



COVID-19 Pandemic's Impact on Household Employment and Income

July 13, 2020

Introduction

The Coronavirus Disease 2019 (COVID-19) pandemic has affected households in numerous ways, including shuttering business and schools, resulting in an economic recession and loss of employment income. An [experimental U.S. Census Bureau household survey](#) has been fielded each week since late April to track the implications of the COVID-19 pandemic on households. This Insight provides some data from that survey, as well as links to research on the pandemic-induced recession's effects on households and policy responses to them.

Not Working for Reasons Related to COVID-19

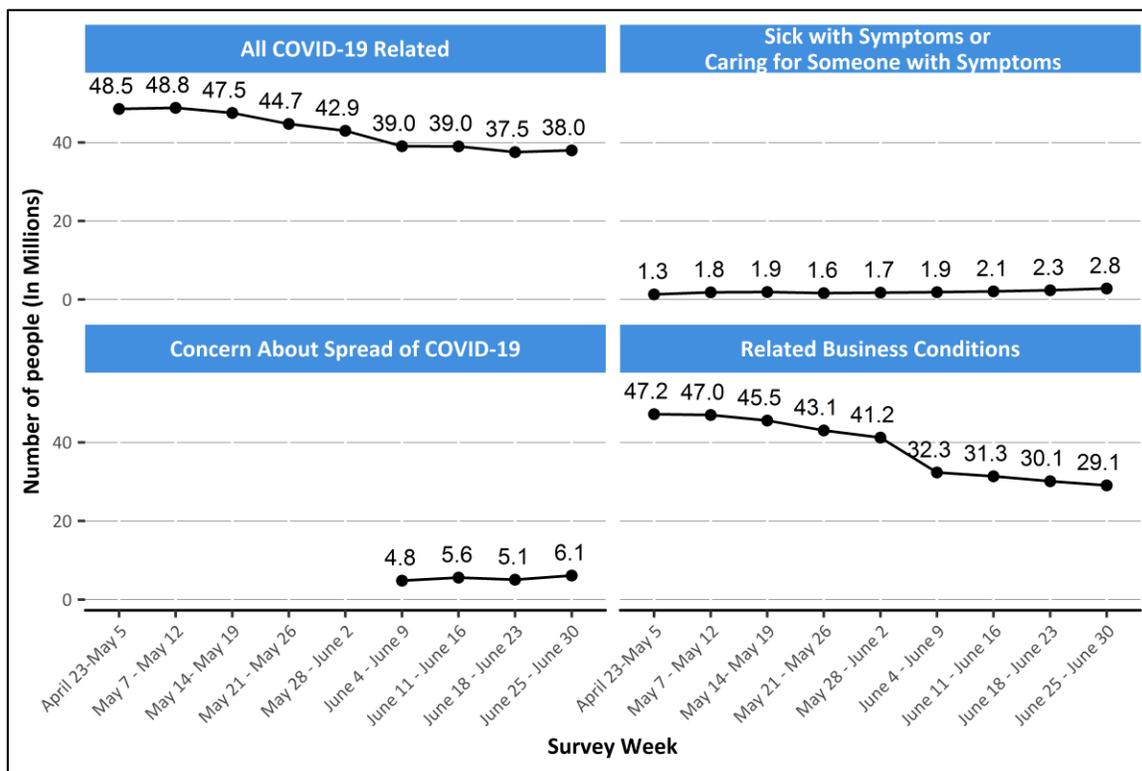
The Census survey asked respondents who were not working the week of the survey the reason they did not work, with several of the reasons related to the COVID-19 pandemic. This is a different survey from that used to produce the regular monthly labor force statistics (employment and unemployment), which does not ask questions that are specific to the COVID-19 pandemic. **Figure 1** shows that the estimated number of people who reported not working for COVID-19-related reasons peaked during the week of May 7, 2020, at 48.8 million, and declined to 39.0 million during the week of June 4. The decline has since slowed. The largest group are those not working because of COVID-19's effect on business conditions (furloughs, layoffs, businesses closed). The decline of people in this group accounts for most of the decline in all people not working for COVID-19-related reasons through early June.

Congressional Research Service

<https://crsreports.congress.gov>

IN11457

Figure I. Number of Adults Not Working for COVID-19-Related Reasons
in millions



Source: Congressional Research Service (CRS) tabulations of the U.S. Census Bureau’s “Household Pulse” survey.

Notes: The reduction of those selecting any of the reasons comprising “related business conditions” for the week of June 4 coincided with the introduction of a new option for people to report that they were not working due to concern about the spread of COVID-19 (catch or spread COVID-19).

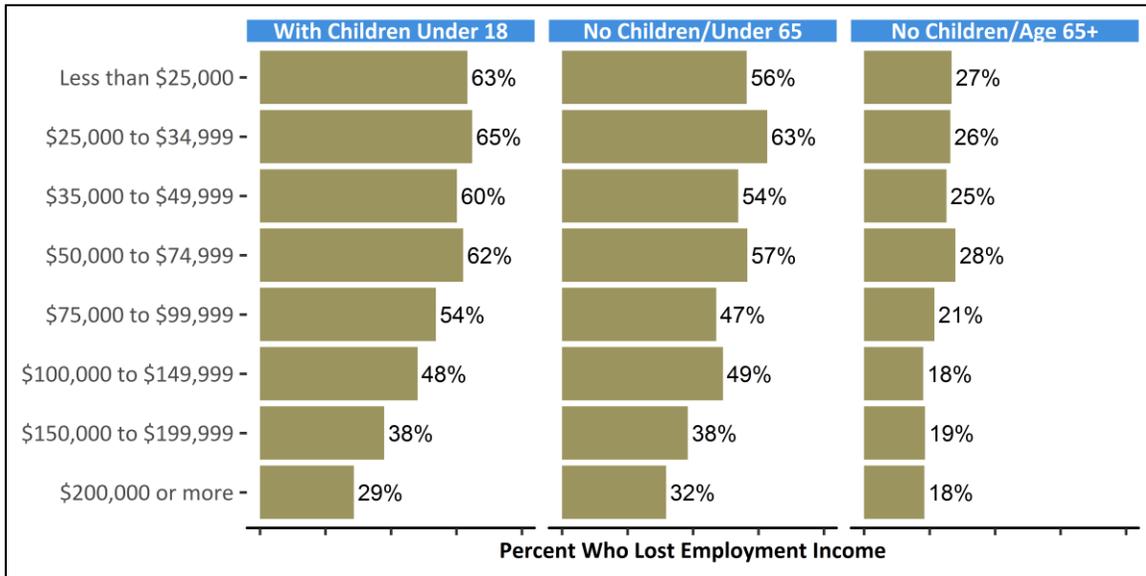
In addition, many individuals responded they were not working in order to attend to children not in care or in school. (The survey did not ask about lack of available child care tied to COVID-19. Many parents have reported that their child’s [school](#) or [child care facility](#) has closed since the start of the pandemic.) For the week beginning June 25, 7.8 million adults reported they were not working to care for children.

Loss of Employment Income

The Census survey asked respondents whether they or other members of their household experienced a loss in employment income since March 13, 2020. Estimates from the survey find that through mid-June 2020, a little less than half of all adults (aged 18 and older) lived in a household that has lost some employment income since March 2020. Additionally, this income loss has disproportionately affected those who were in households that had lower income in 2019 or who were not white or who were Hispanic.

Figure 2 shows the percent of adults living in households that lost employment income between March 2020 and mid-June 2020, by their 2019 household income and family type. Among all family types—but particularly among families with children—those who lived in households with lower 2019 incomes were more likely to lose employment income since March. At the same time, employment income loss was widespread and occurred in all income categories. Some individuals also lived in households that lost employment income, though rates among this group were lower than those for adults living with children or who were under age 65 and not living with children.

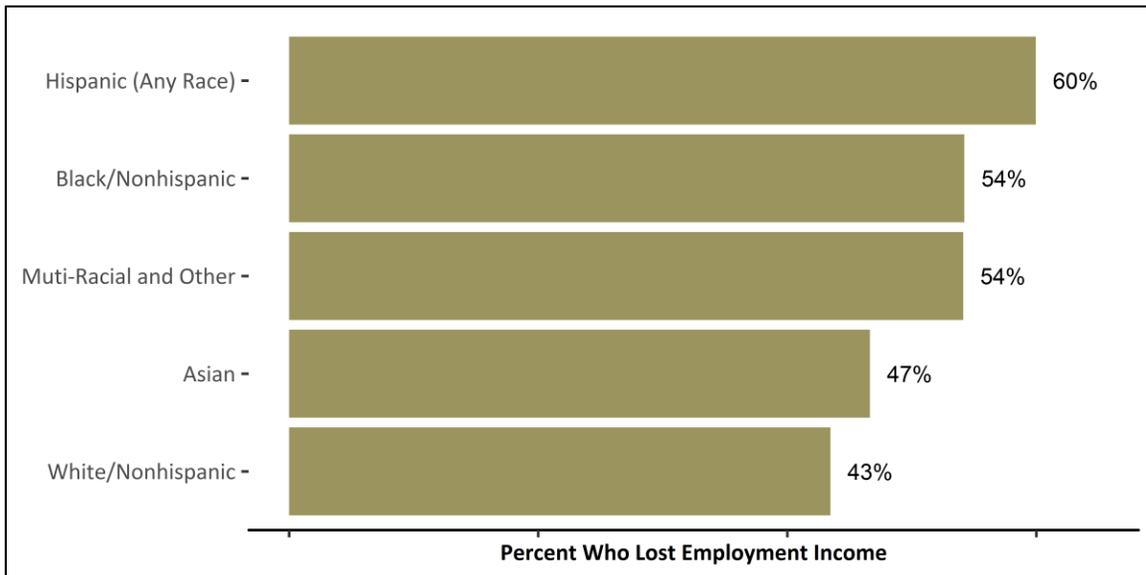
Figure 2. Percent of Adults in Households That Lost Employment Income Since March 2020, by 2019 Income Category



Source: CRS tabulations of the U.S. Census Bureau’s “Household Pulse” survey for the week of June 18-23.

Figure 3 shows that, as of mid-June 2020, almost 6 in 10 Hispanic persons were in households that lost some employment income over the three-month period. More than 50% of black and multiracial individuals were in households with employment income loss.

Figure 3. Percent of Adults in Households That Lost Employment Income Since March 2020, by Race/Ethnicity



Source: CRS tabulations of the U.S. Census Bureau’s “Household Pulse” survey for the week of June 18-23.

Policies Offsetting Employment Income Losses

Although there are policies in place that kick in during periods of economic loss (i.e., [automatic stabilizers](#)), in March 2020, enacted legislation provided for temporary, ad-hoc enhancements of income maintenance policies. These included the following:

- [Two temporary paid leave entitlements](#) for some workers, which may be used for certain COVID-19-related needs, expiring at the end of 2020.
- [Enhanced unemployment insurance \(UI\)](#), including providing an extra \$600 in weekly benefits, expanding benefits to certain groups who usually do not qualify, and providing an extra 13 weeks of benefits. The extra \$600 in benefits expires July 25, 2020, with other provisions expiring at the end of 2020.
- Help for [small businesses](#), including a program (Paycheck Protection Program) that could help them maintain payrolls.
- [One-time direct payments to many individuals](#) (\$1,200 per person; \$2,400 per married couple, with \$500 for each dependent).

The Census survey did not ask respondents how much employment income was lost, or how much of this loss was replaced by benefits. (This will not be known until the annual retrospective of income and poverty is released in 2021.) Researchers have used computer simulation models to estimate the impact of COVID-19-related employment losses and the impact of some of the policy changes to offset those losses (see studies [here](#), [here](#), and [here](#)). In summary, these studies find that the expanded benefits and one-time payments have the potential to offset projected increases in poverty from lost income due to COVID-19. However, not all eligible persons may receive benefits. Additionally, the studies note the additional income was concentrated in the April-July period. Income and poverty will continue to be affected by changes in economic activity and the degree to which temporary and permanent income maintenance policies offset lost employment income.

Author Information

Gene Falk
Specialist in Social Policy

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.
