The Impact of Covid19 on the Labour Market
Real-Time Survey Evidence

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How has individual labor income evolved?
Income distribution in the US (January)
Income distribution in the US (January-April)
Income distribution in the US (January-April)

17% drop in mean net labor income.

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Average incomes did not change.
Average incomes began dropping.
Average incomes dropped across the distribution.
Average incomes dropped across the distribution.
Income change from January to February in the US
Income change from January to February in the US

Earnings decile in January
Income change from January to February in the US
The rich stay rich
Stay in same income decile
Upward mobile

0
1
2
3
4
5
6
7
8
9
10
Drop to zero income

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Income change from January to February in the US
Income change from March - April in the US
Relative income change from March - April in the US
Relative income change from March - April in the US

Less upward mobility
Relative income change from March - April in the US

more downward mobility
Unstable work arrangements
Unstable work relationships lead to more job losses

UK - Early April

Job lost due to due Corona

Temporary
Permanent

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Unstable work relationships lead to more job losses

UK - Early April

Job lost due to due Corona

- Temporary
- Permanent
- Not Salaried
- Salaried

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Unstable work relationships lead to more job losses

UK - Early April

- Temporary
- Permanent
- Not Salaried
- Salaried
- Vary Hours
- Fixed Hours

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Unstable work relationships lead to more job losses

![Graphs showing job loss rates by employment type in US and UK during early April.](image)

- **US - Early April**
  - Temporary: 0.3, Permanent: 0.2, Not Salaried: 0.3, Salaried: 0.2, Vary Hours: 0.3, Fixed Hours: 0.2

- **UK - Early April**
  - Temporary: 0.3, Permanent: 0.2, Not Salaried: 0.3, Salaried: 0.2, Vary Hours: 0.3, Fixed Hours: 0.2

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US - Early April

UK - Early April

Germany - Early April

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Workers close to customers have less paid sick leave

Proportion with No Paid Sick Leave

Low Physical Proximity

High Physical Proximity

Military, Specific Occupations
Legal
Protective Service
Business and Financial Operations
Computer and Mathematical
Architecture and Engineering
Life, Physical, and Social Science
Educational Instruction and Library
Healthcare Support
Community and Social Service
Food Preparation and Serving
Construction and Grounds Cleaning
Arts, Design, Entertainment, and Sports
Personal Care and Service

Who would work despite having a cold?

% Who Would Definitely Work with Cold

- Sick Leave
- No Paid Sick Leave
What has the UK government done to buffer the shock to workers and firms?
Furloughed workers by occupation and industry

Large variation across occupation and industries.

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Furloughed workers by occupation and industry

Large variation across occupation and industries stable over time.

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More vulnerable more likely to be on furlough
Inequality in terms of who has been furloughed

- Women 3 percentage points more likely to be on furlough.
- Likelihood of having been furloughed increases by 3 percentage points per child.
  - Could this have to do with schools and nurseries closing?
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High income more likely to have salary topped up

Share of furloughed workers receiving top up

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Issues with furloughing scheme

- 70% of furloughed report working non-zero hours.
  - Those that have salary topped up work 5 hours more per week.
  - Those that work in a job that can be done from home work more hours.
- Being furloughed might be first step towards losing job. Furloughed workers much more likely to:
  - fear job loss
  - currently be searching for a job.
- Short-time work scheme would have been better suited for everybody (firm, worker, taxpayer, consumer)
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Moving forward

- Study the changing landscape of work
  - Working from home
  - Reallocation across sectors and industries
- What will happen when temporary schemes are withdrawn?
  - UK furloughing scheme set to expire in October
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