



Employment, Income, and Unemployment Insurance during the COVID-19 Pandemic

Findings from the May 14–27 Coronavirus Tracking Survey

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June 2020 (corrected July 2, 2020)

The COVID-19 pandemic continues to take a severe toll on the US labor market. Even as “stay-at-home” orders began to lift in May and some workers returned to their jobs, millions of Americans filed new initial claims for unemployment insurance (UI).¹ And many employers, from small businesses such as restaurants and retailers to enormous corporations like hotel chains, must operate well below capacity (if they can operate at all), because of both reduced demand for their services and the social distancing restrictions needed to reduce the virus’s spread.

In this brief, we examine the pandemic’s effects on US adults’ employment and incomes and the extent to which those suffering economic hardship have been able to access unemployment benefits.² To do so, we use new data from the first wave of the Urban Institute’s Coronavirus Tracking Survey, a nationally representative survey of nonelderly adults conducted May 14 through 27, 2020. The survey’s 4,352 respondents are a subset of the 9,032 adults who participated in the Urban Institute’s Health Reform Monitoring Survey (HRMS) between March 25 and April 10, 2020, allowing us to monitor how the pandemic has affected these adults over time.³ We find the following:

- More than two in five adults (43.4 percent) reported that their families suffered a job or income loss because of the economic impact of COVID-19. Such losses disproportionately accrued to families of adults with lower incomes and Hispanic people.
- The share of adults working dropped to 65.6 percent in May, down from the 68.1 percent reported in March/April. Hispanic and non-Hispanic white adults reported statistically significant declines in employment.

- Among adults whose families experienced a job loss, 36.3 percent reported that their families received UI benefits in the 30 days before the survey. Another 17.6 percent had applied for UI after March 1 but had not received it in the 30 days before the survey. Most adults (54.6 percent) who applied for UI but had not received it reported that the process was difficult.

Background

Efforts to contain the spread of the novel coronavirus sent shock waves through the economy over the past few months: More than 42 million new claims for UI have been filed,⁴ and 21.5 million fewer people reported working in May 2020 than in February 2020.⁵ The official unemployment rate swelled from 3.5 percent in February to 14.7 percent in April before declining to 13.3 percent in May, and the share of the labor force that was unemployed, employed only part time for economic reasons, or marginally attached tripled from 7.0 percent to 21.2 percent between February and May.⁶

Anticipating the economic dislocations, Congress passed and the president signed the Coronavirus Aid, Relief, and Economic Security, or CARES, Act, which greatly expanded access to and the value of UI.⁷ First, it created the Federal Pandemic Unemployment Compensation program, which adds \$600 to weekly UI benefits between April 5 and July 31, 2020. Because UI benefits usually only partially replace lost earnings, this additional benefit substantially mitigates lost income, and some unemployed workers will temporarily receive more income from UI than they would have earned from working.⁸ Second, the CARES Act established the Pandemic Emergency Unemployment Compensation program, which extended the period over which UI can be received by 13 weeks, up from the usual 26 weeks, through the end of 2020. Finally, it created Pandemic Unemployment Assistance, which extended eligibility to workers who would not have been eligible for UI under the regular program, such as the self-employed. Even with these expansions, not all people who lost jobs will receive benefits. Typically, less than a third of unemployed people receive UI benefits, and even at unemployment's peak during the Great Recession, only about 60 percent of the unemployed received benefits.⁹ Because of the CARES Act's UI provisions, however, we expect the current share of unemployed people receiving benefits to be higher.

Below, we consider the share of US adults reporting that they or someone in their family (defined as their spouse or partner and their children or stepchildren under 19 who live with them) have experienced employment-related losses because of the pandemic, how those losses vary across demographic groups, and how well UI benefits have reached those who experienced losses.

Results

Among adults ages 18 to 64, 43.4 percent reported that they or someone in their family has lost or been laid off from a job, been furloughed or had to reduce work hours, or lost earnings or income from a job or business because of the pandemic's impact on the economy.

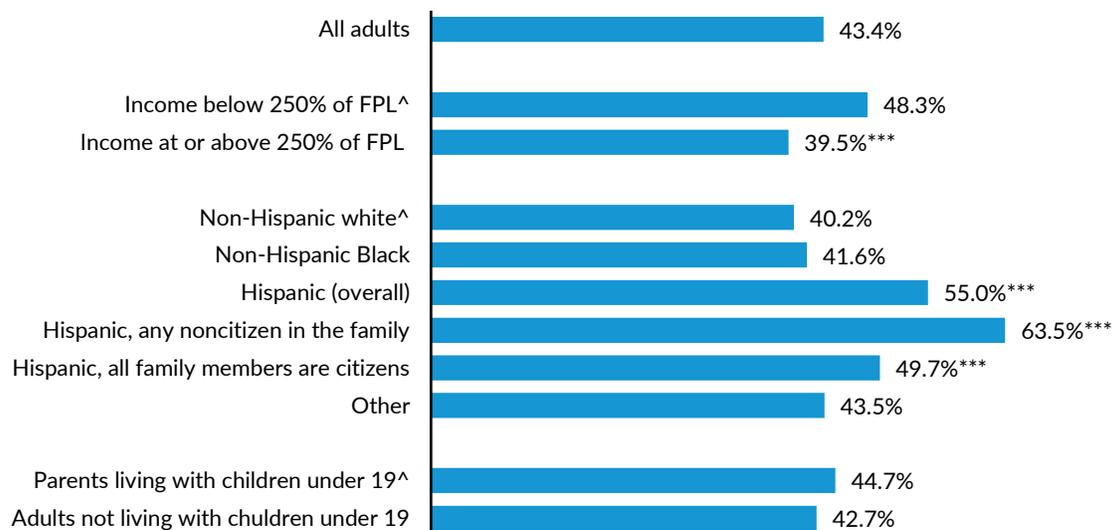
The share of adults reporting family employment and income losses in our May tracking survey (43.4 percent; figure 1) is only slightly higher than the share of these adults reporting such losses in the earlier survey fielded in March and April (40.3 percent; data not shown),¹⁰ suggesting most affected adults started experiencing such losses in the early weeks of the crisis.

Adults living in lower-income households and Hispanic adults have been hit particularly hard by the pandemic economy. Among adults whose family incomes are below 250 percent of the federal poverty level, 48.3 percent reported that their families experienced employment- or income-related losses, compared with 39.5 percent of adults in families with higher incomes. And 55.0 percent of Hispanic adults reported economic losses, a share far higher than those for non-Hispanic white and non-Hispanic Black adults (40.2 percent and 41.6 percent). Among Hispanic adults, those in families with noncitizens were more likely to report losses than those whose family members are all citizens (63.5 percent versus 49.7 percent), and both groups were more likely to report losses than non-Hispanic white adults. These differences by income, race/ethnicity, and family citizenship status are similar to patterns observed among all respondents in the March/April survey (Gonzalez et al. 2020; Karpman et al. 2020). Parents living with their children under age 19 were about as likely to experience economic losses as adults not living with children (44.7 percent versus 42.7 percent, a difference that is not statistically significant).

As the first wave of the pandemic subsides in many places and stay-at-home orders lift, more adults are experiencing improved labor market outcomes. In the early stages of the pandemic, 15.2 percent of adults either found work, increased their hours, or increased their earnings (figure 2). This may owe to increases in delivery work, increased pay and hours for essential workers, and families that lost work or pay having a family member look for a new job or increase their hours at their current job. In May, the share reporting employment and income gains rose to 18.9 percent. The same month, some adults reported that the pandemic had both negative and positive impacts on their families' employment or income (8.2 percent; data not shown).

FIGURE 1

Share of Adults Ages 18 to 64 Whose Families Lost Jobs, Work Hours, or Work-Related Income Because of the Coronavirus Outbreak, Overall and by Family Income, Race/Ethnicity, Family Citizenship Status, and Presence of Children under Age 19 in the Family, May 2020



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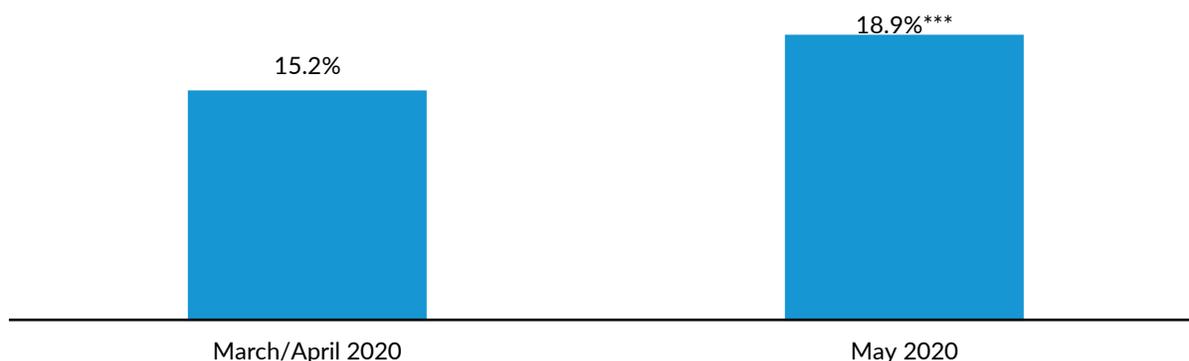
Source: Urban Institute Coronavirus Tracking Survey, wave 1. The survey was conducted May 14 through 27, 2020, and 93.1 percent of respondents completed the survey by May 20.

Notes: FPL is federal poverty level. Other includes non-Hispanic adults who are not Black or white or are more than one race. We define family as the respondent, their spouse or partner, and any of their children or stepchildren under 19 who live with them.

*/**/** Estimate differs significantly from reference group ([^]) at the 0.10/0.05/0.01 level, using two-tailed tests.

FIGURE 2

Share of Adults Ages 18 to 64 Whose Families Gained Jobs, Work Hours, or Work-Related Income Because of the Coronavirus Outbreak, March/April and May 2020



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Source: Urban Institute Coronavirus Tracking Survey, wave 1. The survey was conducted May 14 through 27, 2020, and 93.1 percent of respondents completed the survey by May 20.

Notes: We define family as the respondent, their spouse or partner, and any of their children or stepchildren under 19 who live with them.

*/**/** Estimate differs significantly from March/April 2020 at the 0.10/0.05/0.01 level, using two-tailed tests.

Fewer adults reported working in May than in March/April.

In May, 65.6 percent of adults ages 18 to 64 reported working for pay or being self-employed at the time of the survey, down from 68.1 percent in our March/April survey (table 1). Because both the Health Reform Monitoring Survey and the Coronavirus Tracking Survey focus on adults ages 18 to 64, our employment rates (relative to population) are somewhat higher than those reported in official government statistics.¹¹

The Coronavirus Tracking Survey arrives at different employment trends than the monthly employment surveys conducted by the Bureau of Labor Statistics (BLS), because the surveys are fielded at different times and include different populations in their samples. The BLS survey assesses employment monthly, based on the respondent's work status during the week containing the 12th of the month. Between those weeks in April and May, the share of people ages 16 and older who were employed rose by 1.5 percentage points; that equals 3.8 million more people at work.¹² In contrast, we find a 2.5 percentage-point decline in employment among adults ages 18 to 64 between late March/early April and the second half of May. But, our March/April data span March 25 through April 10, ending the week before the April BLS survey, and 74.5 percent of our sample had completed the survey by March 31. In the three weeks between the end of March and mid-April, people filed more than 18 million new claims for UI.¹³ Consequently, the employment situation in late March and early April, though deteriorating, likely was stronger than that in mid-April, when the BLS survey was fielded. Thus, we cannot replicate the BLS reporting period, and our estimated changes between late March/early April and the second half of May are not directly comparable with BLS's estimated changes between April and May. Indeed, comparing data from the March and May BLS surveys, we see employment dropped by 18.5 million people, and the share of adults working declined by 7.2 percentage points. In the rapidly changing COVID-19 labor market, even a one-week difference in data collection can affect short-term trends.

We found statistically significant declines in employment rates among non-Hispanic white adults, Hispanic adults (both overall and among those in families with noncitizens), parents living with their children under age 19, and adults not living with children under 19—and marked disparities in employment across those groups. In May, 69.3 percent of white adults were working, compared with 56.2 percent of Black adults and 57.4 percent of Hispanic adults. Parents living with their children under 19 were more likely to be working than adults not living with children under 19 (69.6 versus 63.2 percent).

We found employment declines across age groups (18 to 34, 35 to 49, and 50 to 64), with the size of the decreases larger at older ages. Only the declines for middle-aged (75.4 percent to 73.0 percent) and older workers (63.9 percent to 60.2 percent) were statistically significant (data not shown).

TABLE 1

Share of Adults Ages 18 to 64 Employed at the Time of the Survey, Overall and by Family Income, Race/Ethnicity, Family Citizenship Status, and Presence of Children under Age 19 in the Family, March/April and May 2020

Percent

	March/April 2020	May 2020
All adults	68.1	65.6***
By family income		
Below 250% of FPL [^]	51.2	48.7**
250% of FPL or more	81.7	79.1***+++
By race/ethnicity and family citizenship status		
Non-Hispanic white [^]	72.0	69.3***
Non-Hispanic Black	58.9	56.2+++
Hispanic (overall)	59.9	57.4*+++
Hispanic, any noncitizen in the family	57.6	53.9*+++
Hispanic, all family members are citizens	61.4	59.6++
Other	72.6	70.9
By presence of children in the family		
Parents living with children under 19 [^]	72.1	69.6**
Adults not living with children under 19	65.9	63.2***+++

Source: Urban Institute Coronavirus Tracking Survey, wave 1. The survey was conducted May 14 through 27, 2020, and 93.1 percent of respondents completed the survey by May 20. Estimates for March/April are from the Health Reform Monitoring Survey (HRMS), which was conducted March 25 through April 10, 2020; 74.5 percent of respondents completed the survey by March 31. Tracking survey respondents were sampled from the participants in the March/April HRMS.

Notes: FPL is federal poverty level. Other includes non-Hispanic adults who are not Black or white or are more than one race. We define family as the respondent, their spouse or partner, and any of their children or stepchildren under 19 who live with them.

*/**/*** Estimate differs significantly from March/April 2020 at the 0.10/0.05/0.01 level, using two-tailed tests.

+/++/+++ Estimate differs significantly from May 2020 estimate for reference group (^) at the 0.10/0.05/0.01 level, using two-tailed tests.

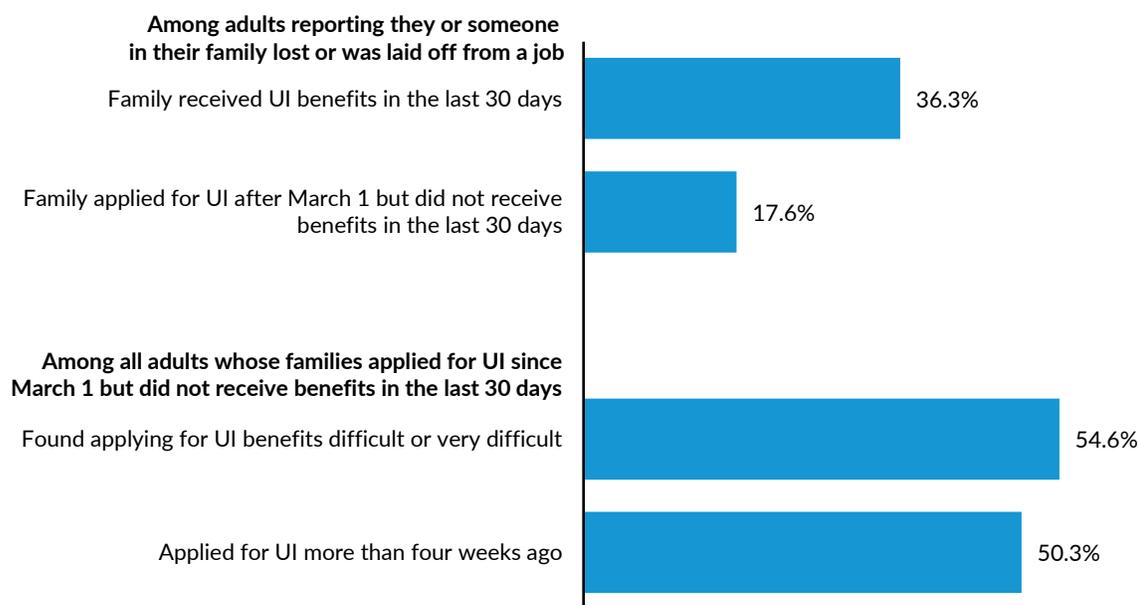
More than one-third of adults who reported that someone in their family lost or was laid off from a job because of the pandemic reported having received UI benefits in the 30 days before the survey. Many found applying for benefits challenging, and others were still waiting to receive benefits they filed for.

Among adults whose families experienced a job loss because of the pandemic, 36.3 percent received UI in May (figure 3). Another 17.6 percent applied for benefits after March 1 but had not received them in the 30 days before the time of the survey. Among all adults whose families applied for UI since March 1 but did not receive benefits in the last 30 days, 54.6 percent reported that the application process was difficult or very difficult (including 21.6 percent reporting the process was difficult and 33.0 percent reporting it was very difficult; data not shown). This aligns with news accounts of problems with state application systems.¹⁴ Indeed, half of the adults who applied for UI but had not received it in the last 30 days had been waiting more than four weeks for their benefits.

Among all adults who reported adverse effects of the pandemic on their family's employment or income, 22.3 percent had received UI benefits and 12.0 percent reported applying for benefits since March 1 but not having received them in the last 30 days (data not shown).

FIGURE 3

Receipt of Unemployment Insurance Benefits among Adults Ages 18 to 64, May 2020



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Source: Urban Institute Coronavirus Tracking Survey, wave 1. The survey was conducted May 14 through 27, 2020, and 93.1 percent of respondents completed the survey by May 20.

Notes: UI = unemployment insurance. We define family as the respondent, their spouse or partner, and any of their children or stepchildren under 19 who live with them.

Discussion

The economic consequences of the COVID-19 pandemic and the measures taken to curtail it have had sweeping consequences for workers and their families. More than 40 percent of adults reported that they or someone in their families lost a job, work hours, or pay because of the virus and the public response. Across the country, the businesses most affected by temporary closures and stay-at-home directives are disproportionately in the hospitality, travel, and nonessential retail sectors, and many of the jobs lost in those sectors paid lower-than-average wages. Thus, the adults most likely to experience economic losses because of the pandemic come from families with lower incomes (below 250 percent of the federal poverty level). These adults lived in precarious economic circumstances before the crisis, and a speedy return to work is unlikely for many of them. Further, the share of adults working in mid-May was lower than in late March/early April, and Hispanic adults and non-Hispanic white adults experienced statistically significant declines. And though some adults report their families gained employment or earnings during the pandemic, those reporting losses exceed those reporting gains by more than two to one.

The initial policy response to the crisis allocated substantial funding through the UI system to support lower-wage workers who lost their jobs, but whether that funding is effectively reaching the

workers and families with the greatest needs is not yet clear. Only 36.3 percent of adults whose families had someone lose or get laid off from a job have received benefits in the last 30 days. And if you consider any adult whose family experienced an economic loss, only 22.3 percent received UI benefits (data not shown). For the 77.7 percent of adults suffering family economic losses who did not report receiving UI, other social insurance and public assistance programs, such as the Supplemental Nutrition Assistance Program, which was also expanded under recent legislation, may be providing some relief.¹⁵

How quickly the economy will recover from the pandemic will depend on how effectively we can control the spread of the virus before a vaccine is developed, how quickly an effective vaccine becomes available, and how much progress we make treating those who become seriously ill. As of early June 2020, most parts of the country are relaxing stay-at-home restrictions as COVID-19 cases decline, but how quickly people's behavior will change is unclear. However, states relaxing stay-at-home orders, people increasingly gathering in large groups, and other factors may cause another spike in infections. If that happens, people may voluntarily curtail their activities to minimize exposure and transmission risks, and jurisdictions may delay further easing restrictions or may even reapply certain restrictions. These responses could slow the economic recovery. And until we have a strong, sustained recovery, many adults will remain out of work, and we will need a robust UI program to support them. In the short term, that may mean extending the Federal Pandemic Unemployment Compensation program beyond July 31, 2020, to help fill income gaps and allow people to pay rent and meet other basic needs. And come 2021, if the unemployment rate remains above 9 percent, as the Congressional Budget Office expects (CBO 2020), policymakers may need to extend the Pandemic Emergency Unemployment Compensation program so that people unemployed for more than 39 weeks can continue receiving benefits to help prevent severe material hardships, including eviction or foreclosure, food insecurity, and unmet health care needs.

Data and Methods

This brief draws on data from the first wave of the Urban Institute's Coronavirus Tracking Survey, a nationally representative, internet-based survey of nonelderly adults designed to assess the impact of the COVID-19 pandemic on adults and their families and how those impacts change over time. A total of 4,352 adults ages 18 to 64 participated in the first wave, which was fielded May 14 through 27, 2020, with 93.1 percent of respondents completing the survey between May 14 and 20. The respondents were sampled from the 9,032 adults who participated in the most recent round of the Urban Institute's Health Reform Monitoring Survey, which was fielded March 25 through April 10, 2020. The HRMS sample is drawn from Ipsos's KnowledgePanel, the nation's largest probability-based online panel. The panel is recruited from an address-based sampling frame covering 97 percent of US households and includes households with and without internet access. Participants can take the survey in English or Spanish.

The tracking survey includes an oversample of non-Hispanic Black and Hispanic HRMS participants. Survey weights adjust for unequal selection probabilities and are poststratified to the

characteristics of the national nonelderly adult population based on benchmarks from the Current Population Survey and American Community Survey. The margin of sampling error, including the design effect, for the full sample of adults in the first wave of the tracking survey is plus or minus 1.9 percentage points for a 50 percent statistic at the 95 percent confidence level. The second wave of the tracking survey will be fielded in the summer of 2020. Additional information about the March/April 2020 HRMS and the questionnaires for the HRMS and first wave of the Coronavirus Tracking Survey can be found at <https://hrms.urban.org>.

Notes

- ¹ US Department of Labor, “Unemployment Insurance Weekly Claims,” news release, June 11, 2020, <https://www.dol.gov/ui/data.pdf>.
- ² Of the 4,352 respondents to the first wave of the tracking survey, 93.1 percent completed the survey between May 14 and 20.
- ³ Of the 9,032 respondents to the March/April 2020 HRMS, 74.5 percent completed the survey between March 25 and 31.
- ⁴ US Department of Labor, “Unemployment Insurance Weekly Claims.”
- ⁵ US Bureau of Labor Statistics, “Table A-1: Employment Status of the Civilian Population by Sex and Age,” economic news release, updated June 5, 2020, <https://www.bls.gov/news.release/empsit.t01.htm>.
- ⁶ US Bureau of Labor Statistics, “Table A-15: Alternative Measures of Labor Underutilization,” economic news release, updated June 5, 2020, <https://www.bls.gov/news.release/empsit.t15.htm>.
- ⁷ *Coronavirus Aid, Relief, and Economic Security (CARES) Act*, Pub. L. No. 116-136.
- ⁸ Peter Ganong, Pascal Noel, and Joseph S. Vavra, “The Unemployment Insurance Calculator,” University of Chicago, accessed June 11, 2020, <https://bfi.uchicago.edu/insight/blog/ui-calculator/>.
- ⁹ “Unemployment Insurance Data,” US Department of Labor, accessed June 11, 2020, https://oui.doleta.gov/unemploy/data_summary/DataSum.asp.
- ¹⁰ The estimates for March/April are for the 4,352 respondents to the May 2020 tracking survey who participated in the March/April 2020 HRMS. Because the tracking survey respondents are a subsample of the 9,032 adults who participated in the March/April HRMS, March/April tracking survey estimates differ from such estimates for the full HRMS sample reported in previous briefs (Karpman et al. 2020). Estimates for both the full March/April HRMS sample reported in previous briefs and the tracking survey subsample in this brief are weighted to represent the US nonelderly adult population.
- ¹¹ For example, 61.0 percent of men older than 20 were working in May, according to BLS. However, older men and retirees are counted in the denominator. See US Bureau of Labor Statistics, “Table A-1: Employment Status of the Civilian Population by Sex and Age.”
- ¹² US Bureau of Labor Statistics, “Employment Situation Summary Table A: Household Data, Seasonally Adjusted,” economic news release, updated June 5, 2020, <https://www.bls.gov/news.release/empsit.a.htm>.
- ¹³ US Department of Labor, “Unemployment Insurance Weekly Claims.”
- ¹⁴ Joey Garrison, Frank Witsil, Alfred Miller, and Alexandria Burris, “‘Really Overwhelmed:’ Americans Are Facing Mounting Issues Filing for Unemployment during COVID-19 Crisis,” *USA Today*, April 2, 2020, <https://www.usatoday.com/story/news/politics/2020/04/02/coronavirus-causing-mounting-issues-people-filing-unemployment/5113380002/>.
- ¹⁵ *Families First Coronavirus Response Act*, Pub. L. No. 116-127.

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- Gonzalez, Dulce, Michael Karpman, Genevieve M. Kenney, and Stephen Zuckerman. 2020. “Hispanic Adults in Families with Noncitizens Disproportionately Feel the Economic Fallout from COVID-19.” Washington, DC: Urban Institute.
- Karpman, Michael, Stephen Zuckerman, Dulce Gonzalez, and Genevieve M. Kenney. 2020. “The COVID-19 Pandemic Is Straining Families’ Abilities to Afford Basic Needs.” Washington, DC: Urban Institute.

Errata

This brief was updated July 2, 2020, to clarify the share of unemployed people who received UI benefits during previous economic downturns (page 2). At unemployment’s peak during the Great Recession, about 60 percent of unemployed people received benefits, including those receiving federal extended benefits. The 45 percent share reported in a previous version of the brief inadvertently excluded people receiving federal extended benefits.

About the Authors

Gregory Acs is vice president for income and benefits policy at the Urban Institute, where his research focuses on social insurance, social welfare, and the compensation of workers. Acs has studied the low-wage labor market, changes in welfare policies and how they have affected welfare caseloads and the well-being of low-income families, and how state and federal policies affect the incentives families face as they move from welfare to work. Acs holds a PhD in economics and social work from the University of Michigan.

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Acknowledgments

This brief was funded by the Robert Wood Johnson Foundation. The views expressed here do not necessarily reflect the views of the Foundation. We are grateful to them and to all our funders, who make it possible for Urban to advance its mission.

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The authors gratefully acknowledge helpful comments on earlier drafts from Katherine Hempstead, Genevieve M. Kenney, and Stephen Zuckerman, and thank Rachel Kenney for her careful editing.



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