Labor markets during the COVID pandemic

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Covid-19 labor market: rapid decline in employment, partial recovery

Source: Forsythe, Kahn, Lange, Wiczer "Searching, Recalls, and Tightness"
Labor market impact, extremely unequal: largest decline in earnings growth from low-wage workers (April-July 2020)

Source: Cortes, Forsythe "Impacts of the COVID-19 Pandemic and the CARES Act on Earnings and Inequality"
Employment losses concentrated in low-wage occupations...

Source: Cortes, Forsythe "Heterogeneous Labor Market Impacts of the Covid-19 Pandemic"
... and industries

Source: Cortes, Forsythe "Heterogeneous Labor Market Impacts of the Covid-19 Pandemic"
Larger employment losses for low wage occupations *within* service sector industries.

Source: Cortes, Forsythe "Heterogeneous Labor Market Impacts of the Covid-19 Pandemic"
Larger employment rate declines for non-white workers, and smaller recovery.

Source: Cortes, Forsythe "Heterogeneous Labor Market Impacts of the Covid-19 Pandemic"
Larger employment rate declines for workers with less education

Source: Cortes, Forsythe "Heterogeneous Labor Market Impacts of the Covid-19 Pandemic"
Larger employment rate declines for younger *and older* workers

Source: Cortes, Forsythe "Heterogeneous Labor Market Impacts of the Covid-19 Pandemic"
Larger employment rate declines for women and less recovery

Source: Cortes, Forsythe "Heterogeneous Labor Market Impacts of the Covid-19 Pandemic"
Role of public policy in reversing inequality in earnings losses: CARES Act period (April-July 2020)

Source: Cortes, Forsythe "Impacts of the COVID-19 Pandemic and the CARES Act on Earnings and Inequality"
Role of public policy in reversing inequality in earnings losses: ARP period (Jan-Feb 2021)

Source: Cortes, Forsythe "Impacts of the COVID-19 Pandemic and the CARES Act on Earnings and Inequality"
Same groups that were more likely to lose work due to the pandemic *also* less likely to report receiving UI.

Source: Forsythe "Understanding Unemployment Insurance Recipiency During the Covid-19 Pandemic"
States that historically have lower UI recipiency rates continue to have fewer workers reporting receiving benefits during pandemic.

Source: Forsythe "Understanding Unemployment Insurance Recipiency During the Covid-19 Pandemic"
Conclusions

- Large disparities in employment and earnings losses across demographic groups and wage distribution
- Partial recovery, but gaps persist
- CARES Act expansion able to replace earnings losses on average, but continuing disparities in recipiency across groups
Extra Slides
How much of demographic differences in job loss is due to industry or occupation?

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