

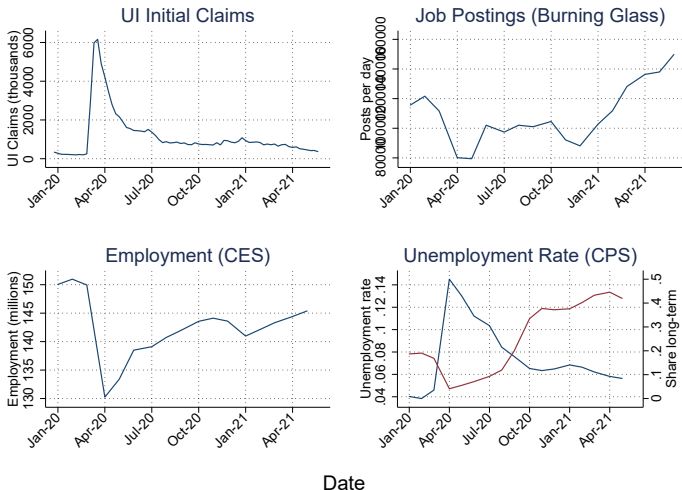
Labor markets during the COVID pandemic

Eliza Forsythe

University of Illinois, Urbana-Champaign

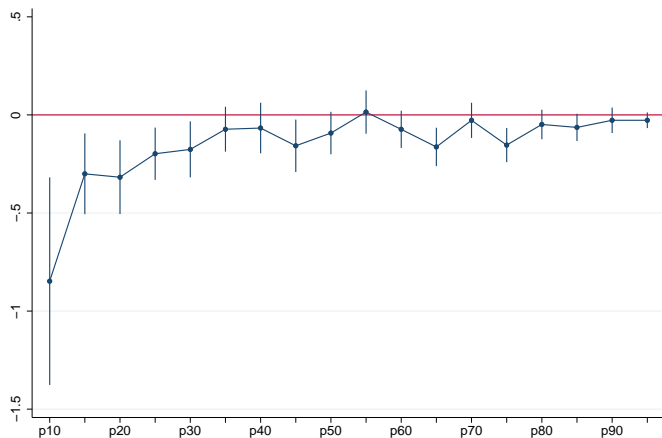
August 2021

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



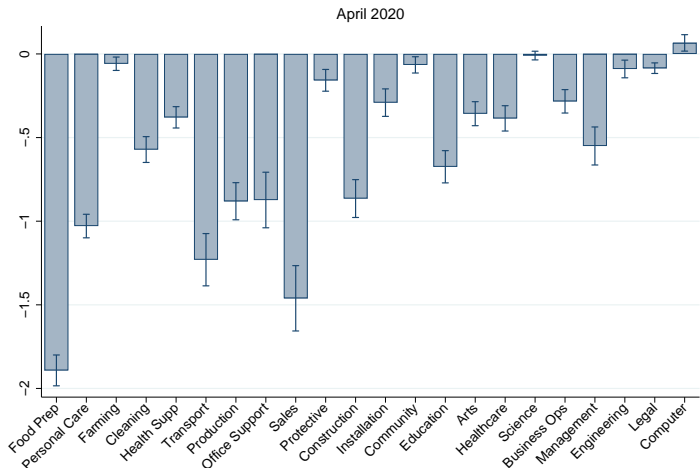
Source: Forsythe, Kahn, Lange, Wiczer "Searching, Recalls, and Tightness"

Labor market impact, extremely unequal: largest decline in earnings growth from low-wage workers (April-July 2020)



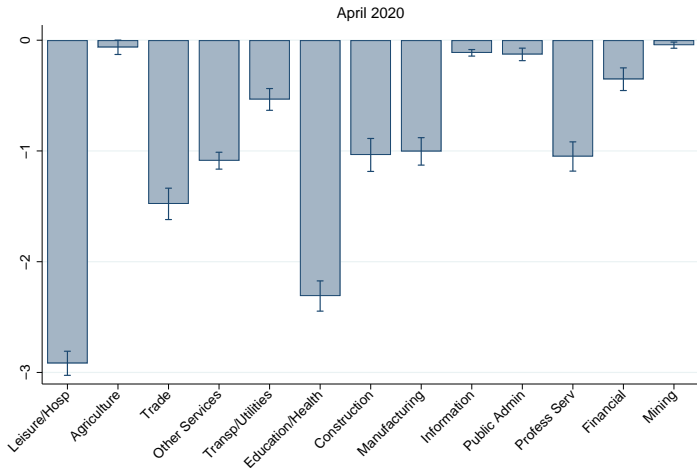
Source: Cortes, Forsythe "Impacts of the COVID-19 Pandemic and the CARES Act on Earnings and Inequality"

Employment losses concentrated in low-wage occupations...



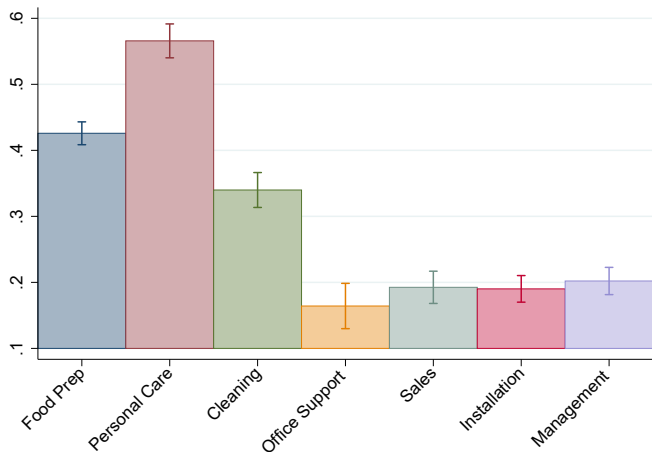
Source: Cortes, Forsythe "Heterogeneous Labor Market Impacts of the Covid-19 Pandemic"

... and industries



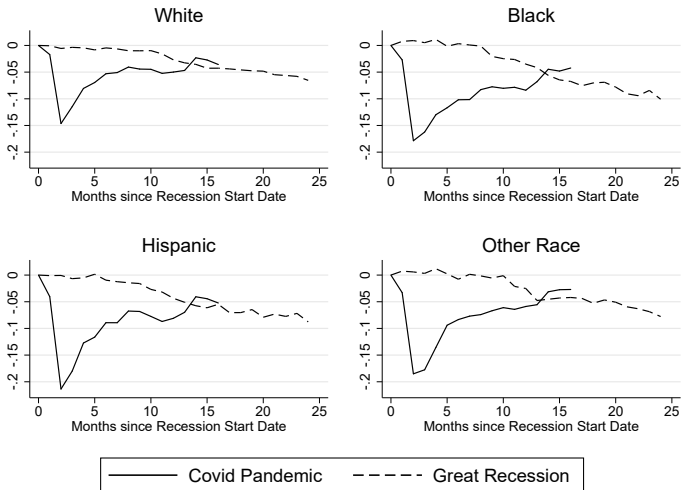
Source: Cortes, Forsythe "Heterogeneous Labor Market Impacts of the Covid-19 Pandemic"

Larger employment losses for low wage occupations *within* service sector industries



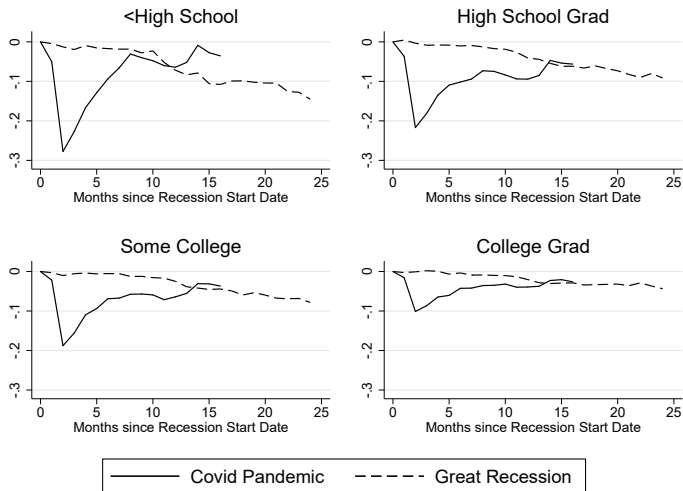
Source: Cortes, Forsythe "Heterogeneous Labor Market Impacts of the Covid-19 Pandemic"

Larger employment rate declines for non-white workers, and smaller recovery



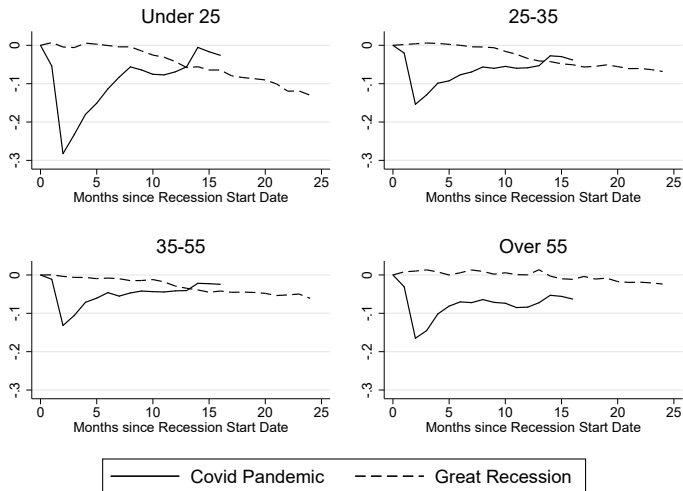
Source: Cortes, Forsythe "Heterogeneous Labor Market Impacts of the Covid-19 Pandemic"

Larger employment rate declines for workers with less education



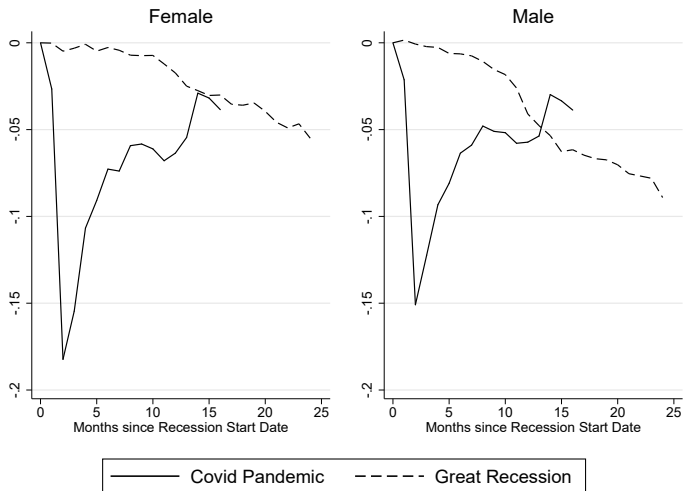
Source: Cortes, Forsythe "Heterogeneous Labor Market Impacts of the Covid-19 Pandemic"

Larger employment rate declines for younger *and older* workers



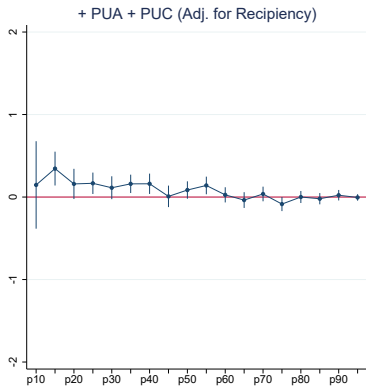
Source: Cortes, Forsythe "Heterogeneous Labor Market Impacts of the Covid-19 Pandemic"

Larger employment rate declines for women and less recovery



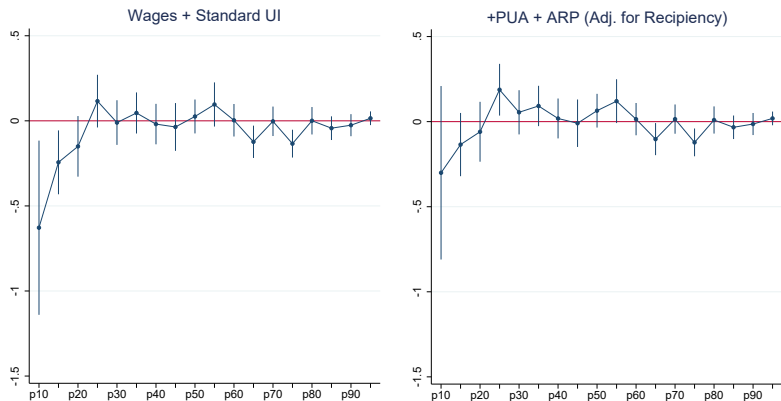
Source: Cortes, Forsythe "Heterogeneous Labor Market Impacts of the Covid-19 Pandemic"

Role of public policy in reversing inequality in earnings losses: CARES Act period (April-July 2020)



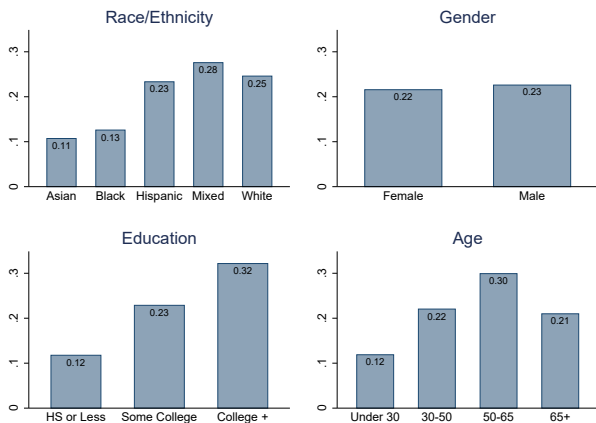
Source: Cortes, Forsythe "Impacts of the COVID-19 Pandemic and the CARES Act on Earnings and Inequality"

Role of public policy in reversing inequality in earnings losses: ARP period (Jan-Feb 2021)



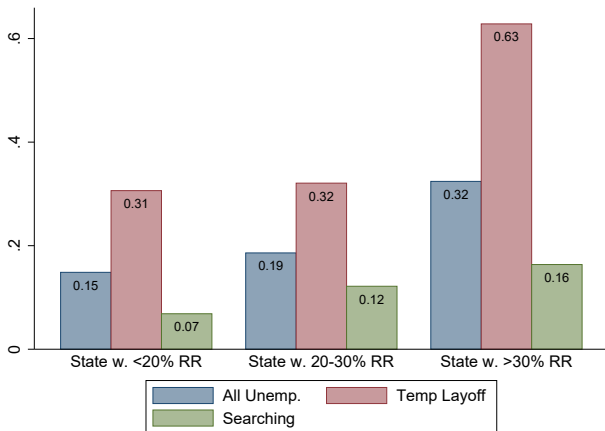
Source: Cortes, Forsythe "Impacts of the COVID-19 Pandemic and the CARES Act on Earnings and Inequality"

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 Reciprocity During the Covid-19 Pandemic"

States that historically have lower UI reciprocity rates continue to have fewer workers reporting receiving benefits during pandemic



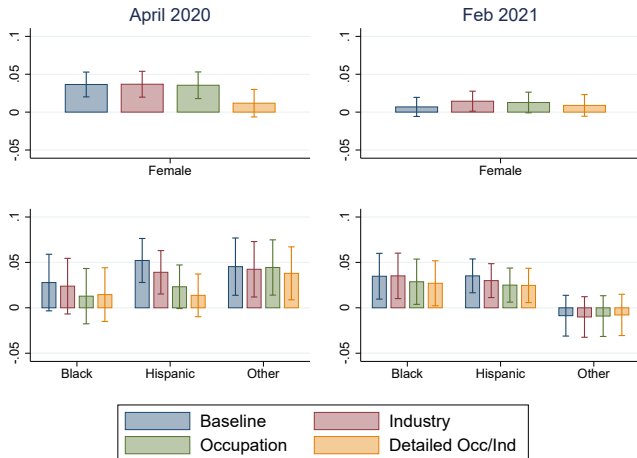
Source: Forsythe "Understanding Unemployment Insurance Reciprocity During the Covid-19 Pandemic"

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 reciprocity across groups

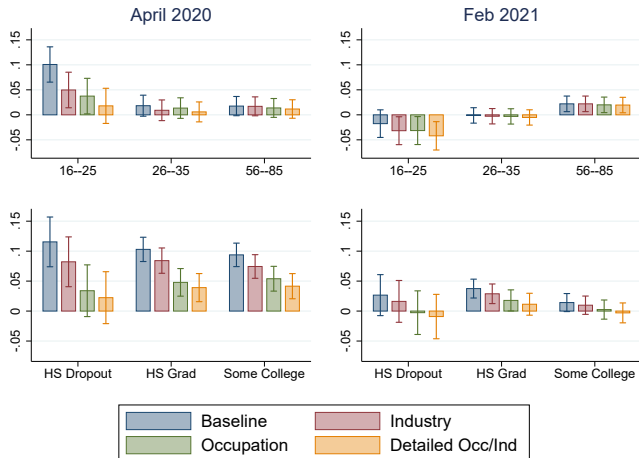
Extra Slides

How much of demographic differences in job loss is due to industry or occupation?



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

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