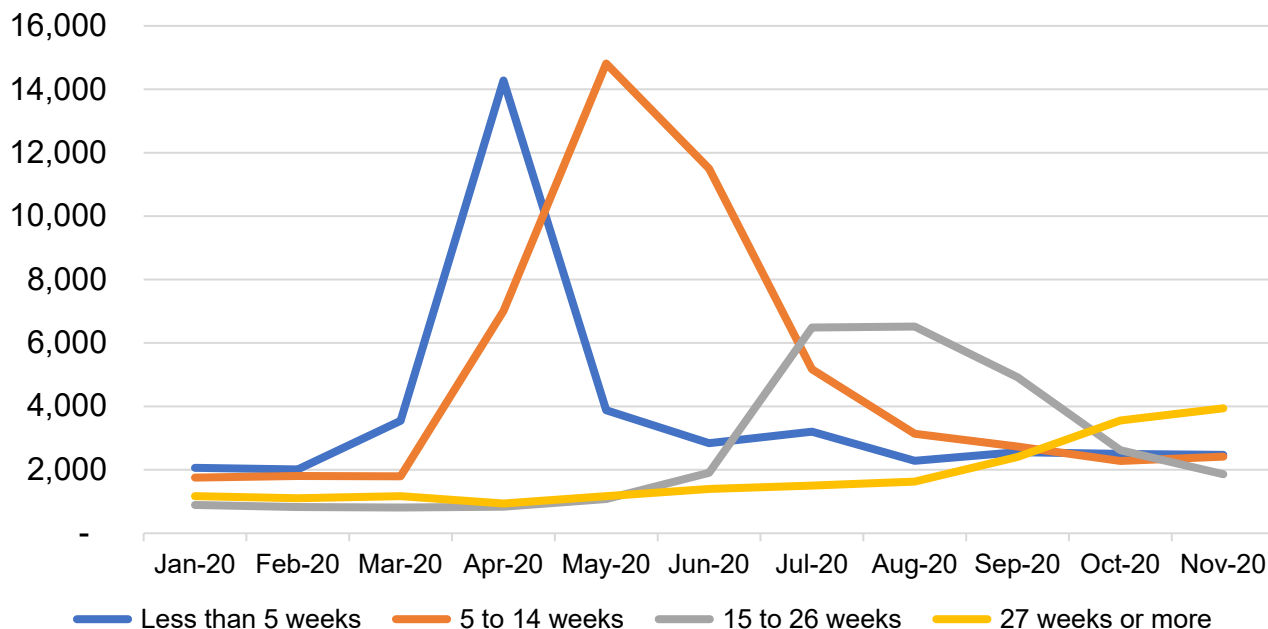


**Chart of the Week - December 11, 2020**  
 Number of Unemployed Workers By Duration of Unemployment  
 000s of workers



Source: U.S. Bureau of Labor Statistics (BLS)

Over the past three months, the pace of job gains has slowed from the rapid recovery seen over the summer. Similarly, the unemployment rate continues to decline, but at a more gradual pace.

While the improvement has been positive, neither measure is back to pre-pandemic levels. Overall employment is 6.5 percent lower than in February (-9.8 million jobs)– and the unemployment rate is at 6.7 percent, almost double the 3.5 percent rate in February. There are still 10.7 million people who are unemployed, and an increasing number of long-term unemployed – those out of work for more than 26 weeks.

This week’s chart highlights the number of unemployed workers by duration. There was a severe spike in the number of workers who were classified as unemployed for less than 14 weeks from April through June, when the pandemic-related closings hit the hardest. While many of those workers have been able to return to work and those levels have come back closer to early-2020 levels, the number of long-term unemployed has risen to 4 million – around four times what it was in February. Many of these workers are in industries that are in-person, service sector jobs, which will likely be slower to come back, as state and local governments deploy mitigation restrictions to slow the current surge in COVID-19 cases.

We expect both public health and economic conditions to improve going into early 2021, assuming the rollout of the vaccine is successful. This in turn should lead to a stronger rebound in hiring by the summer. A healthier labor market will support the ongoing strong levels of housing demand, while helping both delinquent borrowers, and borrowers currently in extended mortgage forbearance, get back on their feet.

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