**Hall, Kudlyak (2022)**

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| **Question** | Analysis of the key factor to understand the unemployment during the Covid-19 crisis in the US: distinguishing the jobless vs temporary unemployment. |
| **Context – data** | Use the Current Population Survey data, classify individuals in temp. layoff and jobless u. based on their self-reported reason for u. in the survey. |
| **Main results** | * Key factor to understand U. during the pandemic is to distinguish between the unemployed who retain their jobs but are on layoffs and the unemployed truly out-of-job – the jobless unemployed.   > Mass temp. layoff signal that firms have high expectation of recall. Previous research show that likelihood to be recalled increases with share of temporary layoffs in the layoff cohort.  > Covid-19 induced gross staffing reduction of 15% with >75% in temp. layoff.  > Majority of layoffs at the onset of pandemic were expected to be temporary.   * The pandemic outburst of unemployment is of a different kind from previous recession & previous major adverse shock.   > Temp. layoffs accounted for almost the entire increase in the UR at the onset of pandemic.   * Temporary-layoff unemployment recovers at a faster pace than jobless unemployment.   > Most people on layoff are recalled, avoiding time-consuming search and matching process that usually impedes recovery.  > Majority of temp. laid-off workers returning to work between April and Nov explains faster recovery of the UR compared to historical rate, with previous recession increase in U being accounted for by jobless U, which is characterized by lower “work-finding” rates.   * Despite high unemployment levels during the pandemic, the US labour market remained particularly tight.   > In times of unusual volumes of temp. layoffs, the UR for jobless unemployed is better fitted to assess the tightness of the labour market rather than overall UR.  > Standard measure = V/U ratio which needs jobless unemployment as denominator.   * Despite higher recovery rate, the unemployment retains its social significance as both categories of unemployed are still not working, inducing a gross social loss of the output. |