

The Crisis in November: Concerns Rise as Job and Income Recovery Slow

Since April, the Consumer Finance Institute’s (CFI) series of *COVID-19 Surveys of Consumers* has collected information about the impact the COVID-19 pandemic has had on consumers’ jobs, incomes, and financial security.¹ Between April and July, respondents to the first four waves of the survey reported steady improvements in each of those categories: Fewer respondents reported losing their job, fewer reported experiencing drastic declines in income, and fewer reported having concerns about short-term financial security (Akana, 2020). In September, responses to the Wave 5 survey indicated that the gains observed over the summer (when many of the benefits from the Coronavirus Aid, Relief, and Economic Security (CARES) Act were still in place) had slowed, and worries about finances were growing (Akana, 2020a).² Fresh data collected in

¹ Reports and research briefs from the previous waves of the survey, along with additional research work related to the pandemic, can be found on the [COVID-19 & the Philadelphia Fed webpage](#).

² Through late August, the Coronavirus Aid, Relief, and Economic Security (CARES) Act provided an unusual degree of support, particularly the Economic Impact Payments and supplemental Unemployment Insurance funds, which replaced lost income for many households.

early November from Wave 6 of the survey confirm that, despite fewer respondents reporting job loss, respondents reported larger income declines and concerns about the future continuing to grow.

Respondents reporting point-in-time (PIT) job losses decreased from a high of 17.9 percent early in the crisis, to 12.5 percent in July; in the four months since then, however, that improvement slowed dramatically (Figure 1).³ Similarly, the rate of respondents reporting significant PIT income losses decreased dramatically to 12.2 percent through July, before leveling off and then increasing slightly in November. Cumulative disruptions improved slightly between September and November, but more than 50 percent of respondents still indicated that they have experienced some degree of job or income disruption since the beginning of the crisis.

Financially, respondents are worried about making ends meets, with concern increasing in November regardless

³ For an explanation of point-in-time and cumulative disruptions, see [CFI COVID-19 Survey of Consumers – Wave 5 Supplies More Details on Disruptions and New Data on Savings](#).

Figure 1 – Job and Income Disruptions Since July

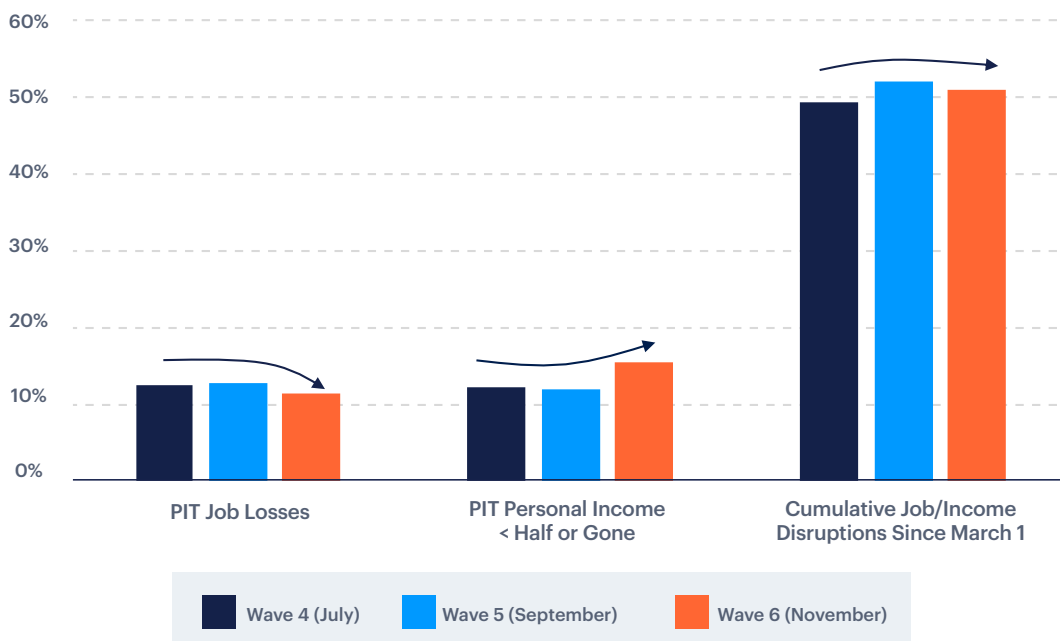
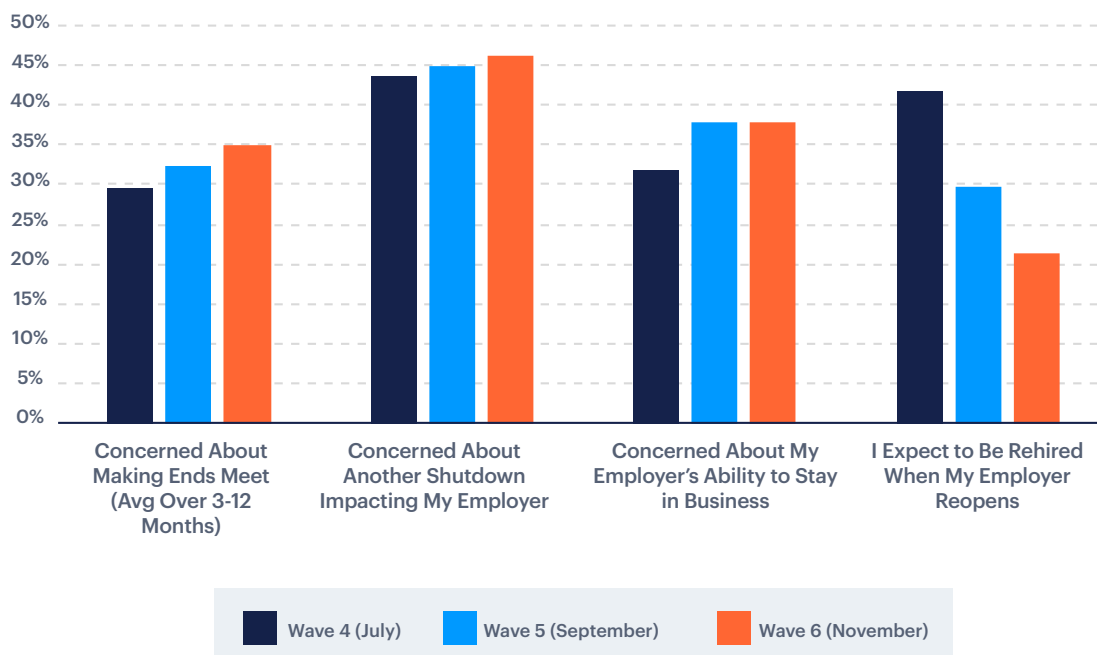


Figure 2 – Changes in Concern Since July



of the time horizon; this would seem to indicate that our respondents anticipate the possibility of financial hardship as far as a year from now (Figure 2). Respondents also expressed growing concerns that there may be another shutdown and that their employers are at risk of going out of business. Respondents who may have hoped their job loss was temporary are now reporting the lowest expectations of returning to their previous jobs since we began asking for that information. Between July and November, the overall rate of respondents who have lost their job has remained relatively flat; however, those respondents are now more likely to understand that their previous jobs are no longer available and they are now seeking something new.

Wave 6 was conducted in an environment where a number of disheartening factors were at play. Job and income recovery had stalled or reversed, many government support programs had expired and it was clear that no additional stimulus was immediately forthcoming, and the virus was beginning to surge again across much

of the country. In addition, we were in the aftermath of reportedly one of the most polarizing presidential elections in memory, with election coverage dominating the news cycle. With that context in mind, it is not surprising that respondents indicated a growing level of concern across many different measures.

The next iteration of the survey will be conducted in early January 2021. While it is likely that the pandemic surge that began in late fall will continue and will have necessitated ongoing shutdowns and restrictions around the country, there is a chance that other environmental factors may have shifted in a positive direction by that point. For example, in November, we received positive news about vaccines, with the first doses expected to be available before the end of 2020 (albeit to a small portion of the population). There are, of course, many unknowns, including how quickly the vaccines will become broadly available, how significant the outbreaks will become in the meantime, and whether and how quickly additional government stimulus will be available.

References

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