



NAVIGATING COVID-19

COVID-19 BUSINESS INDEX: A BI-WEEKLY REPORT
ON THE STATE OF BUSINESS IN THE U.S.



BETTER WORKPLACES
BETTER WORLD™



OXFORD
ECONOMICS

Introduction

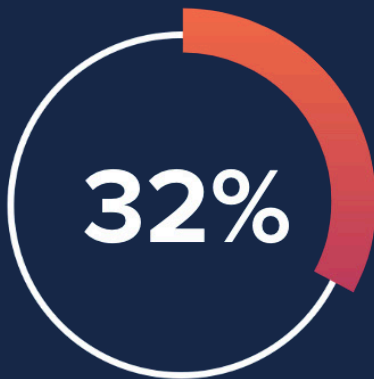
SHRM (Society for Human Resource Management) and Oxford Economics have partnered to help businesses and governments understand the impact of the novel coronavirus on the workforce and business operations by surveying U.S. employers.

To give organizations a better map for navigating COVID-19, the survey will recur every two weeks through June of 2020. This will make the data more than a snapshot of one moment, as it will enable organizations to track change over time and identify the trends behind the changes—and guide them in getting back to work.

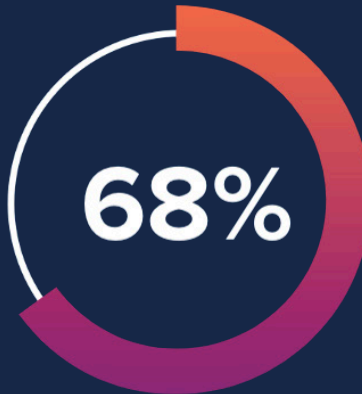
This report features preliminary findings from the first cycle of fieldwork, conducted between 4/13/2020 and 4/15/2020, which primarily assessed workforce changes in response to the pandemic.

These initial findings—and those to come—will be displayed in the COVID-19 Business Index.

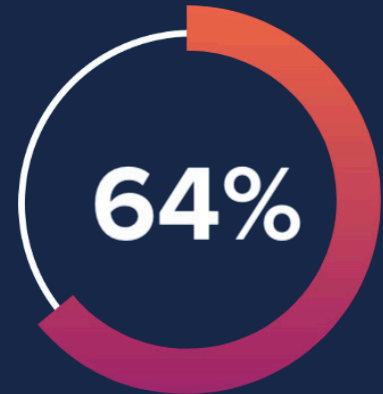
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of U.S. employers have furloughed or laid off hourly workers.

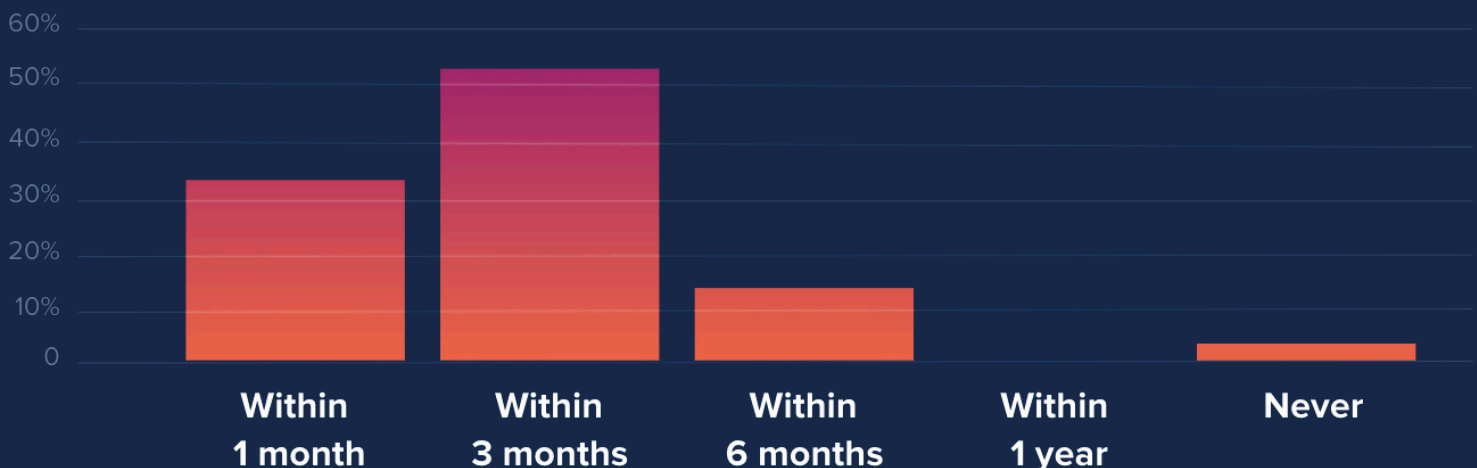


of U.S. employers believe they are done with layoffs.



of salaried U.S. employees are working from home.

WHEN WILL FURLOUGHED SALARIED WORKERS RETURN?

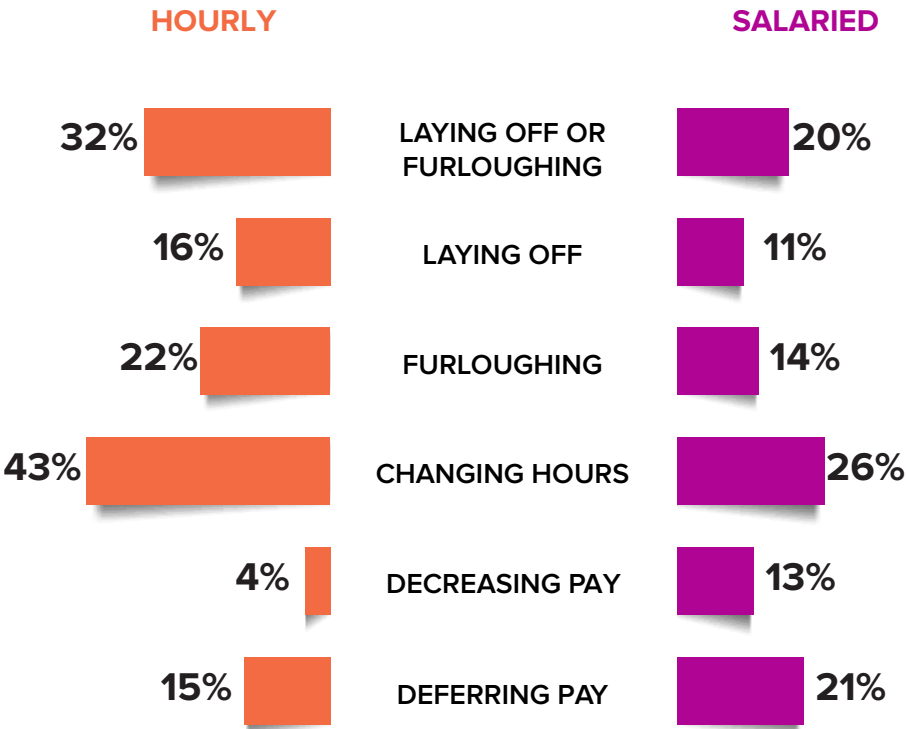


Workforce Changes Caused by COVID-19

The pandemic is causing even more pain than the dramatic job-loss headlines suggest, and its impact on workers could last longer than some expect, according to the new survey.

Oxford Economics projects that the economy could shed three times as many jobs in three months as it did over two years during the Great Financial Crisis, with nearly 30 million workers losing their jobs. Beyond reducing payrolls through staff reductions, many employers have deferred (21%) or cut (13%) compensation for remaining employees. However, the most common way that employers are reducing payroll costs is through a reduction in hours worked. A full 43% of employers report that they have rescheduled their hourly workers—and 85% of the time, this meant a reduction.

How US employers are reducing costs



Are Employers Done with Layoffs?

As debates rage over when to return to work, there is reason to believe that not all the bad news is behind us. On the positive side, 68% of employers report that they do not plan staff reductions or have already completed these actions. However, one-third of employers are still undertaking staff reductions or remain unsure whether these actions might yet prove necessary. Across all industries, hourly workers are more likely than salaried to have been laid off or furloughed.

Staff reductions (layoffs or furloughs) by industry

| GROUP | HOURLY | SALARIED | PERCENTAGE OF EMPLOYERS WHO SAY THEY'RE DONE WITH LAYOFFS OR NOT LAYING OFF |
|--------------------------------|--------|----------|---|
| All | 32% | 20% | 68% |
| Hotels and Restaurants | 83% | 63% | 43% |
| Manufacturing and Construction | 40% | 22% | 63% |
| Transport and Wholesale | 43% | 29% | 62% |
| Retail | 39% | 25% | 72% |
| Finance Professional Services | 20% | 15% | 73% |
| Admin and other services | 26% | 18% | 66% |
| Health and Childcare | 32% | 14% | 72% |
| Government and Education | 21% | 9% | 74% |
| Other | 31% | 22% | 66% |

¹Omitted category includes those who expect more layoffs and those who are not sure or declined to answer.

When Will Workers Return?

Not every employment change is the same. There is an important distinction between employees who are *furloughed* (i.e., not working but retaining some benefits) and those who are *laid off*. There also are notable differences in how payroll reductions affect hourly versus salaried employees, and in whether or not employers expect these workers to return to work.

Percentage of employers expecting to never recall workers



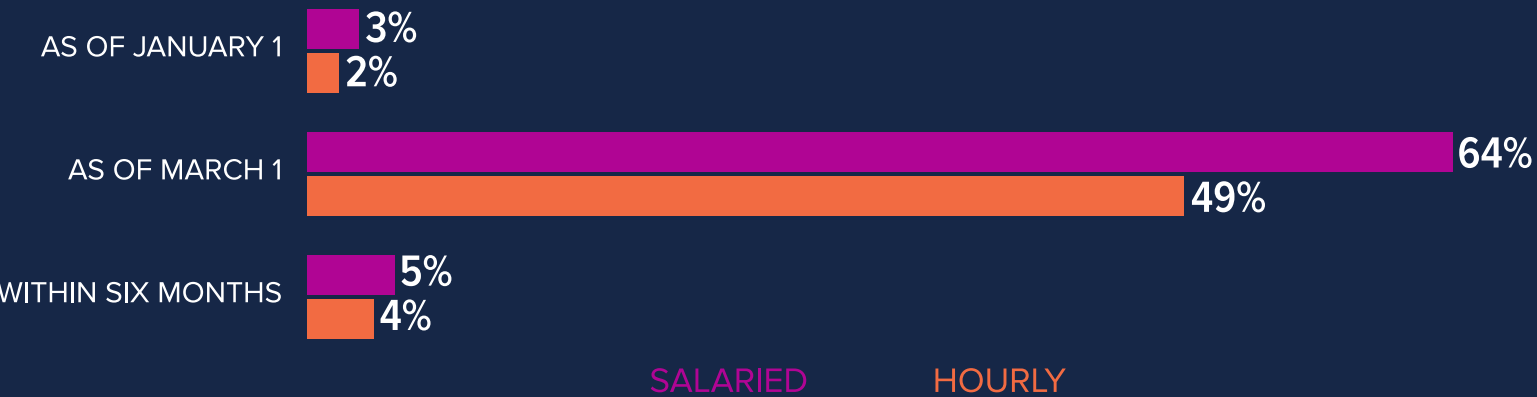
The distinction between layoffs and furloughs comes into sharper relief when considering the timeline for returning to work. In contrast to laid-off workers, 99% of employers expect furloughed salaried workers to be recalled within six months. It is possible that from an overall employment perspective, the numbers for those who respond that they “never” expect employees to return might overstate the problem, as they could include employers that intend to re-fill some lost positions through open postings rather than a recall of specific workers. That possibility, of course, is of little comfort to the workers involved.

| Reduction | Worker Type | Within 1 Month | Within 3 Months | Within 6 Months | Within Year | Never |
|-----------|-------------|----------------|-----------------|-----------------|-------------|-------|
| Layoff | Salaried | 8% | 25% | 12% | 14% | 41% |
| | Hourly | 5% | 25% | 22% | 18% | 29% |
| Furlough | Salaried | 33% | 53% | 13% | 0% | 1% |
| | Hourly | 13% | 36% | 32% | 13% | 7% |

Working from Home

How much will work change in the long run? Most employers believe the explosion in remote work is only temporary. It remains to be seen how much the current prevalence of working from home will change the workplace in fundamental ways when the current crisis subsides. As highlighted below, 64% of employers report that their salaried employees are currently remote most of the time. They expect this percentage to return to pre-crisis levels within six months, though it remains to be seen whether employees who are able to work remotely will be eager to do so.

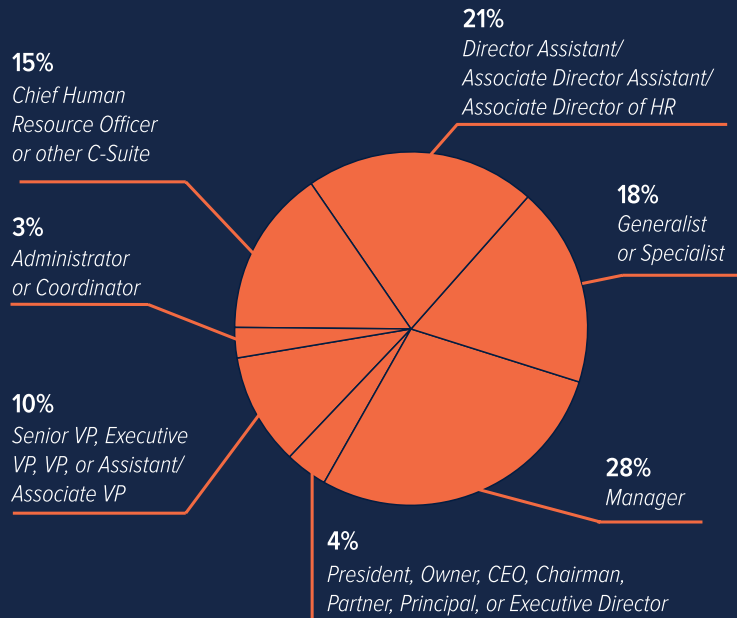
Percent of employees who work from home most of the time



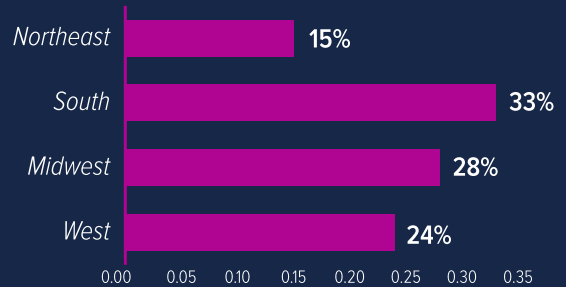
Who's on the SHRM/Oxford Economics Panel?

SHRM and Oxford Economics surveyed a total of 952 HR professionals across the U.S. including 229 in the West, 268 in the Midwest, 311 in the South, and 142 in the Northeast, and the report has been prepared based on these results.

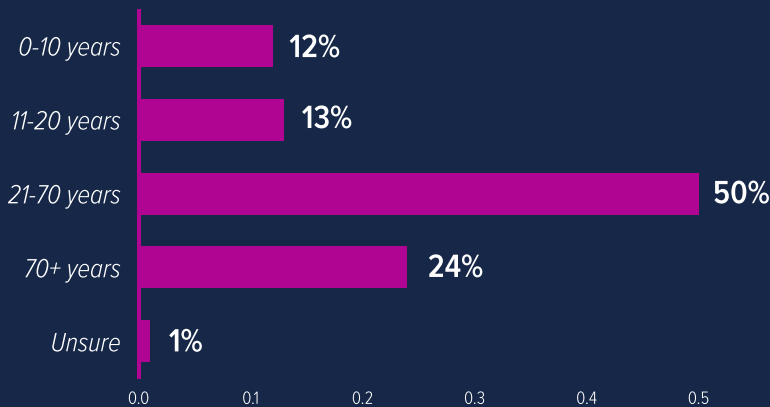
Role



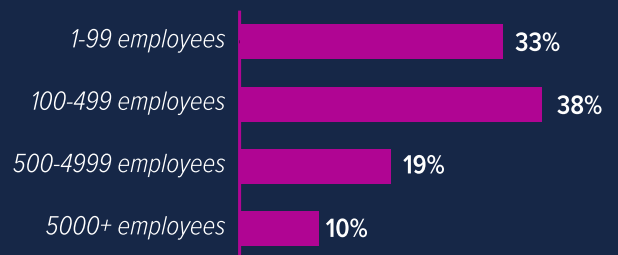
U.S. Region



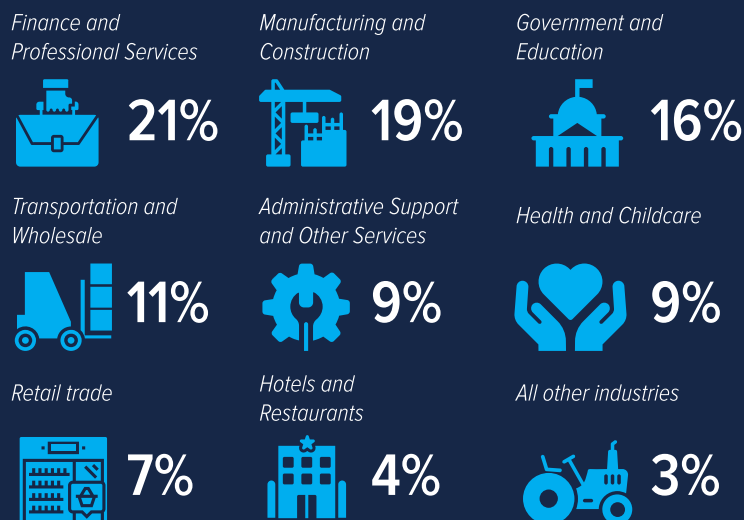
Years in Business



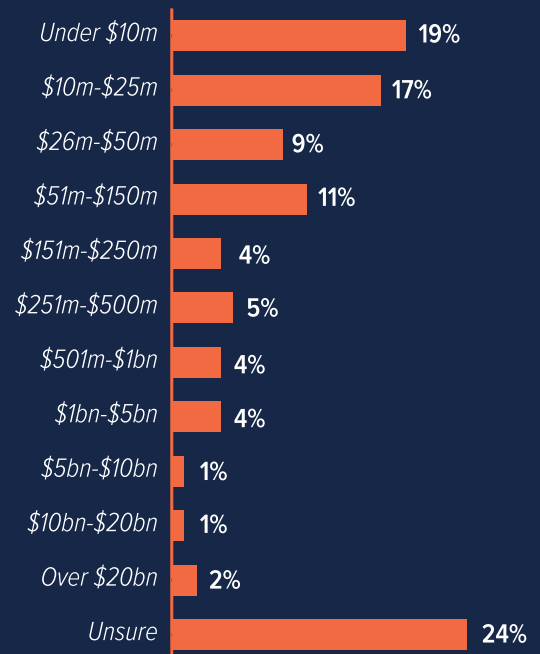
Organization Size



Industry



Annual Revenue



Conclusion

The preliminary findings on workforce changes show there is even more economic pain than unemployment reports suggest. Beyond these furloughs and layoffs, we're seeing reductions in pay and hours.

- While the pandemic may have spurred certain businesses to reduce headcount, the findings also suggest that—for many workers who were laid off—an economic recovery does not mean they will return to the job they had.
- Hourly and salaried workers are differently impacted, and the prospects for workers who have been laid off appear gloomier than those who were furloughed.
- Remote work has exploded—from 3 to 64 percent—but employers expect a return to normalcy within six months.

Whether, and how, this expectation changes will be seen in the survey's next cycle. Those findings will feature new data on the workforce findings presented here as well as new findings on how COVID-19 is affecting business operations.



About SHRM

SHRM, the Society for Human Resource Management, creates better workplaces where employers and employees thrive together. As the voice of all things work, workers, and the workplace, SHRM is the foremost expert, convener, and thought leader on issues impacting today's evolving workplaces. With 300,000+ HR and business executive members in 165 countries, SHRM impacts the lives of more than 115 million workers and families globally. Learn more at [shrm.org](#) and on Twitter.



About Oxford Economics

Oxford Economics is a global advisory firm providing reports, forecasts, and analytical tools on more than 200 countries, 250 industrial sectors, and 7,000 cities and regions. Our multidisciplinary team is highly skilled in a full range of research techniques from econometric modelling, scenario framing, and economic impact analysis to bespoke Thought Leadership surveys, case studies, and web analytics. Our best-in-class global economic and industry models give us an unparalleled ability to forecast external market trends and assess their impact.