



PRESS RELEASE

GCO releases new report detailing the economic devastation of COVID-19 shutdowns in the 50 states

PEACHTREE CORNERS—Today, the Georgia Center for Opportunity (GCO) has released a new report linking the number of jobs lost in a given state with how severely that state shut down its economy due to the COVID-19 pandemic. The study, entitled **State Pandemic Response: Understanding the Impact On Employment & Work**, also found that states that imposed more draconian economic shutdowns continue to feel severe job losses even to today.

“The jobs situation would likely be much better today had some states been less severe with their economic restrictions to fight the public health threat from COVID-19 and its variants,” said Erik Randolph, director of research for GCO and author of the report.

As the pandemic began to hit the U.S. in early 2020, state governments and some local governments imposed economic restrictions, such as business closures, stay-at-home orders, school closures, gathering restrictions, and capacity limits at some establishments like restaurants. There was a great variance in the severity of those orders.

Comparing two different indexes on the severity of those governmental actions, Hawaii, New York, California, New Mexico, and Connecticut were consistently rated as being harsher than other states within the first year of the pandemic. South Dakota, North Dakota, Iowa, Nebraska, Missouri, and Oklahoma were consistently rated as being less harsh.

The study showed a statistically significant correlation between how severe state governmental actions were in shutting down their economies and negative impacts on employment more than a year after the COVID-19 pandemic began in America. This was the case even after controlling for local variables, such as a state’s dependence on tourism or agriculture, population density, and the prevalence of COVID-19 infections and hospitalizations.

The research also found no correlations between the severity of government shutdowns and the rate of reported COVID-19 hospitalizations or deaths. This indicates that more severe actions failed to prevent more deaths or severe infections requiring hospitalizations.

“The results suggest that state and local governments must craft their economic response to the pandemic with greater care, seeking to impact employment less severely,” said Randolph.

[DOWNLOAD THE FULL REPORT HERE.](#)

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Georgia Center for Opportunity (GCO) is independent, non-partisan, and solutions-focused. Our team is dedicated to creating opportunities for a quality education, fulfilling work, and a healthy family life for all Georgians. To achieve our mission, we research ways to help remove barriers to opportunity in each of these pathways, promote our solutions to policymakers and the public, and help effective and innovative social enterprises deliver results in their communities.