



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

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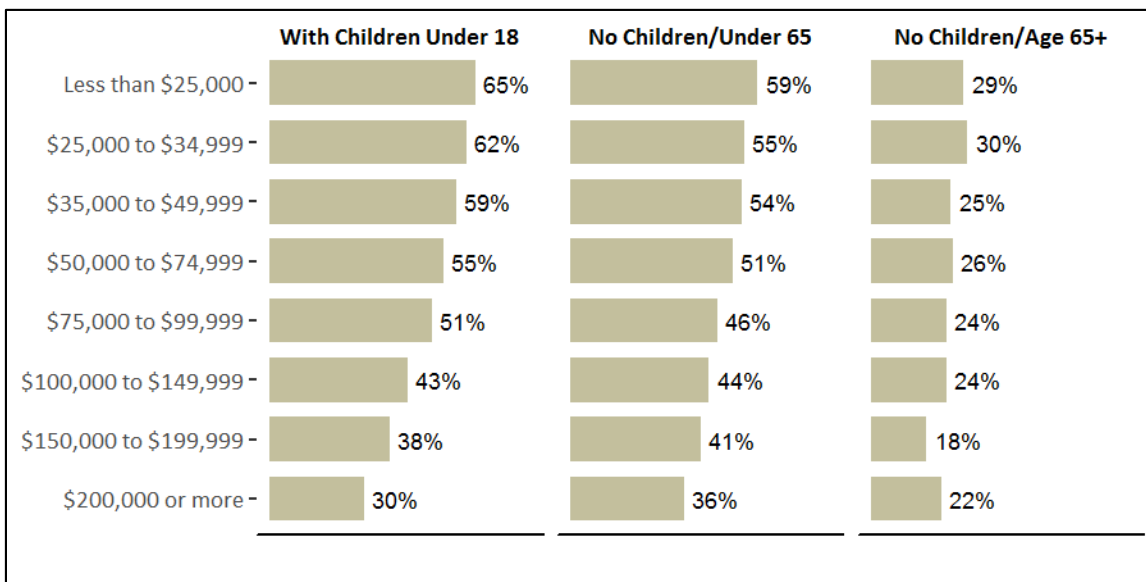
The Coronavirus Disease 2019 (COVID-19) pandemic has affected households in numerous ways, including shuttering business and schools, resulting in an economic recession and loss of employment income. An [experimental U.S. Census Bureau household survey](#) has been fielded to track the implications of 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.

Loss of Employment Income

The Census survey found that close to half of all households in the United States experienced at least some loss of employment income since March 2020, when the economic effects of the pandemic first became apparent. The survey asked adults whether they lived in households that lost employment income from March 13, 2020, to when they were surveyed in late September through mid-October 2020. The survey did not ask whether that loss of employment income was directly attributable to the COVID-19 pandemic. It also did not ask how much employment income was lost.

While employment income loss was widespread, it was disproportionately in households that were in lower income categories in 2019 and households with children under age 18. **Figure 1** shows the percentage of adults in households that reported income loss by their 2019 income category and family type. The largest proportion of households that lost employment income were those with children and low incomes (65% of households with 2019 incomes below \$25,000 and children lost some employment income since March); households without children and with a respondent age 65 and older were the least likely to lose employment income.

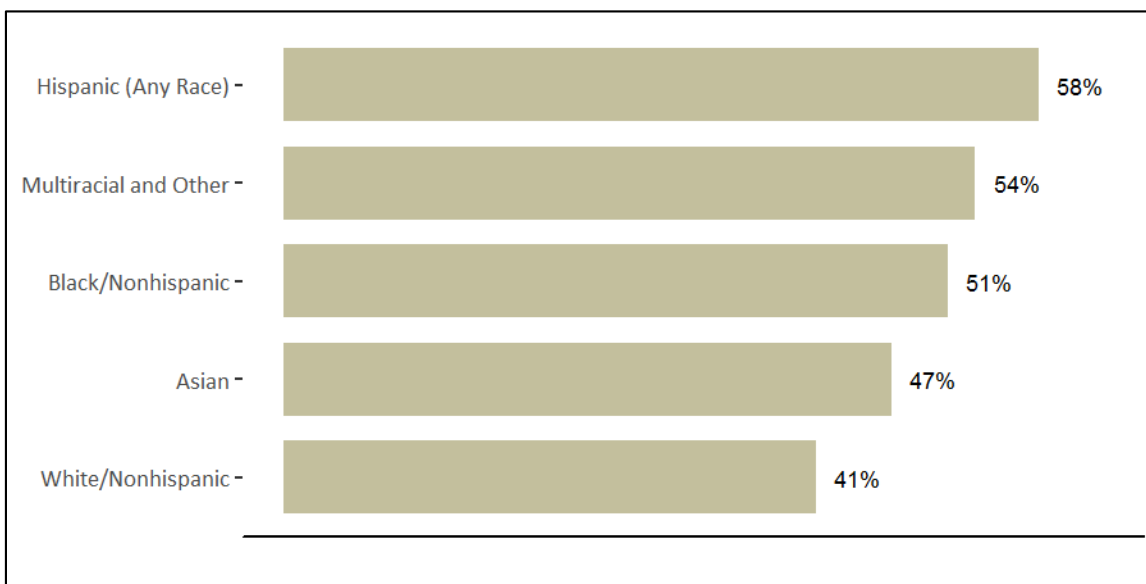
Figure 1. Percentage of Adults in Households That Lost Employment Income Since March 2020, by 2019 Income Category



Source: CRS tabulations of U.S. Census Bureau’s Household Pulse survey for September 30 through October 12, 2020.

As shown in **Figure 2**, employment income losses were also more likely in households where the respondent was not White/non-Hispanic. The highest rate of income loss was among Hispanics (of any race), where 58% of the adult respondents said they were in households that lost employment income since March. About half of Black/non-Hispanic respondents said they were in households that lost employment income.

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



Source: CRS tabulations of U.S. Census Bureau’s Household Pulse survey for September 30 through October 12, 2020.

Policies Offsetting Employment Income Losses

The Census survey did not ask respondents how much employment income was lost, or how much of this loss was replaced by government benefits. There are policies in place that usually kick in during economic slumps, such as unemployment insurance and Supplemental Nutrition Assistance Program (SNAP) benefits. Additionally, Congress enacted legislation in March 2020 that provided for temporary, ad-hoc enhancements to income maintenance policies, including 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 expired July 25, 2020, with other provisions expiring at the end of 2020. President Trump subsequently issued a presidential memorandum authorizing [Lost Wages Assistance \(LWA\) grants](#) to supplement the weekly benefits of certain eligible UI claimants in participating states. LWA grants may be paid in the amount of \$300 a week in federal funds; if a state chooses to contribute an additional \$100 a week in state funds, the total is \$400 a week. LWA grants are available through December 2020, but the program terminates earlier if certain conditions (related to funding or enactment of legislation) are met.
- 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 combined impact of employment income losses and government benefits on poverty rates will not be determined until the annual retrospective of income and poverty is released in the second half of 2021. However, researchers have used computer simulation models to make estimates of their impact on poverty. In summary, these studies find that the expanded benefits and one-time payments had the potential to offset the income losses and potential increases in poverty that occurred earlier in 2020 (see studies [here](#), [here](#), and [here](#)). However, the expected continued employment income losses into the later part of 2020, the one-time nature of the payments to individuals, and the expiration of the extra \$600 per week in unemployment insurance is likely to result in income losses and higher poverty rates for the remainder of 2020 and potentially result in a higher poverty rate for 2020 as a whole compared to the poverty rate for 2019 (see studies [here](#) and [here](#)).

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