

COVID-19 Employment Report

Are people ready to return to work?

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INTRODUCTION

The COVID-19 global pandemic brought many industries to a screeching halt as businesses were forced to close for public health. Unemployment skyrocketed in the course of a few short weeks as millions of workers were laid-off, furloughed, or let go altogether.

In late March, the federal government responded with the [CARES Act](#), which offered economic relief to Americans, including an increase in unemployment benefits by an additional [\\$600 per week](#) through July 2020.

In the time since the CARES Act was passed, restrictions on which business can remain open have begun to ease in many places, and employers are asking their employees to return to work.

However, [a narrative has begun to emerge](#) from employers reporting that many workers are declining the opportunity to return to work because they are earning more income via unemployment benefits than they would otherwise.

Others have speculated that people fear returning to work — especially in the service industry — due to health concerns about the spread of COVID-19.

In May 2020, we surveyed 500 American adults across a range of industries to better understand how their employment and income have been affected by COVID-19 and to gauge their sentiment about returning to work during the pandemic.

Who took this survey?

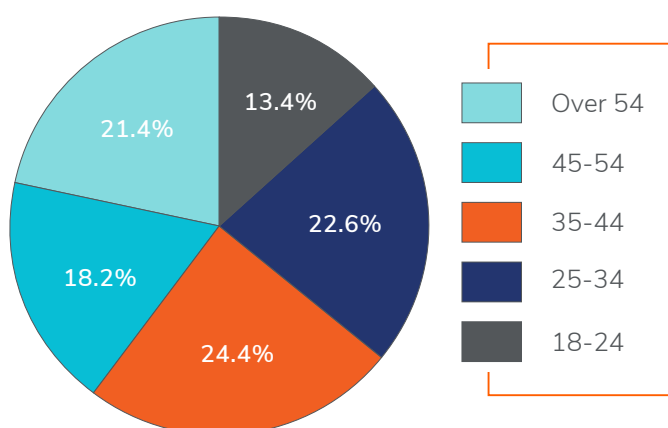


Here's a quick look at the demographics of our survey respondents.

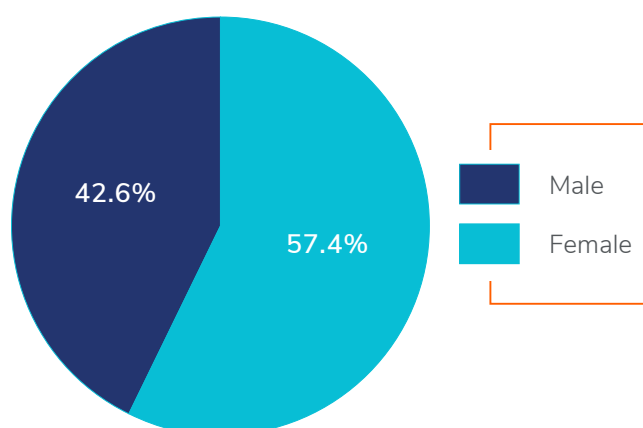
Industries represented

INDUSTRY	% OF RESPONDENTS
Automotive	3.8%
Cleaning Services	4.4%
Education & Child Care	18.4%
Fitness	1.6%
Healthcare	17.0%
Home & Commercial Services	2.8%
Hospitality, Entertainment & Recreation	5.0%
Personal Care	1.6%
Restaurant & Food Service	11.0%
Retail	13.6%
Transportation	4.0%

Respondents by age



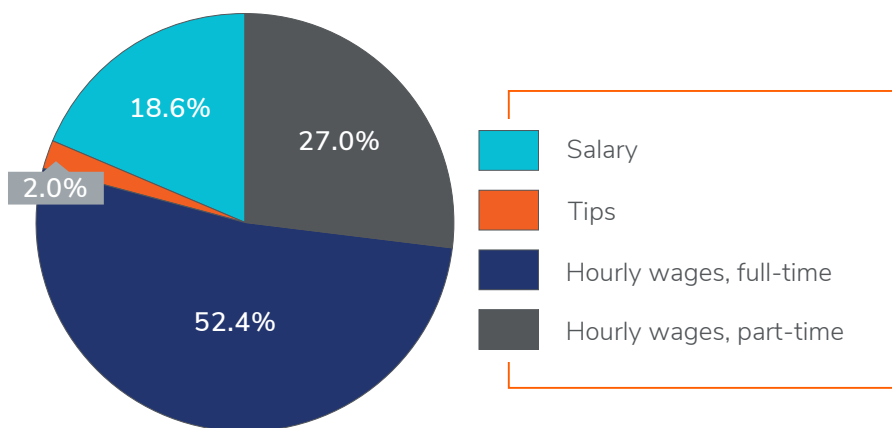
Respondents by gender



Job roles

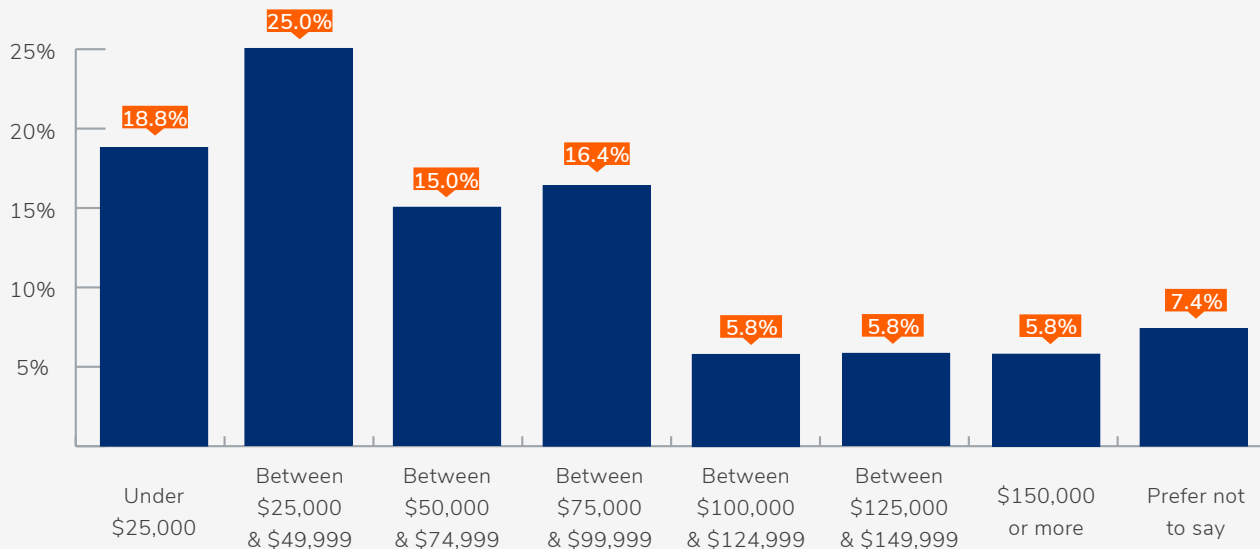


Type of income



58% of workers
in the U.S. are
hourly wage
workers.

Income amount



Currently Employed



80.6% of respondents are currently employed

Reduced hours

All industries in our survey have shown some degree of reduced hours among staff who are still currently employed.

Workers employed in some industries have faced reduced hours more significantly than others:



Cleaning Services

79% of currently employed workers say their hours have been reduced.



Restaurants

77% of currently employed workers say their hours have been reduced.



Hospitality, Entertainment, and Recreation

59% of currently employed workers say their hours have been reduced.

Many currently employed people are searching for new jobs.

42% of people who are currently employed are actively looking for new jobs.

Some industries are seeing more job seekers than others:



71%

Hospitality

71% of currently employed workers are looking for new jobs.



69%

Healthcare

69% of currently employed workers are looking for new jobs.



63%

Cleaning Services

63% of currently employed workers are looking for new jobs.

When asked why they were looking for new jobs, currently employed workers cited **better pay** and **more hours** as their primary reasons.

KEY TAKEAWAY

We found it surprising that such a high percentage of currently employed people are actively job hunting during the pandemic. Typically, job transitions and career changes decrease during times of economic uncertainty, as seen in the [last recession](#). While 42% is not the majority of this group, it's still a significant figure under the circumstances.

More than half of currently employed people are happy at their current jobs.

58% of currently employed people are not seeking new employment.

The industries that hold the most satisfied workers:

69%

Insurance

of currently employed workers are not looking for new jobs.

67%

Manufacturing

of currently employed workers are not looking for new jobs.

62%

Retail

of currently employed workers are not looking for new jobs.

When asked why they were not on the job hunt, the number one reason cited by these respondents was some variation of “**I love my job,**” along with **stability** and **good compensation**.

Spotlight on: Restaurants

- 55% of restaurant workers are currently employed but with **reduced hours**.
- Only **16%** are currently employed with **no reduced hours**.
- A whopping **29%** said they are **not currently employed** at all.

For those restaurant workers who are currently employed, **56%** say they are **actively searching for new job opportunities**, citing “**better pay**” as the number one reason for job hunting.

For those restaurant workers who have been laid-off due to COVID-19:

- **32%** have been asked to return to work, and have done so
- **12%** have been asked to return to work, but declined to return
- **48%** have not been asked to return to work, but would return if asked
- **8%** have not been asked to return to work, and would not return if asked

Our data shows that restaurant employees are ready to return to work, but are finding reduced hours (and pay) when they do. As a result, most are looking for new job opportunities.

Future outlook

As of January 2020, the restaurant industry employs 15.6 million people in the U.S., making up 10% of our workforce. The health of the restaurant industry is vital to the health of the economy, so experts will be closely monitoring its recovery over the next year.

What remains to be seen is the extent of employee turnover that could occur concurrently with this recovery, as the majority of restaurant employees in our survey expressed dissatisfaction with their reduced hours and income. We would advise restaurant employers to focus on employee retention at this time, while also preparing for the possibility of increased turnover in the coming months.

Unemployed



35.5% of respondents reported having lost a job due to COVID-19

At the time of this survey:

- **12%** were still laid-off or furloughed due to COVID-19 and only **2%** quit voluntarily due to COVID-19.
- The unemployment rate reported by the U.S. Bureau of Labor Statistics was **14.7%**.

Unemployment benefits

Of the people who lost a job due to COVID-19, 55% applied for unemployment benefits and 45% did not apply for unemployment benefits.

It's not clear from our data why nearly half of respondents who lost a job due to COVID-19 did not apply for unemployment benefits. We can speculate that this likely could have been due to the perceived difficulty of applying for and obtaining approval for benefits from overwhelmed government unemployment systems — a problem that was [widely reported](#) across the U.S.

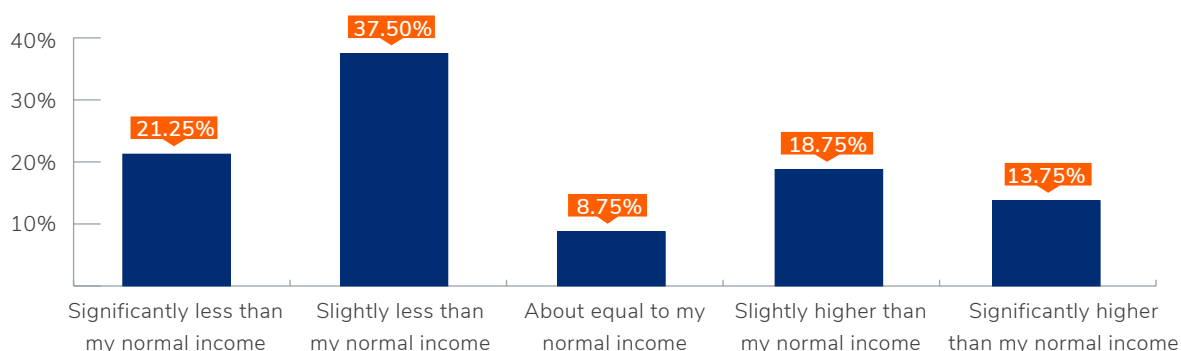


Of the people who lost a job due to COVID-19:

55% applied for unemployment benefits and **45%** did not apply for unemployment benefits

Unemployment benefit amounts

People who have received unemployment benefits were asked to describe the benefits they received. These are their responses:



Addressing some discrepancies

In May 2020, economists at the University of Chicago projected that 68% of unemployed workers who can receive benefits are eligible for payments that are greater than their lost earnings. But our numbers indicate that **only 32.5% of unemployment benefit recipients reported receiving more than their normal income**, with the **majority (58.75%) receiving less than their normal income**, and just **8.75% receiving an amount equal to their lost earnings**.

While our survey data is self-reported, this finding could provide clues to indicate that the majority of workers are declining to return to work not specifically due to higher income from unemployment benefits.



Most unemployed people are searching for new jobs:

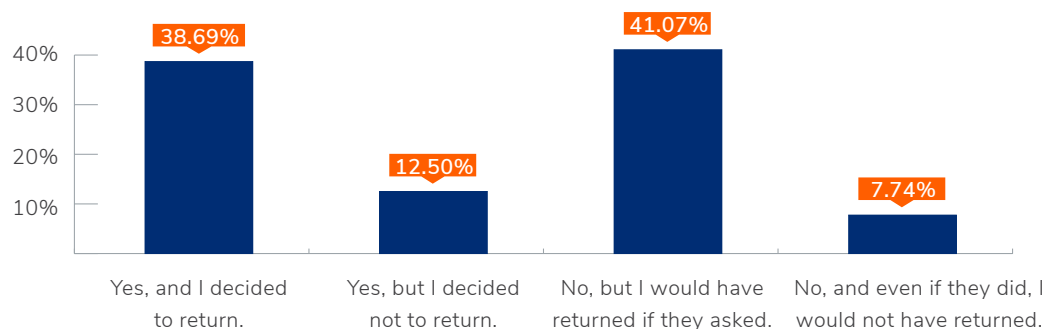
63% of unemployed respondents said they were actively looking for work.

What is the future outlook for workers?



People are overwhelmingly ready and willing to return to work.

If you were previously laid off, furloughed, or you quit due to COVID-19, did your employer ask you to return to work?



Addressing some misconceptions

Anecdotes of employers calling employees back to work only to be met with refusals from their employees [have circulated](#), but our survey data reveals that those cases are well in the minority. The overwhelming majority of our respondents have either returned to work when asked or would return to work if asked.

In light of this measurement of employee sentiment, we can safely conclude that **the notion that most people are declining to return to work is a misconception.**

Trust in health and safety measures

In the workplace:

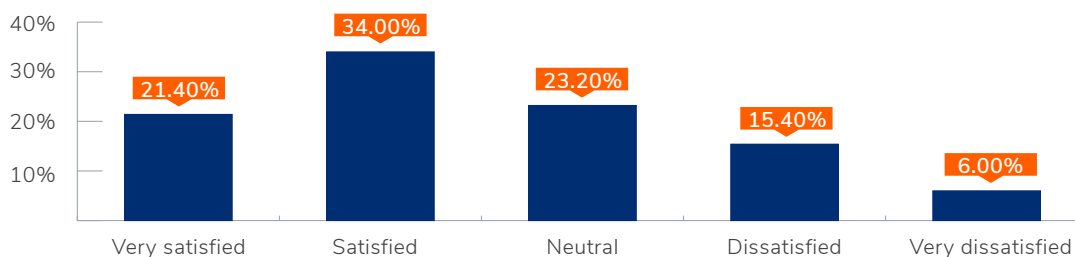


80% of respondents said they felt their current employer has done enough to ensure the health and safety of employees and customers.

In the government:

Most people are at least neutral to positive about their state and local government's plans to reopen businesses.

From a health and safety perspective, how satisfied are you with your state or local government's plans to reopen business?



People are generally optimistic about reopening businesses.

Throughout the pandemic, many have speculated whether or not people are afraid to return to work due to health and safety concerns. Our survey respondents said they are confident in the health and safety measures taken by their employers and at least neutral or satisfied with their state or local government's plans to reopen businesses.

Key Findings

While the COVID-19 pandemic has created a constantly shifting employment landscape — one that is likely to keep evolving throughout the remainder of the year — we're able to draw a few data-driven conclusions about how workers feel at this moment in time.

1. People are still applying to jobs.

A significant percentage of currently employed workers are actively searching for new jobs, citing “better pay” as the primary reason for doing so. Similarly, the majority of unemployed workers are also actively applying to jobs.

2. Most unemployed workers are not replacing their lost earnings through unemployment.

Nearly half of unemployed people surveyed said they have not applied for unemployment benefits, and those that have received unemployment benefits perceive those payments as being less than their normal earnings.

3. The notion that most people are declining to return to work is a misconception.

The majority of workers who have quit or been laid-off or furloughed due to COVID-19 have either decided to return to work or would return to work if asked.

4. People are optimistic about reopening businesses.

From a health and safety perspective, most people are at least neutral or satisfied with their state and local government's plans to reopen businesses and feel that their employers have done enough to ensure the health and safety of employees and customers.



ABOUT CAREERPLUG

CareerPlug is a software company on a mission to solve the #1 challenge of running a business: attracting and hiring the right people. More than 10,000 clients love working with us because we give them a proven playbook to make the right hires. And you don't need to be an HR pro to succeed, since our software is easy enough for anyone to use. We're so committed to Making Hiring Easier that we require every one of our employees to become a certified Hiring Expert so that they can contribute to our mission.

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