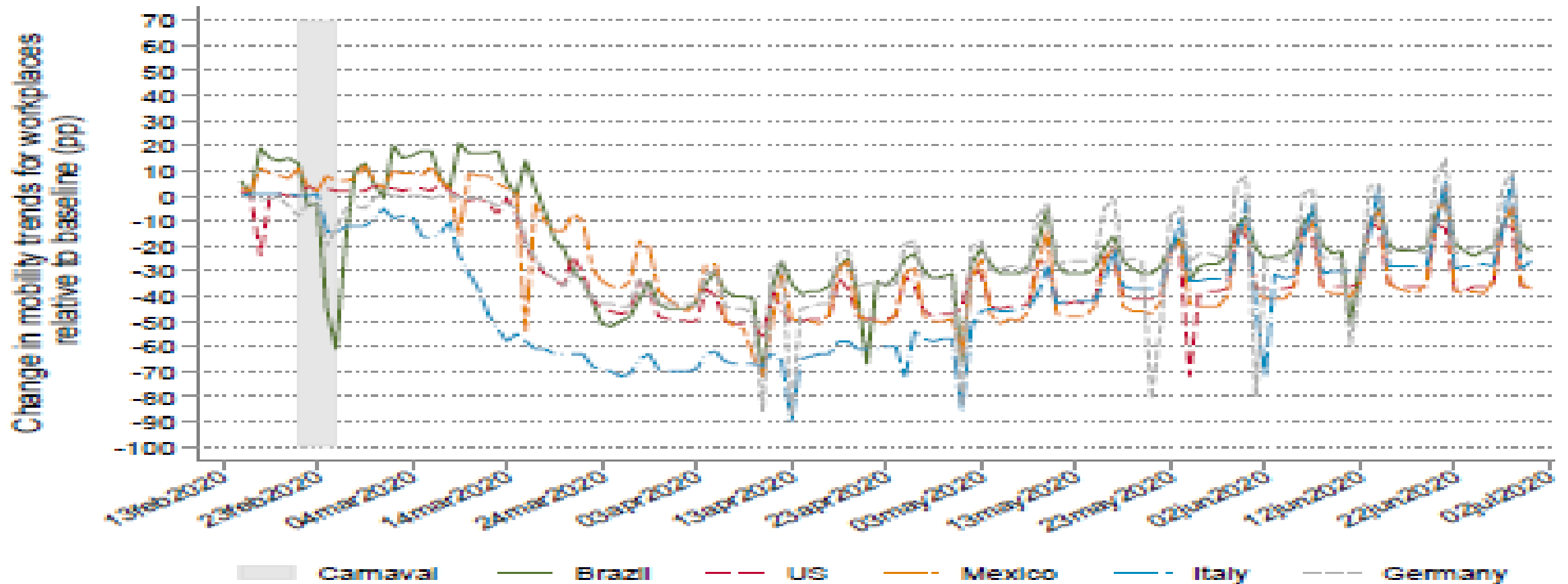
	Currently Closed		Exp Closed December		Weeks COVID Will Last		Current v Jan Employment	
	Mean	SD	Mean	SD	Mean	SD	Mean	SD

Panel A: Raw Data

All Retailers, except Grocery	0.53	0.50	0.45	0.50	14.1	9.5	0.49	0.42
Arts and entertainment	0.70	0.46	0.42	0.49	17.5	11.3	0.40	0.46
Banking/finance	0.19	0.39	0.25	0.43	16.1	10.9	0.81	0.33
Construction	0.32	0.47	0.38	0.49	14.3	10.3	0.66	0.40
Health care	0.45	0.50	0.29	0.45	15.1	10.4	0.69	0.37
Other	0.39	0.49	0.35	0.48	16.6	11.2	0.70	0.41
Personal Services	0.86	0.34	0.39	0.49	11.8	8.3	0.35	0.40
Professional Services	0.21	0.41	0.29	0.45	15.7	10.6	0.80	0.41
Real Estate	0.37	0.48	0.30	0.46	15.8	11.4	0.70	0.41
Restaurant/Bar/Catering	0.56	0.50	0.52	0.50	13.1	8.7	0.24	0.37
Tourism/Lodging	0.61	0.49	0.45	0.50	16.2	10.0	0.30	0.35
Total	0.45	0.50	0.37	0.48	15.5	10.6	0.58	0.44
N	4413	.	3953	.	4000	.	3935	.

Will the boost in remote working become permanent?

Workplaces



The Age of Centrifugal Cars (and Radios and TVs)



Killed Urban Industry, Like NYC Garments



So, why didn't these...



Image by ChtiTux



Image by Danamania

...Kill finance and urban information industries?



Image by Runner1928

Will remote working become permanent?

May 2020	Total Civilian Population	Unable to Work Due to Pandemic (Closure or Lost Business)		Total Employed Population	Teleworking Due to Pandemic	
		Number	Percent		Number	Percent
Total, 25 years and over	222,559	41,616	18.7	123,109	45,989	37.4
Less than a high school diploma	19,607	3,941	20.1	6,887	355	5.2
High school graduates, no college ³	61,403	12,025	19.6	28,708	4,379	15.3
Some college or associate degree	57,510	12,235	21.3	31,581	7,928	25.1
Bachelor's degree and higher ⁴	84,038	13,416	16.0	55,933	33,327	59.6
Bachelor's degree only	51,890	9,011	17.4	33,778	18,069	53.5
Advanced Degree	32,148	4,405	13.7	22,155	15,258	68.9

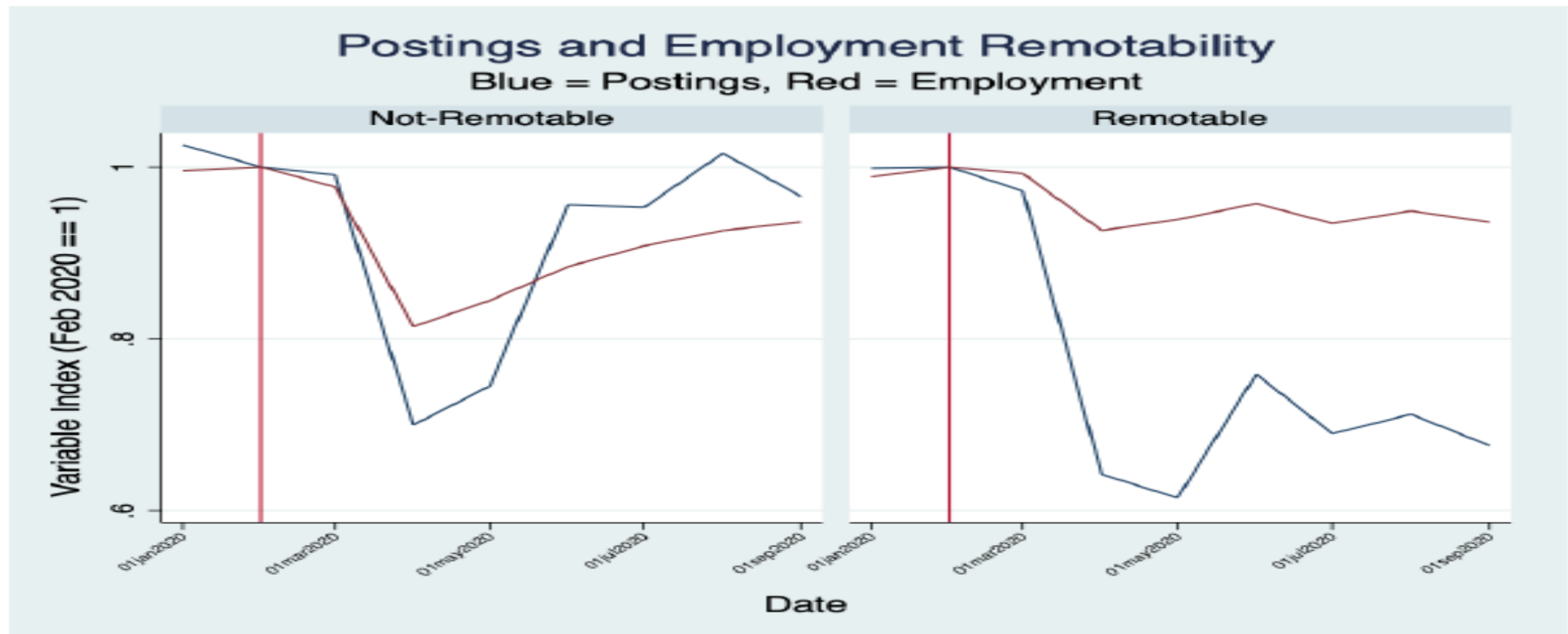
Table 4. Share of workers who switched to remote worker during COVID-19 that will continue working remotely after COVID

	Alignable (May) (1)	NABE (2)
0-20%	0.39	0.52
20-40%	0.20	0.11
40-60%	0.12	0.16
60-80%	0.12	0.07
80-100%	0.17	0.13
N	203	61

Note: The sample for the Alignable question was restricted to those who had more than 20% of their workforce in remote positions. The NABE sample excludes those who "do not know" the answer to the question.

Are People Looking to Hire Remote Workers? (Work is by Morales-Arilla and Daboin)

Figure 1: Postings, Employment and “Remotability” of Work under COVID-19



Notes: Figure shows the index of employment and postings (base February 2020) for “remotable” and “non-remotable” occupations. Employment is shown in blue lines, while posting is shown in red lines.

Everything Depends on the Duration of the Pandemic Risk

- # 1:: If the shock doesn't end quickly and if pandemics reappear, then quite significant changes will appear in both the urban location and the demand for transportation.
 - This will also shatter the urban service industry and create enormous economic dislocations – which at least suggests that we should be willing to spend enormous sums to make sure that this doesn't happen.
- #2: If this ends quickly, and doesn't happen again then the shock is real but doesn't change urban life massively. Still there will be short term shifts:
 - In rich cities, this means that prices drop more than vacancies rise.
 - Commercial space may be more vulnerable than residential.
 - Cities will still reallocate from old to young, and some significant work will move either to homes or lower density locales.
 - Extreme Importance of Consumer Cities
 - International travel will surely be depressed for quite some time.