



## Research

### Brief

## Vol. 2, No. 10

(2020, May 11)  
ISSN 2687-8844

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The Illinois Institute for Rural Affairs (IIRA) works to improve the quality of life for rural residents by partnering with public and private agencies on local development and enhancement efforts.



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# Empirical Analysis of Data from Worker Adjustment and Retraining Notification Act (WARN) for April 2020: A Report on the Status of Illinois Counties During the Covid-19 Pandemic

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## Introduction

This paper is an update to the March 2020 WARN filings reported in the Research Brief, Vol. 2 (4)<sup>1</sup>. During April 2020, Covid-19 induced plant closings cost Illinoisans 5,575 jobs, 55% of the total job loss (Table 1); manufacturing, accommodation and food services, and retail trade continue to be affected by the pandemic<sup>2</sup>.

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<sup>1</sup> [http://www.iira.org/wp-content/uploads/2020/04/Covid-19-Impacts\\_Illinois-Counties.pdf](http://www.iira.org/wp-content/uploads/2020/04/Covid-19-Impacts_Illinois-Counties.pdf)

<sup>2</sup> The WARN Act requires 60 days advance notice for “plant closing” and “mass layoff”; all but small employers with less than 100 employees and federal, state, and local governmental employers are required to provide this notice.

**Table 1: Number of Jobs Lost due to Plant Closings and Layoffs, April 2020**

<b>NAICS Sector</b>	<b>Closing</b>	<b>Layoffs</b>	<b>Total</b>	<b>Total%</b>
NAICS 21: Mining, quarrying, and oil and gas extraction		84	84	1%
NAICS 23 Construction	134		134	1%
NAICS 31-33 Manufacturing	1176	1191	2367	23%
NAICS 42 Wholesale trade	47	97	144	1%
NAICS 44-45 Retail trade	765	239	1004	10%
NAICS 48-49 Transportation and warehousing		829	829	8%
NAICS 51: Information	618		618	6%
NAICS 53 Real estate and rental and leasing		689	749	7%
NAICS 54 Professional and technical services	17	305	322	3%
NAICS 56 Administrative and waste services	675	29	704	7%
NAICS 61 Educational services	138	91	229	2%
NAICS 62 Health care and social assistance		118	118	1%
NAICS 71 Arts, entertainment, and recreation	705	24	729	7%
NAICS 72 Accommodation and food services	1300	827	2127	21%
<b>Total s</b>	<b>5575</b>	<b>4583</b>	<b>10158</b>	<b>100%</b>

A majority of job losses from plant closings is temporary (86%); in the non-metro, permanent employment losses due to layoffs have occurred in the extractive industries such as mining, quarrying, oil and gas exploration. In the metros, permanent layoffs are more

common in services such as accommodation, real estate, and transportation (see Tables 2 and 3). In general, workforce in the rural regions are less impacted by Covid-19 than workforce in the metro areas (Table 4).

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**Table 2: Plant Closings by Metro and Nonmetro Regions**

Sector	Urban		Rural		Total
	Permanent	Temporary	Permanent	Temporary	
NAICS 23: Construction		134			134
NAICS 31-33: Manufacturing	476	700			1176
NAICS 42: Wholesale trade		47			47
NAICS 44-45: Retail trade	139	626			765
NAICS 51: Information		618			618
NAICS 54: Professional and technical services		17			17
NAICS 56: Administrative and waste services				675	675
NAICS 61: Educational services			138		138
NAICS 71: Arts, entertainment, and recreation		267		438	705
NAICS 72: Accommodation and food services		1300			1300
<b>Total</b>	615	3709	138	1113	5575

**Table 3: Layoffs in the Metro and the Nonmetro Regions**

Sector	Urban		Rural		Total
	Permanent	Temporary	Permanent	Temporary	
NAICS 21 Mining, quarrying, and oil and gas extraction			84		84
NAICS 31-33: Manufacturing		965		226	1191
NAICS 42: Wholesale trade		97			97
NAICS 44-45: Retail trade	186	53			239
NAICS 48-49 Transportation and warehousing	829				829
NAICS 53 Real estate and rental and leasing	425	324			689
NAICS 54 Professional and technical services	305				305
NAICS 56 Administrative and waste services		29			29
NAICS 61 Educational services		91			91
NAICS 62 Health care and social assistance	67	51			118
NAICS 71: Arts, entertainment, and recreation	24				24
NAICS 72: Accommodation and food services	394	433			827
<b>Total</b>	2230	2043	84	226	4523

**Table 4: Job Losses in Illinois Counties due to Plant Closings and Layoffs, April 2020**

NAICS Code	TYPE OF EVENT	Champaign	Clark	Clinton	Cook	DuPage	Kane	Kankakee	LaSalle	Lake	Massac	McHenry	McLean	Morgan	St. Clair	Whiteside	Will	Winnebago	All
21	Layoff								84										84
23	Closing				67					67									134
31-33	Closing																	1176	1176
31-33	Layoff	550			153	55		15		156						226	36		1191
42	Closing					47													47
42	Layoff			23	74														97
44-45	Closing				130	128	28	28		128		28	139		128			28	765
44-45	Layoff				117								53					69	239
48-49	Layoff				829														829
51	Closing				189	149	63	22		80		35					80		618
53	Layoff				749														749
54	Closing				17														17
54	Layoff				305														305
56	Closing		675																675
56	Layoff				29														29
61	Closing													138					138
61	Layoff				91														91
62	Layoff				51										67				118
71	Closing				235					32	438								705
71	Layoff				24														24
72	Closing				356	250												694	1300
72	Layoff				598	126				103									827
<b>Total</b>		<b>550</b>	<b>675</b>	<b>23</b>	<b>4014</b>	<b>755</b>	<b>91</b>	<b>65</b>	<b>84</b>	<b>566</b>	<b>438</b>	<b>63</b>	<b>192</b>	<b>138</b>	<b>195</b>	<b>226</b>	<b>810</b>	<b>1273</b>	<b>10158</b>

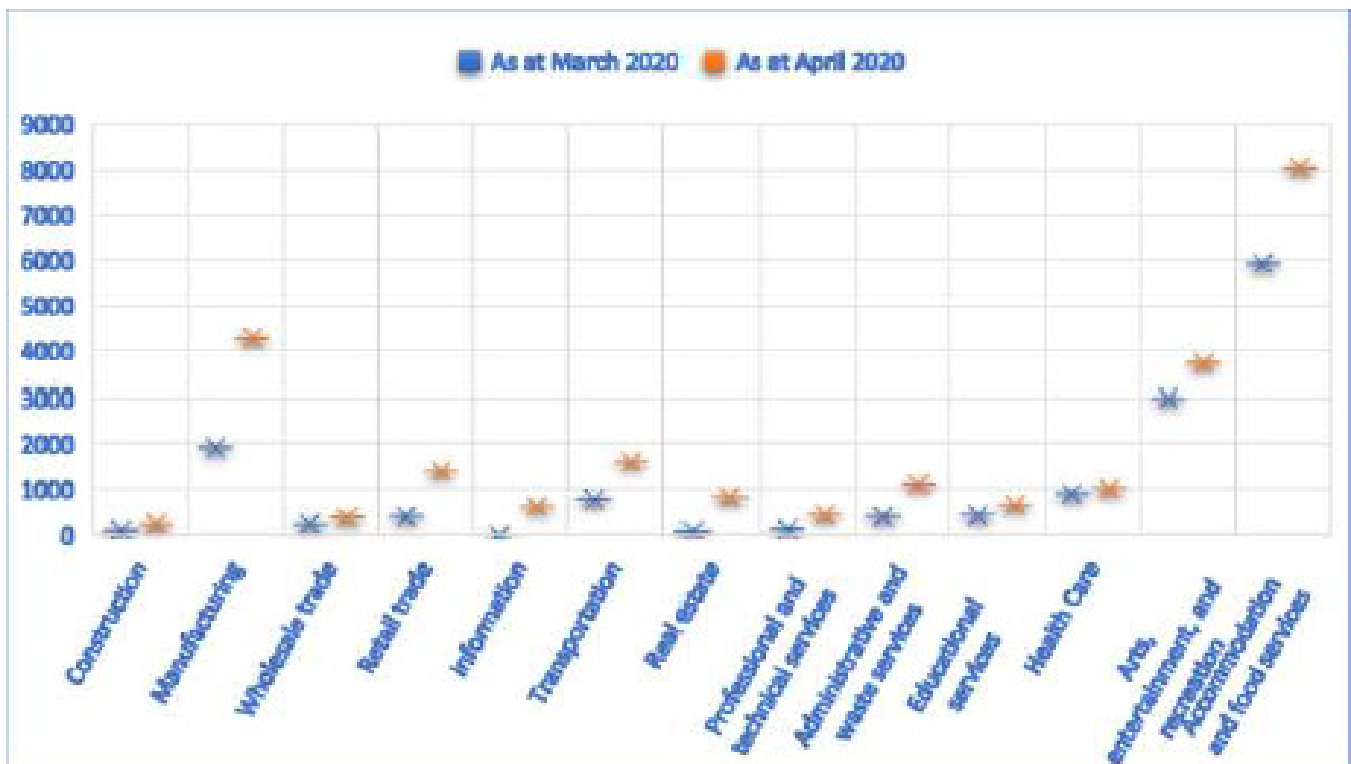
**Note:** Counties in red indicate nonmetro counties.

## Future of Illinois

Covid-19 continues to weaken the Illinois economy; during March and April 2020, Illinois has lost around 25,000 jobs (Figure 1). Three months on, the economic impacts of Covid-19 on Illinois

counties are starting to emerge<sup>4</sup>. Sectors such as hospitality and retail are vulnerable; at a bare minimum, they account for at least 61% of all job losses. The St. Louis Federal Reserve estimates that nationwide 47million jobs are at risk.

**Figure 1: Job Losses: March 2020 and April 2020**



<sup>4</sup> See Research Brief, Vol. 2(9): [http://www.iira.org/wp-content/uploads/2020/05/Economic-Impact-of-Covid-19-on-Illinois-Counties-ResBrief9\\_May-4-2020.pdf](http://www.iira.org/wp-content/uploads/2020/05/Economic-Impact-of-Covid-19-on-Illinois-Counties-ResBrief9_May-4-2020.pdf)

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Illinois has flattened the curve; the spread of Covid-19 in Illinois has dropped from a daily growth rate of 16% during March 2020<sup>5</sup> to around to 8% now, as at May 10, 2020. The stay-at-place order and other mitigation efforts such as social distancing should see the virus levelling off in hot spots such as Cook County and Warren County.

People and businesses are adapting to

new behaviors; remote work and online purchases have become the norm. School and university closures have rendered e-learning a must. Some of these behaviors may become established, but a vaccine or treatment for the virus could change these established behaviors. It is time that economic developers start thinking about strategies to win the future.

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<sup>5</sup> See [http://www.iira.org/wp-content/uploads/2020/04/Twitter-Conversations-about-SARS-Cov-2\\_April-2020.pdf](http://www.iira.org/wp-content/uploads/2020/04/Twitter-Conversations-about-SARS-Cov-2_April-2020.pdf)