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The Multifaceted Effects of the Pandemic and the Lockdown Measures on EU Citizens

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Recovered from Covid-19, Source: John Hopkins

1. Income and income inequality
2. Labor market implications, efficacy of remedial policies
3. Health, health behaviors, healthcare inequalities
4. Care and help

Internationally comparative perspective.
Use the SHARE data infrastructure

Thanks to EU Commission for funding!



SHARE data infrastructure



9 waves of data 2004-2020

140,000 respondents aged 50+

610,000 interviews

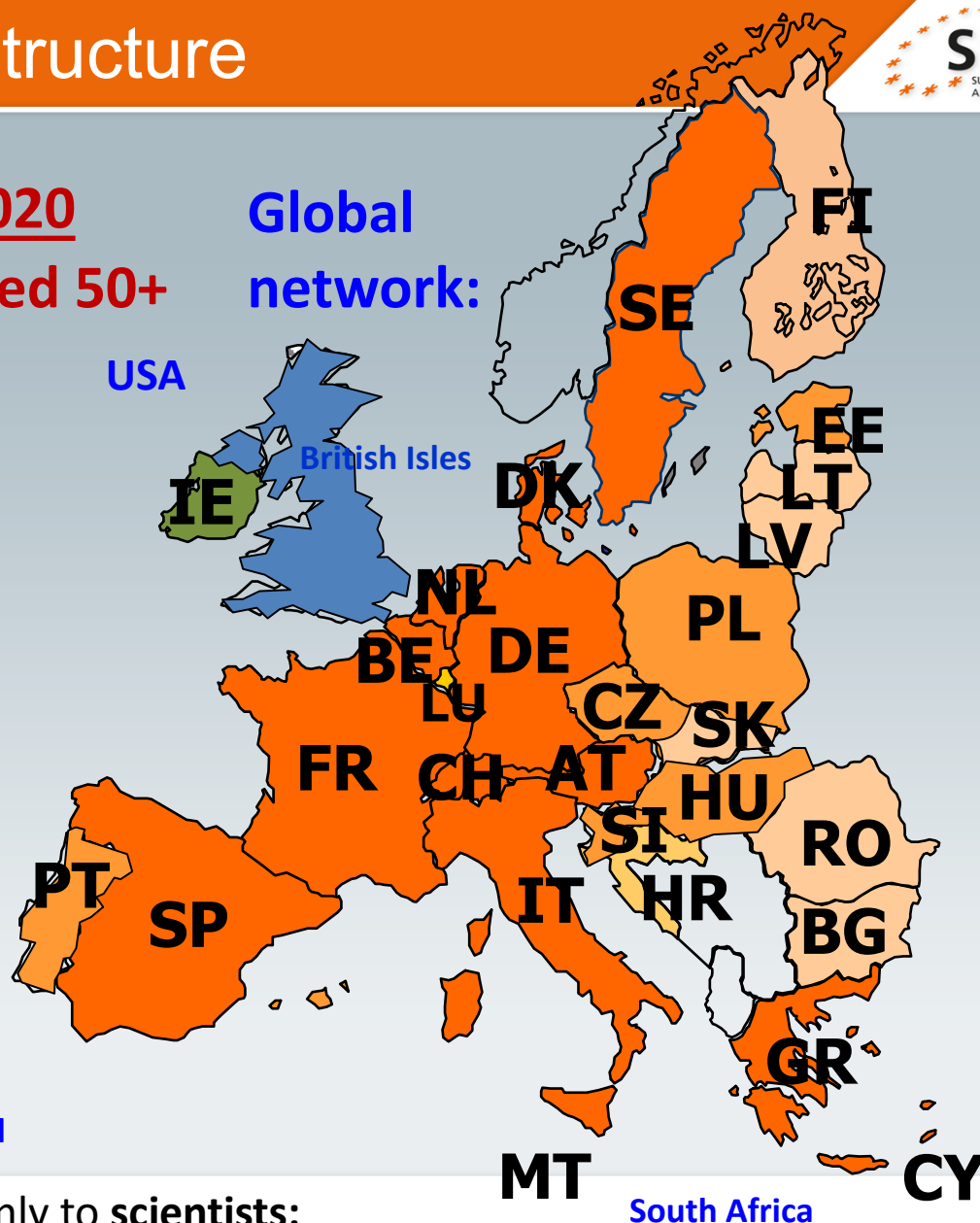
in 28 countries

120,000 retrospect life histories

95,000 punches of dried blood



Mexico, Brazil



Korea
Japan
China

India
Indonesia

South Africa

Data are **free** of charge, given only to **scientists**:

SHARE-ERIC.eu

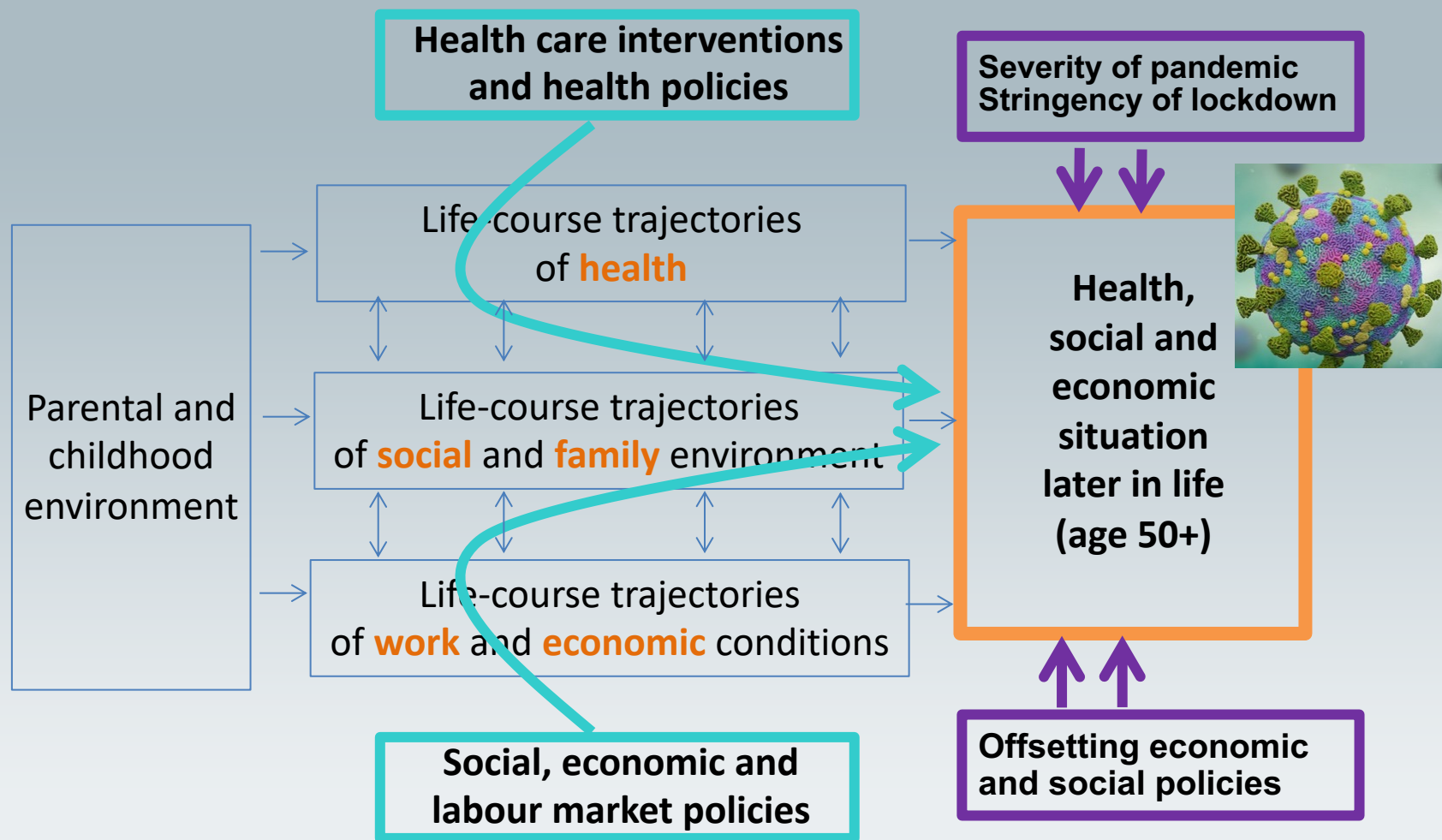
A transdisciplinary observatory of human life



- ▶ **Face-to-face interviews** by trained interviewers
- ▶ Broad range of **questions, measurements and tests**:
 - ▶ **Socio-economic status**: labor force participation, retirement, income (amount and sources), wealth, housing, consumption, pension claims, expectations, well-being
 - ▶ **Health**: subjective-objective (self-report, ADL/IADL, conditions, physical performance tests, biomarkers: HbA1c, CRP, Lipids, Cytokines), physical-mental (cognition, MMSE, CES-D, Euro-D), health behaviors, health utilization and insurance coverage
 - ▶ **Social participation**: activities (volunteering), family and social networks (size and intensity), help (time, money)

- ▶ **Internationally comparative**
- ▶ **Longitudinal (panel, life histories)**

COVID19: Effects based on life-course



8 waves of data 2004-2020,
plus retrospect life histories

28 countries
all EU plus CH and IL

SPLASH database: Severity of
pandemic; lockdown stringency;
economic and social policies

SHARE Corona surveys
on effects of pandemic

Longitudinal Survey Strategy



1. Life course background

SHARE waves 2004 – 2018

Retrospective life histories including parental and childhood conditions

2. Immediate pre-Corona status

Face-to-face interviews in Wave 8, stopped in March 2020 after about 70% of sample

3. First SHARE Corona Telephone Survey in June/July 2020

CATI 1

Health, work, economic and social conditions during the first wave of the pandemic

4. Second SHARE Corona Telephone Survey in June/July 2021

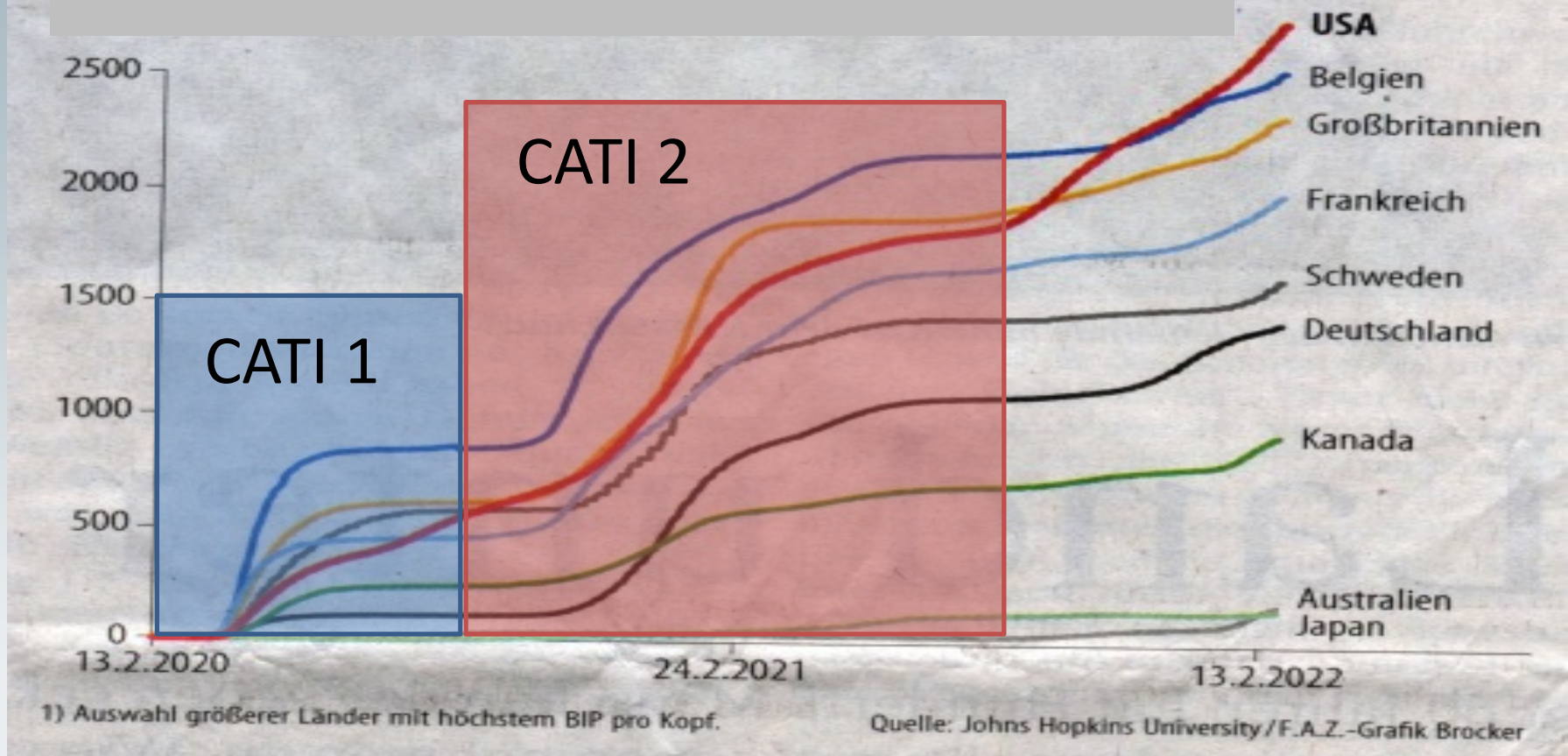
CATI 2

Health, work, economic and social conditions during the “third wave” of the pandemic

5. Immediate post-Corona status

Face-to-face interviews in Wave 9, started in November 2021, now at about 40% of sample

Cumulative Deaths per Million Population



SHARE Corona Survey



Health behavior

Activities: Going shopping? Going out for a walk? Visiting other family members? Wear **face mask**? Use sanitizer?

Health status

Been **tested**? Was it positive? Somebody close **died of COVID-19**? **Depression**?

Quality of healthcare

Had an earlier **medical appointments** but postponed?

Asked for an appointment now but **did not get one**?

Satisfaction: Waiting lines, overcrowding, unhygienic?

Work

Unemployed, laid off, **reduced hours**, **close business**?

Increased work load?

Economic situation

Income loss? Received **financial support** (employer, government, relatives,...)? **Short-time employment aid**?

Make **ends meet**? Need to **postpone regular payments** (rent, mortgage and loan payments, utility bills)?

Social networks

How often **personal contact** (face to face/telephone/electronic)? With whom?

Gave help to others outside home (to obtain necessities, food, medications, household repairs)? For whom?

Get help from others outside home (to obtain necessities...)? From whom?

Home care: How often? Left? Satisfied? Protection?

SHARE Covid19 Project: First results



1. Income and income inequality
2. Labor market implications, efficacy of remedial policies
3. Health, health behaviors, healthcare inequalities
4. Care and help

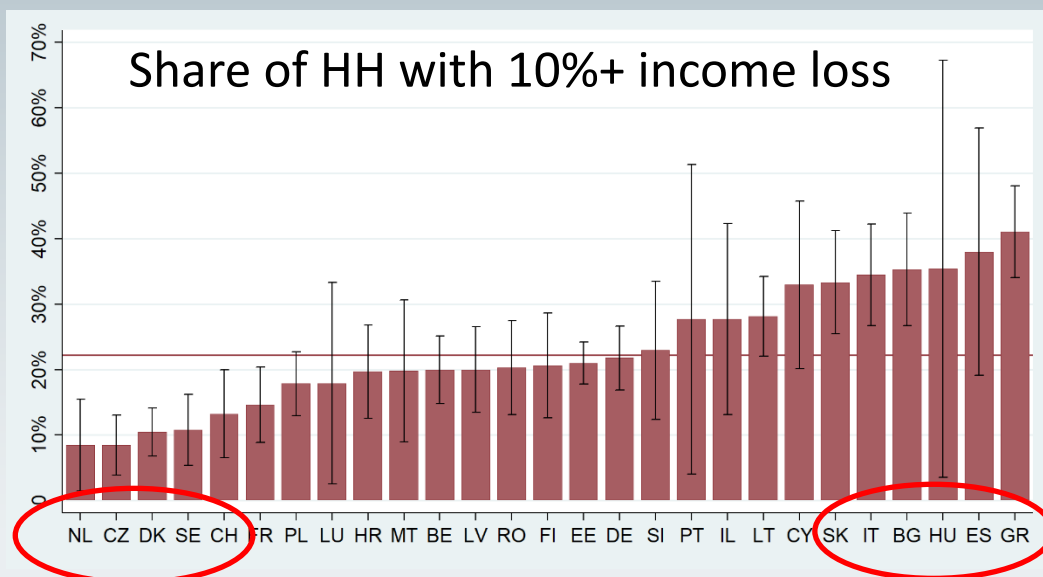


Internationally comparative perspective. Thanks to EU Commission for funding!

1 Effects on household income

Financial distress

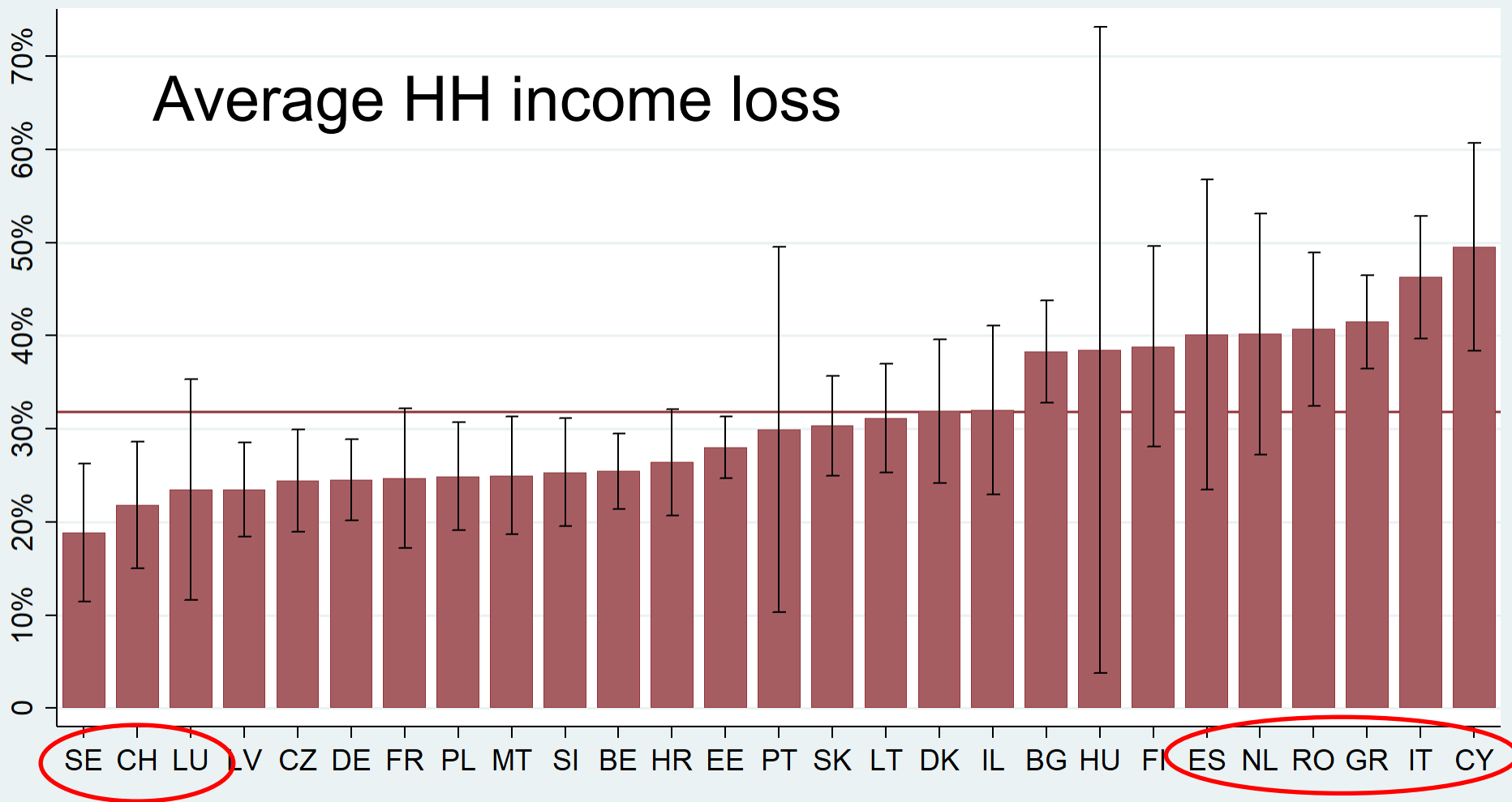
- Strong and independent effects of education and income before pandemic; pensioners protected



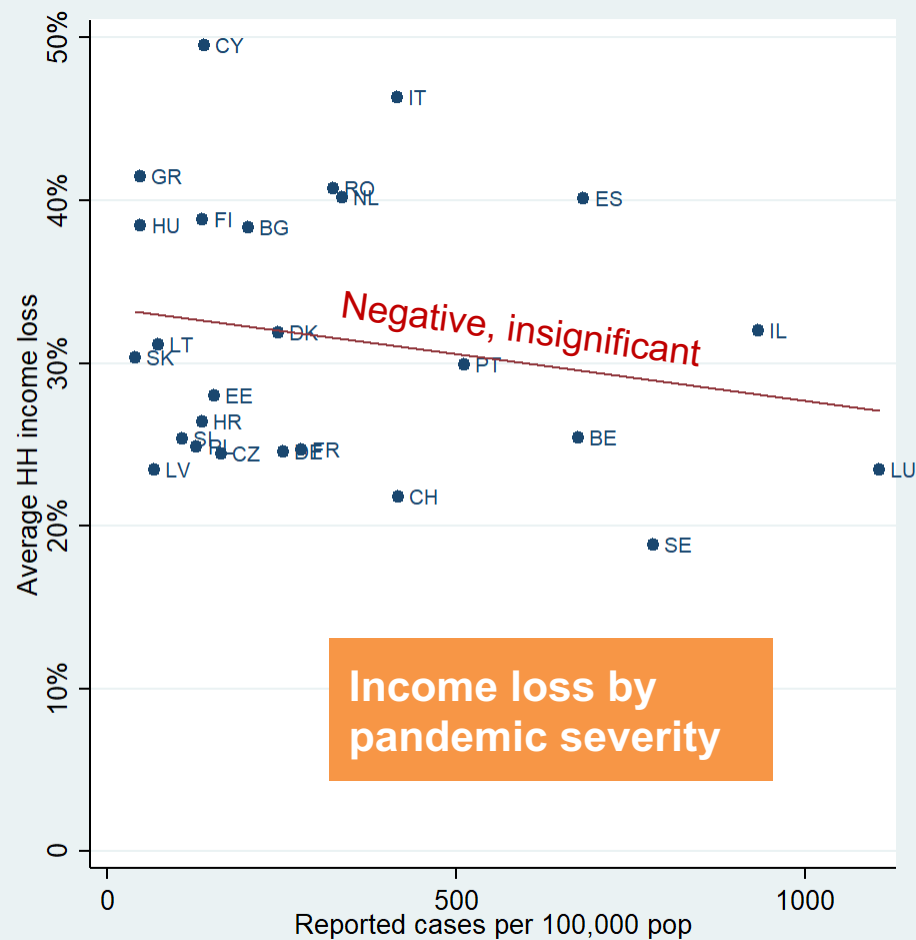
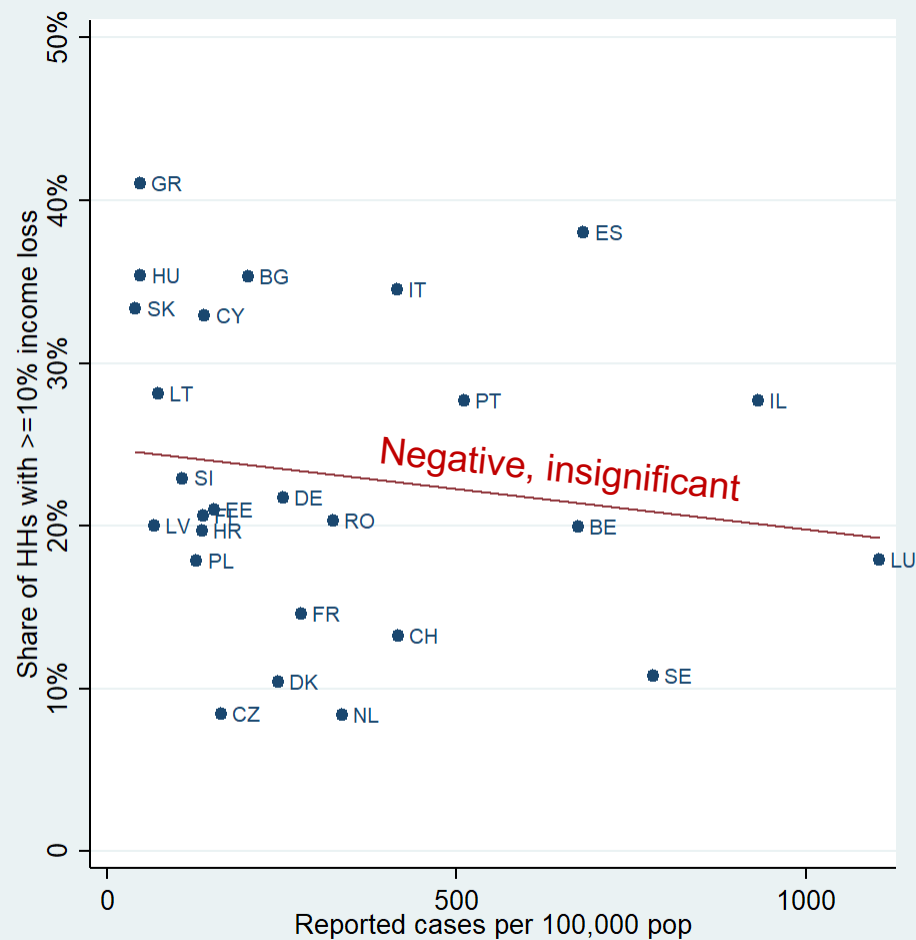
Stress_Indicator	Coef.	Robust Std. Err.	t	P> t	[95% Conf. Interval]	
HH size	.0690436	.0065288	10.58	0.000	.0562466	.0818406
Couple	.0242451	.0113649	2.13	0.033	.0019691	.0465211
Job interruption	.5001662	.0329805	15.17	0.000	.435522	.5648105
At least 1 employ.	.0522237	.015045	3.47	0.001	.0227344	.0817131
HH_level of educ.						
Low sec.	-.0111857	.0150065	-0.75	0.456	-.0405995	.0182281
Upper sec.	-.0406282	.0138923	-2.92	0.003	-.0678581	-.0133982
Post-sec.	-.0643011	.0195721	-3.29	0.001	-.102664	-.0259383
Tertiary	-.0802696	.0148398	-5.41	0.000	-.1093567	-.0511825
Working from home	-.0421465	.0187822	-2.24	0.025	-.078961	-.0053321
maxAge	-.0435639	.0067984	-6.41	0.000	-.0568893	-.0302385
c.maxAge#c.maxAge	.0002344	.0000449	5.22	0.000	.0001464	.0003224
Inc. Bef. Covid						
2	-.1372305	.0157021	-8.74	0.000	-.1680079	-.1064531
3	-.2298403	.0164469	-13.97	0.000	-.2620773	-.1976032
4	-.2913664	.0162819	-17.90	0.000	-.3232802	-.2594526
5	-.3423415	.016501	-20.75	0.000	-.3746847	-.3099984
6	-.3795742	.0179153	-21.19	0.000	-.4146895	-.3444588
7	-.4661989	.0176867	-26.36	0.000	-.5008661	-.4315317
8	-.5125898	.018344	-27.94	0.000	-.5485454	-.4766342
9	-.5599489	.0194334	-28.81	0.000	-.5980398	-.5218579
10	-.6060557	.0211156	-28.70	0.000	-.6474438	-.564667

Effects on household income

Average HH income loss

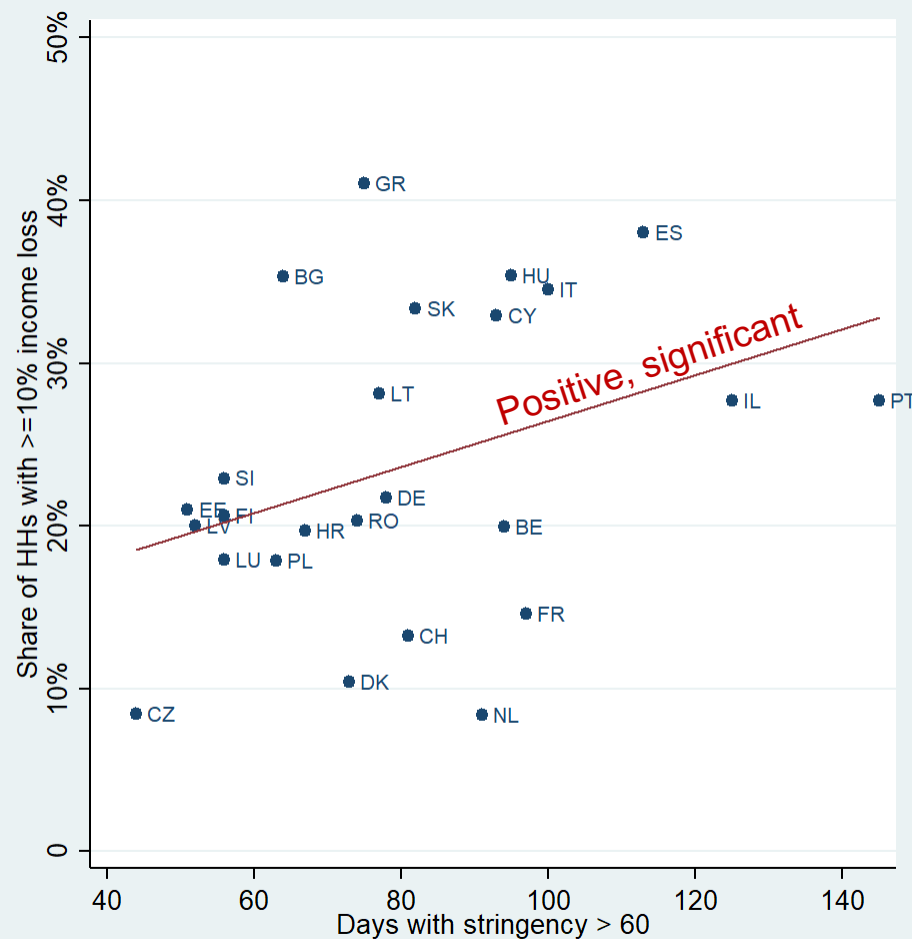


Causes: direct effect of the pandemic

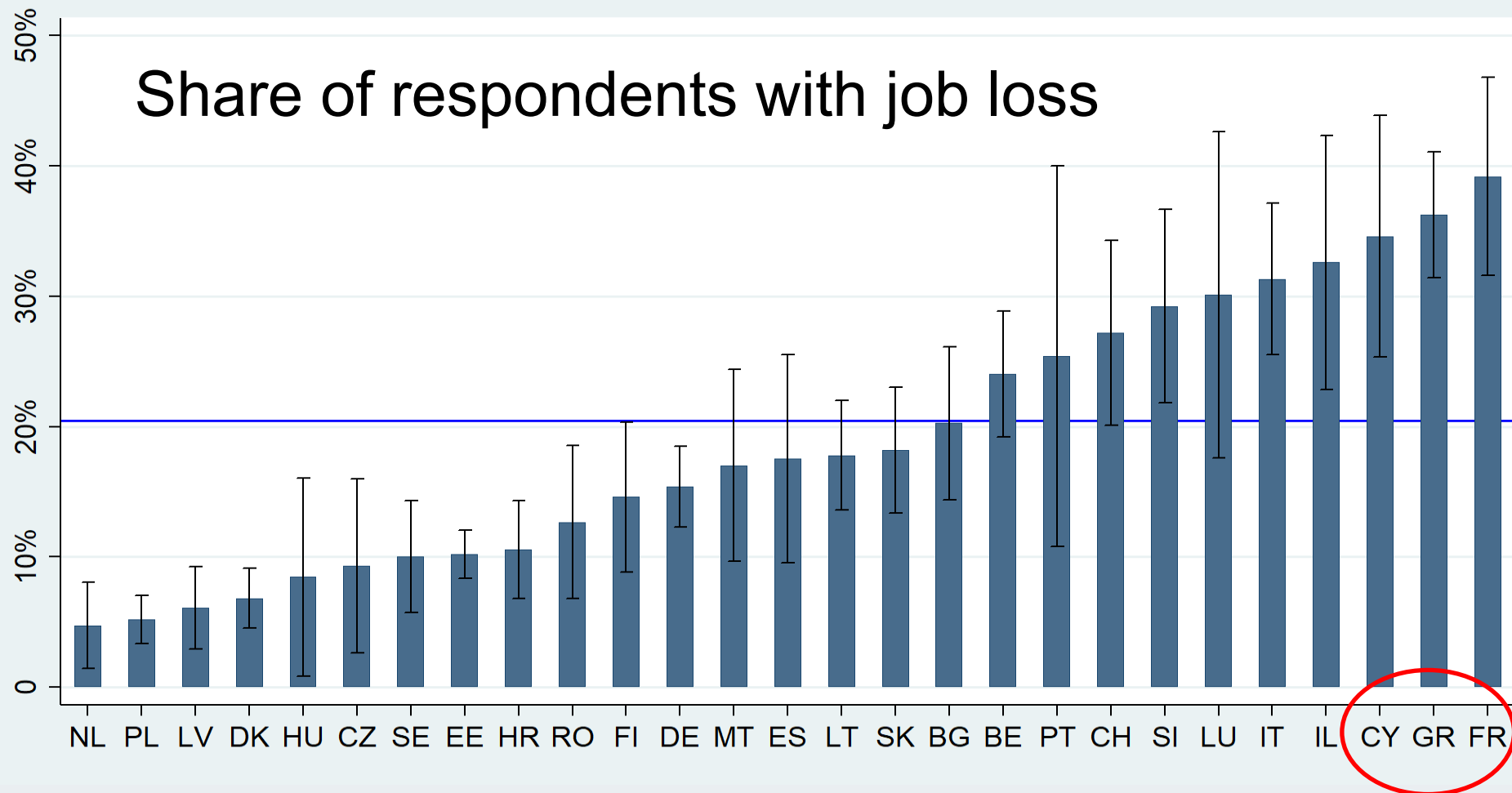


Income loss by
pandemic severity

Causes: indirect effect of lockdowns



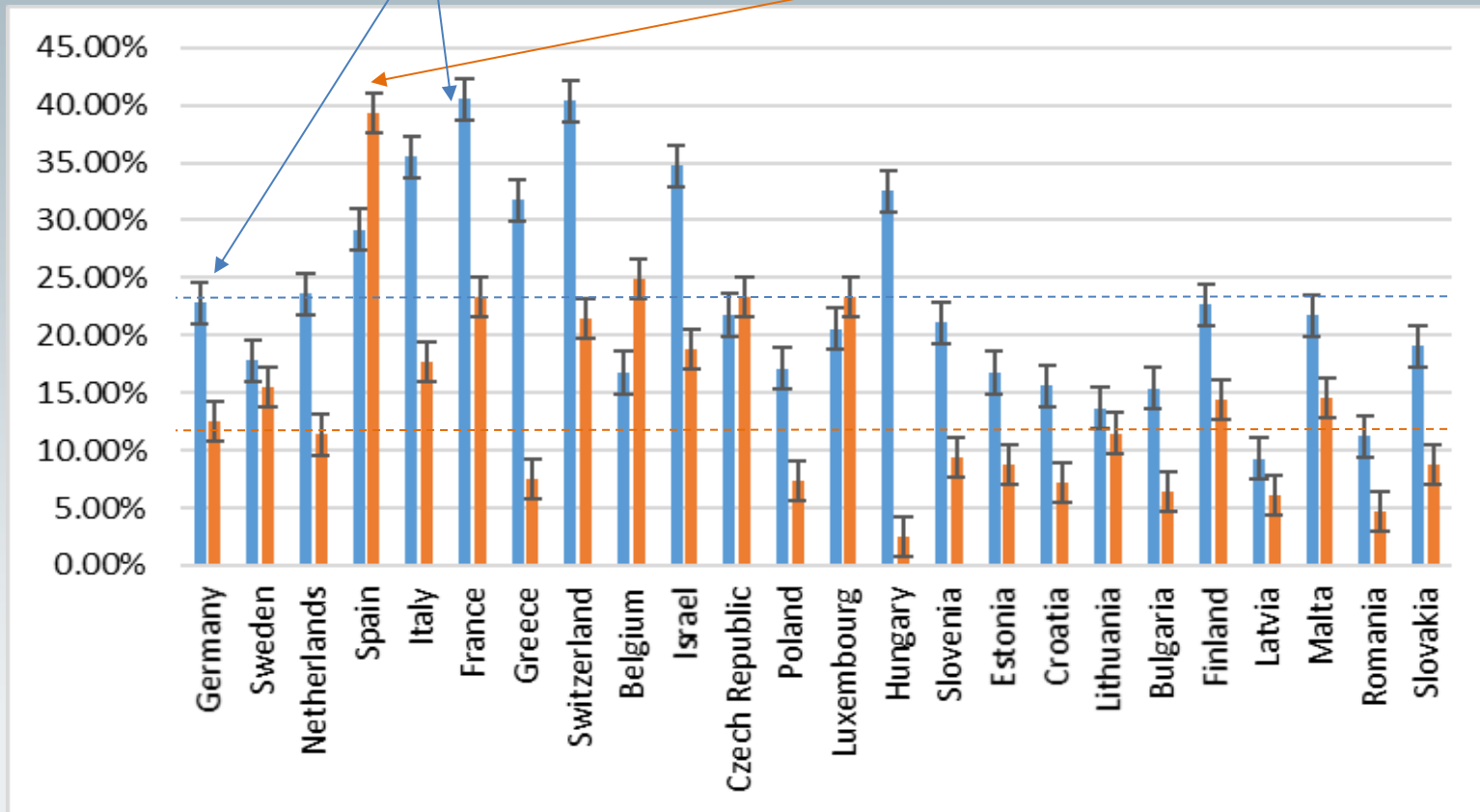
2 Unemployment/early retirement



Effects on labor volume

Work

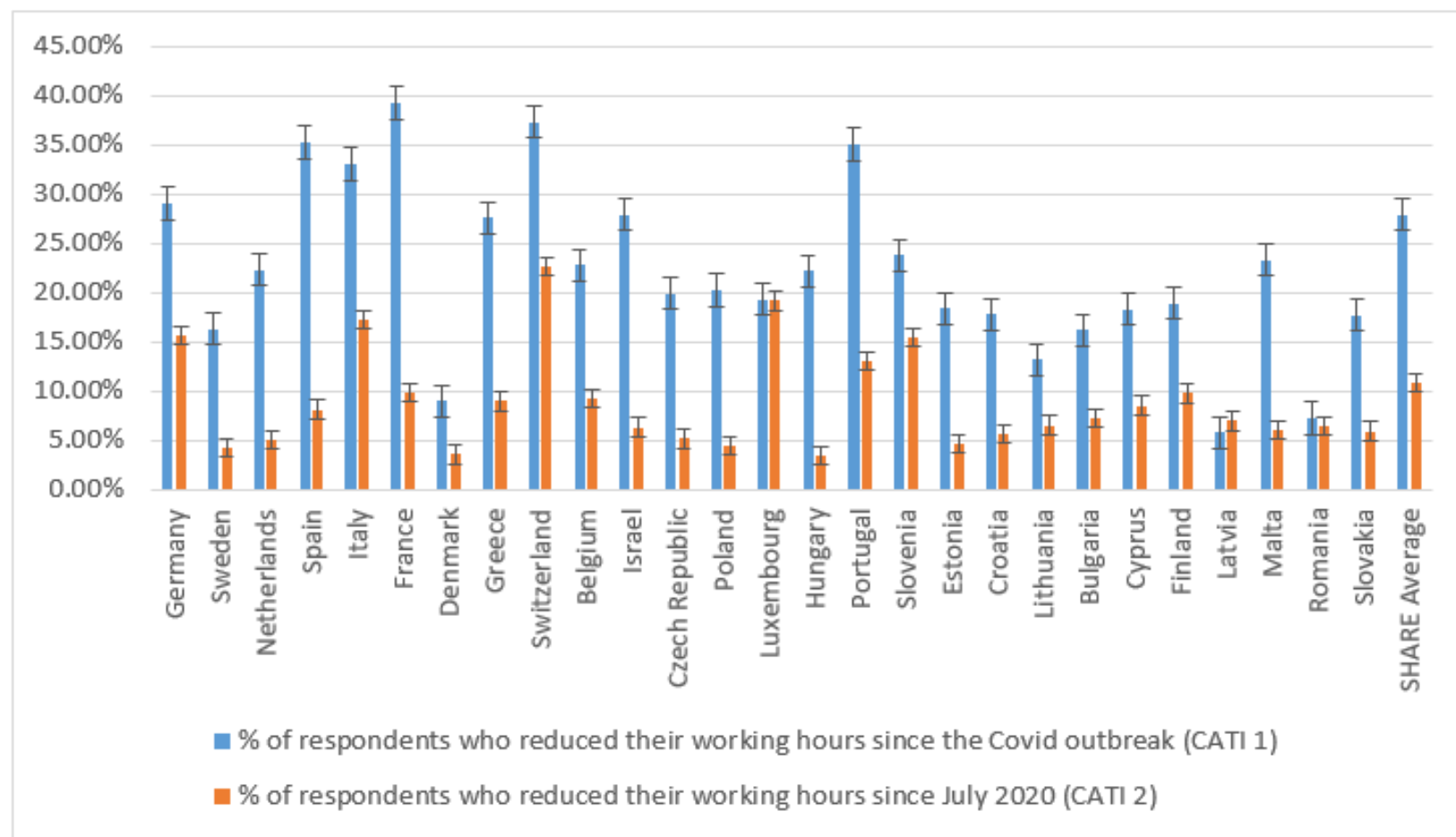
- About 23% faced **shorter** work hours but 12% worked **longer**, especially in Spain



Source: Axel Börsch-Supan,
Vesile Kutlu-Koc
Diana Lopez-Falcon, MEA

Short time work

Figure 1: Reduction in short-time work between CATI1 and CATI2



Note: SHARE wave 8 COVID-19 Survey 1, release version 0. Preliminary SHARE wave 9 COVID-19 Survey 2, release version 0. N=5662, weighted.

Job Retention (JR) schemes seek to preserve jobs at firms experiencing a temporary reduction in business activity by alleviating firms' labor costs while supporting the incomes of workers whose hours are reduced.

Key: Employees keep their contracts with the employer even if their work is suspended.

- **Short-time work (STW) schemes** directly subsidise hours not worked but do not change the cost of hours worked. Examples: German *Kurzarbeit* or the French *Activité partielle*.
- **Wage subsidy (WS) schemes** subsidise hours worked but can also be used to top up the earnings of workers on reduced hours, such as the Dutch Emergency Bridging Measure (*Noodmaatregel Overbrugging Werkgelegenheid*, NOW).

Remedial policies

Table 1. Countries have adjusted existing job retention schemes or adopted new ones

	Pre-existing short-time work scheme	Increased access and coverage	Increased benefit generosity	Increased access for workers in non-standard jobs	New short-time work scheme	New wage subsidy scheme
Austria	•	•	•			
Belgium	•	•	•			
Czech Republic	•	•	•			
Denmark	•	•			•	
Estonia						•
Finland	•	•	•	•		
France	•	•	•	•		
Germany	•	•	•	•		
Greece					•	
Hungary					•	
Ireland*	•					•
Italy	•	•		•		
Latvia					•	
Lithuania					•	
Luxembourg	•	•	•			
Netherlands*	•					•
Poland						•
Portugal	•	•		•		
Slovak Republic	•	•	•			
Slovenia					•	
Spain	•	•	•	•		
Sweden	•	•	•			
Switzerland	•	•		•		
United Kingdom					•	
United States	•	•	•			

Did these remedial policies work?



Targetting:

Who was affected by shorter work hours during the COVID pandemic?
Were these vulnerable people, e.g., previous history of unemployment, low incomes?

Did these people receive support? Did this support help them to maintain their living standards?

Side-effects:

Do we observe higher unemployment in the longer run among STEA recipients?

Can we attribute negative side effects to STEA or are they due to the fact that jobs and workers eligible for STEA may have been a less productive selection in the first place?

Target population

Table 1: Who is affected by short-time work?



<u>Dependent variable: STW</u>	<u>Coef.</u>	<u>Std. Err.</u>	<u>t</u>	<u>P>t</u>
Age	0.00175	0.0013	1.38	0.169
Female	0.0254	0.012	2.12	0.034
Self employed	0.122	0.018	6.81	0
Education level	-0.00643	0.0025	-2.55	0.011
Ever unemployed	0.0431	0.017	2.52	0.012
First income tercile	0.0255	0.013	1.90	0.057
Third income tercile	-0.00254	0.013	-0.20	0.844
Stringency Index	-0.151	0.074	-2.04	0.042
Cumulative deaths/100000	0.0689	0.031	2.20	0.028

Note: Regression analysis. N=3273, R-squared=5.6%, country and industry dummies included

Targetting correct?

Table 2: Who receives short-time employment aid?

<u>Dependent variable: STEA</u>	<u>Coef.</u>	<u>Std. Err.</u>	<u>t</u>	<u>P>t</u>
Age	-0.00598	0.0036	-1.67	0.096
Female	-0.0404	0.033	-1.21	0.228
Self employed	0.0932	0.042	2.21	0.027
Education level	0.00483	0.0063	0.77	0.442
Ever unemployed	-0.0659	0.048	-1.38	0.168
First income tercile	0.0567	0.037	1.54	0.124
Third income tercile	-0.0482	0.038	-1.25	0.212

Note: Regression analysis. N=660, R-squared=23%, country dummies included

Was it sufficient?

Table 3: Financial stress and receipt of short-time employment aid

Make ends meet:	STE<u>A</u> receipt		N=
	no	yes	
With great difficulty	4.4%	14.6%	62
With some difficulty	19.4%	27.9%	192
Fairly easily	40.1%	30.1%	337
Easily	36.1%	27.4%	304
Total	100.0%	100.0%	895

57.5%

Note: Based on preliminary SHARE wave 9 COVID-19 Survey 2, release version 0.

Table 4: Unemployment and receipt of short-time employment aid

In 2020 (in CATI1):	In 2021 (in CATI 2): Became unemployed	Not unemployed
Received STEA	11.7%	88.3%
Did not receive STEA	7.3%	92.7%

Note: Based on preliminary SHARE wave 9 COVID-19 Survey 2, release version 0, N=912.

Side effects

Dependent variable: Unemployed in 2021

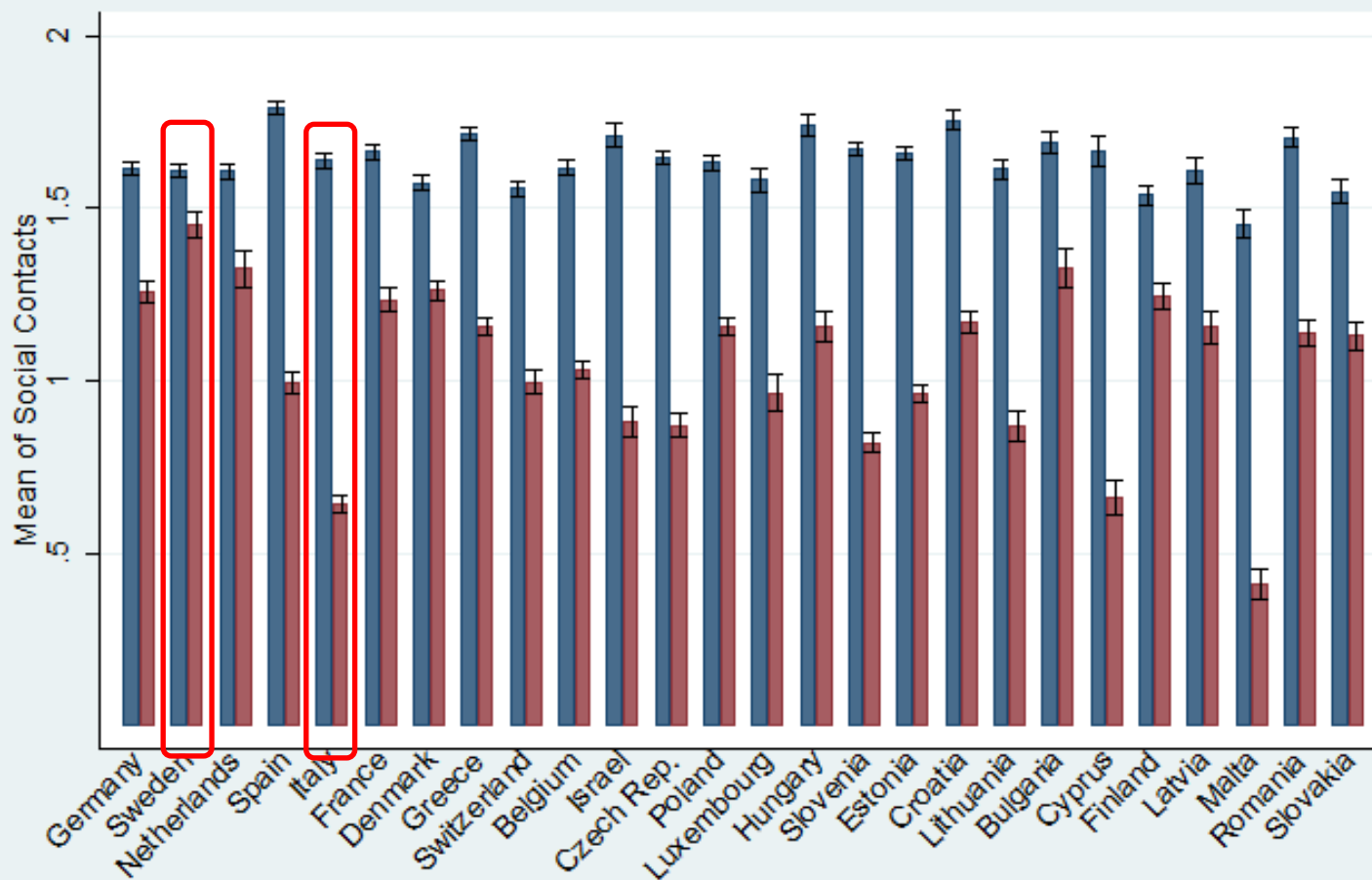
Independent variable: Short-time employment aid in 2020

Table 5: Longer-run effect of short-time employment aid on unemployment

<u>Method</u>	<u>Coef.</u>	<u>Std. Err.</u>	<u>t</u>	<u>P>t</u>	<u>R²</u>	<u>N</u>
Regression with conditioning variables	0.098	0.045	2.20	0.028	0.71	421
Propensity score matching (ATT)	0.100	0.068	1.48	0.138	0.32	372
Regression in first differences	0.121	0.037	3.31	0.001	0.49	420

Note: Regression analysis. Covariates, industry and country dummies included in all specifications.

3 Health behaviors: Social Contacts

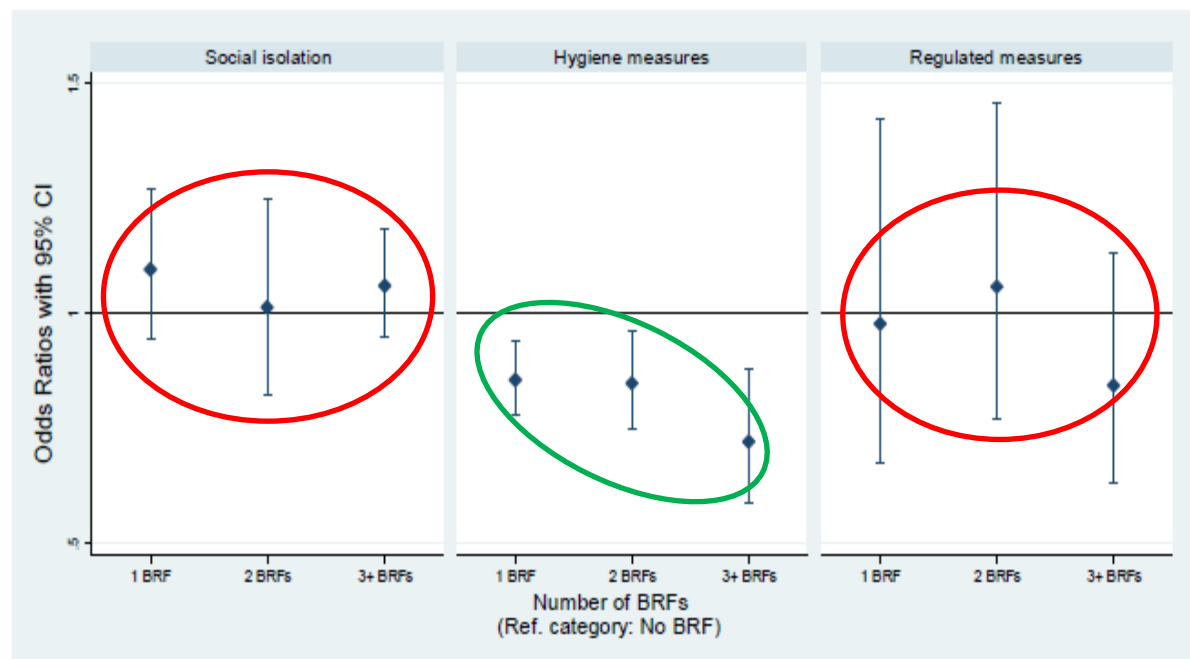
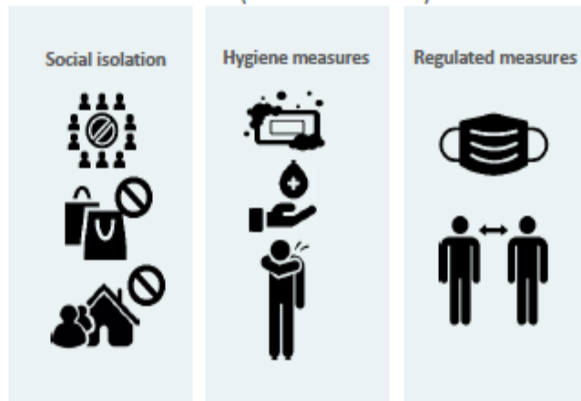


Health behaviors by risk factors

BRFs (SHARE Wave 8)

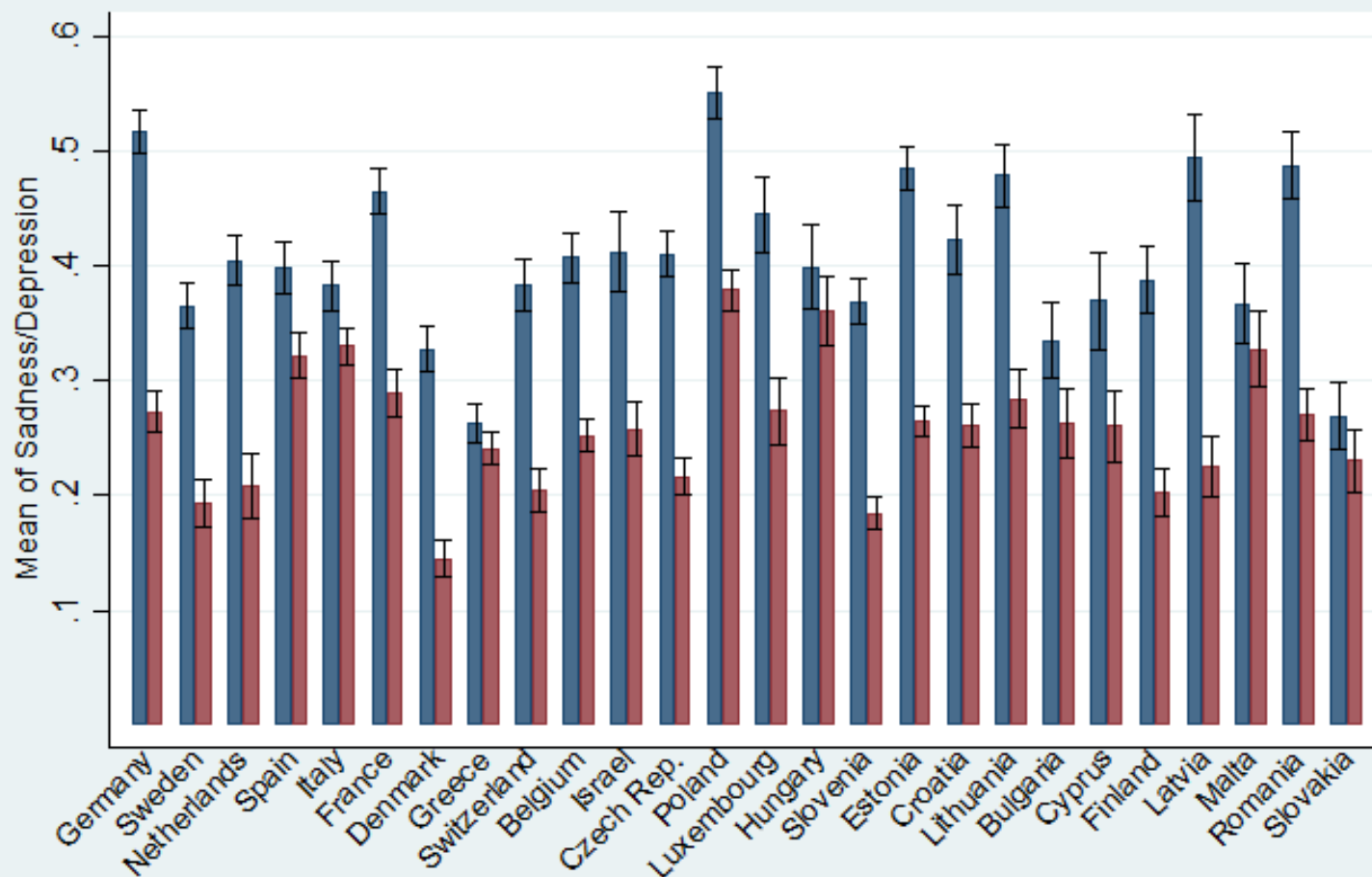


Preventive measures (SHARE COVID-19)



Estimates based on mixed-effects logistic regressions, controlling for socio-demographic and health variables collected before the start of the pandemic (N=17,588). Data: Wave 8 Release 0.0.1 beta

Mental health



Winter 2019/20



Spring 2020

Same for loneliness!

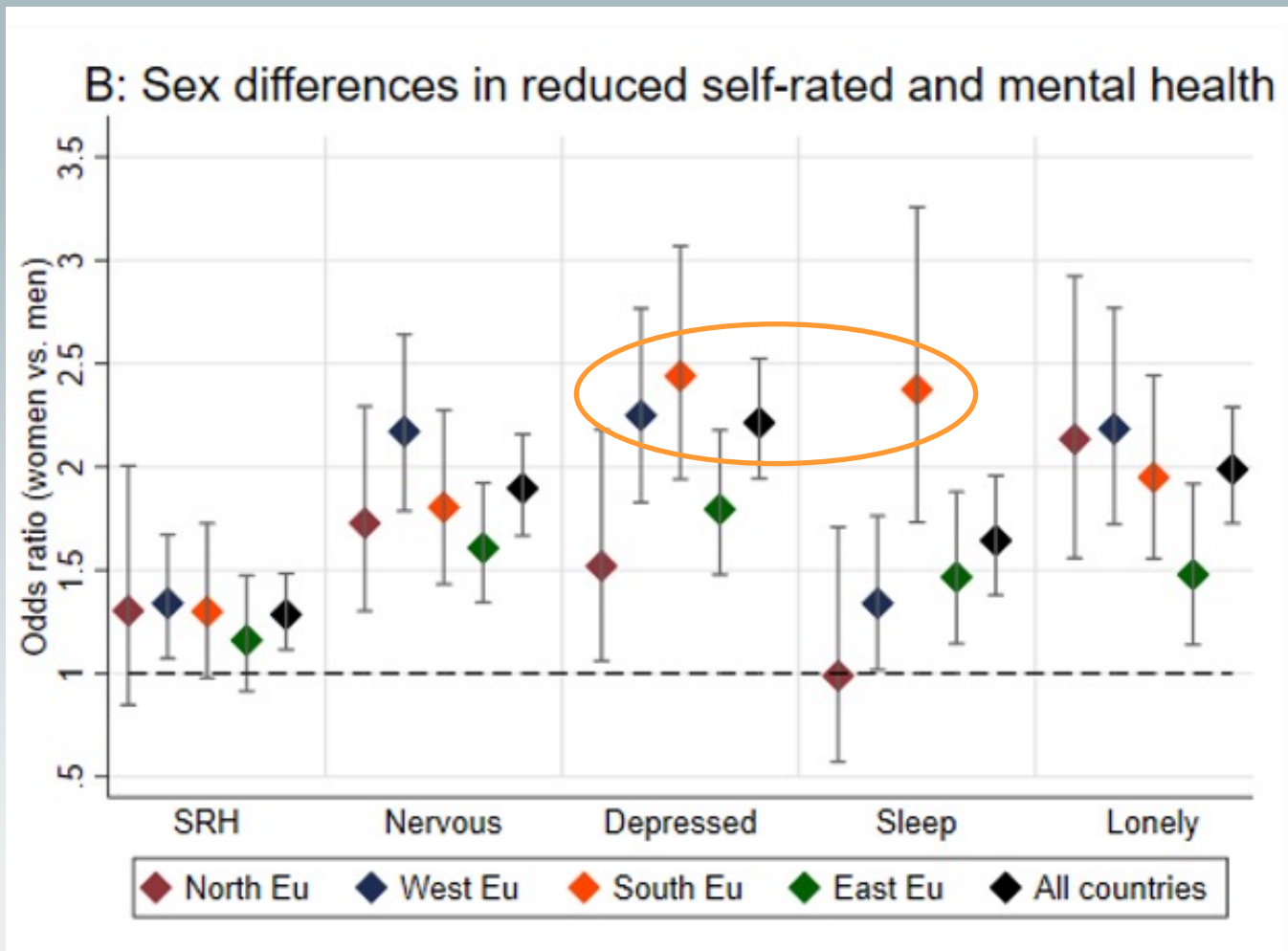


Figure 2: Association between country differences in the prevalence of more sadness/depression and loneliness with deaths per capita; Data: Preliminary SHARE Wave 8 Release 0 (n = 27,889)

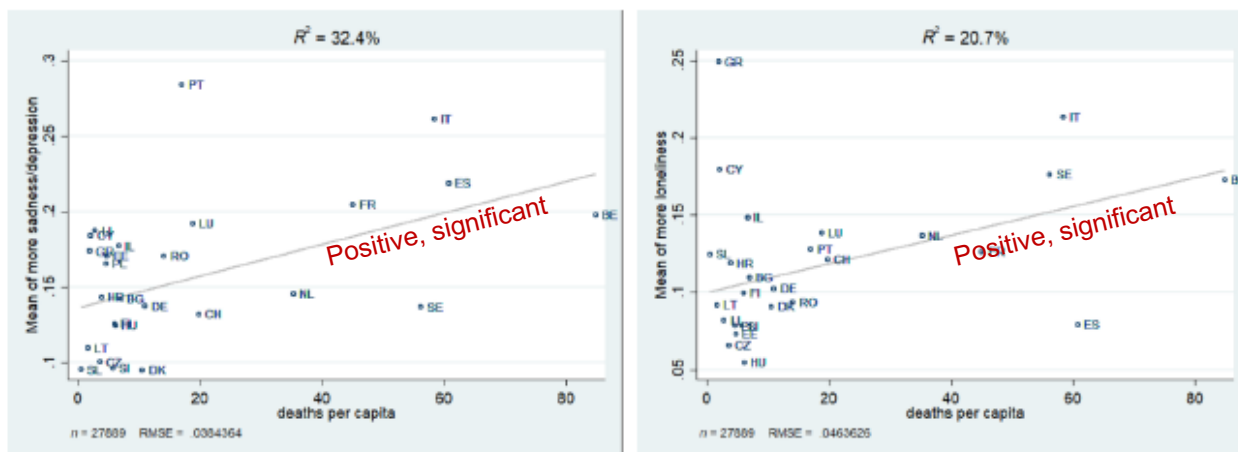
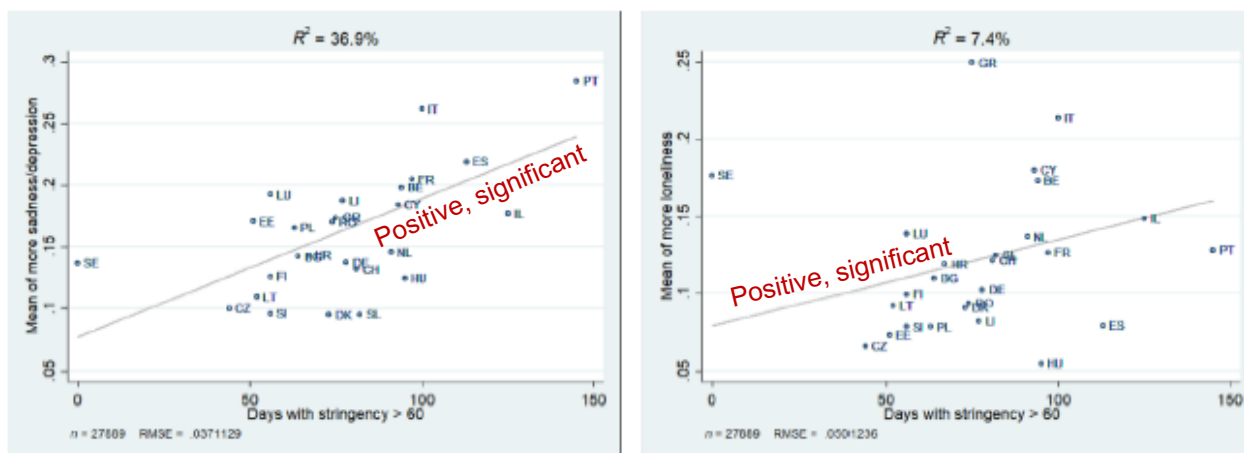


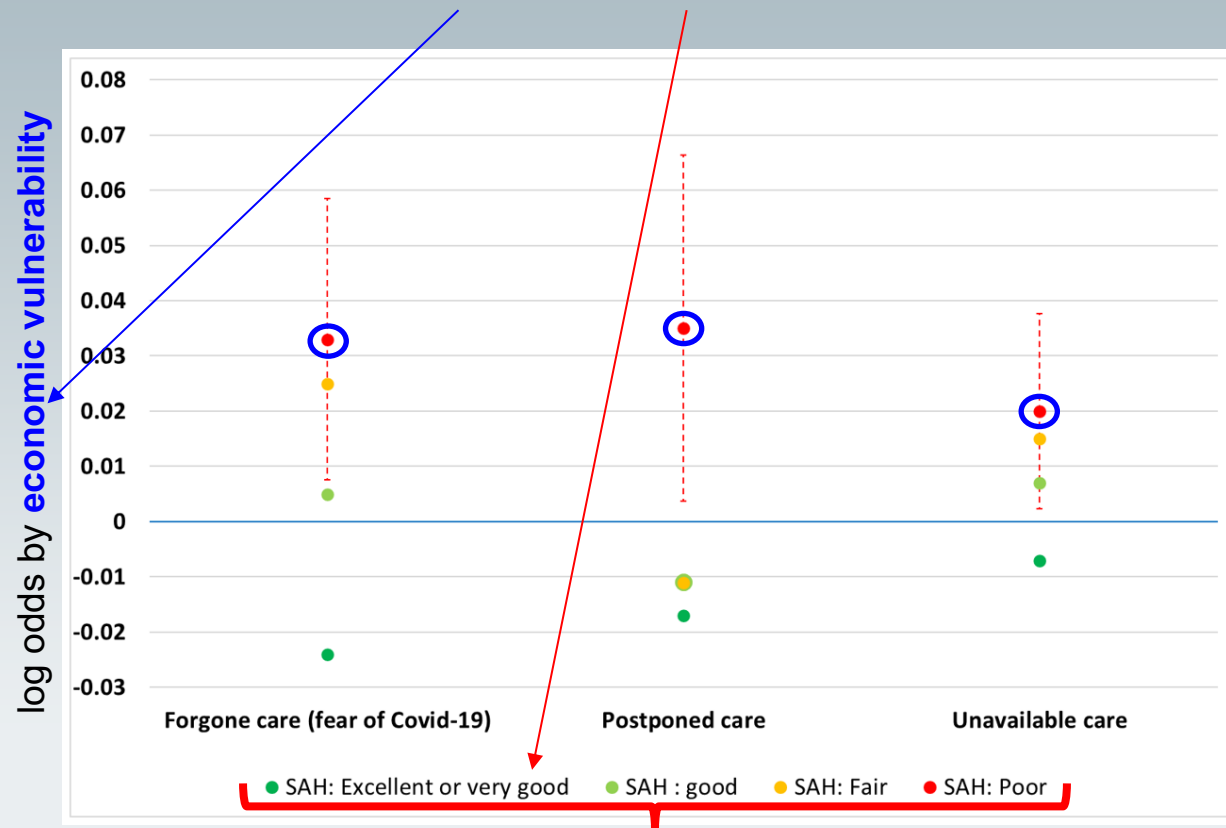
Figure 3: Association between country differences in the prevalence of more sadness/depression and loneliness with deaths per capita; Data: Preliminary SHARE Wave 8 Release 0 (n = 27,889)



Source: Stefan Gruber,
Josefine Atzendorf, MEA

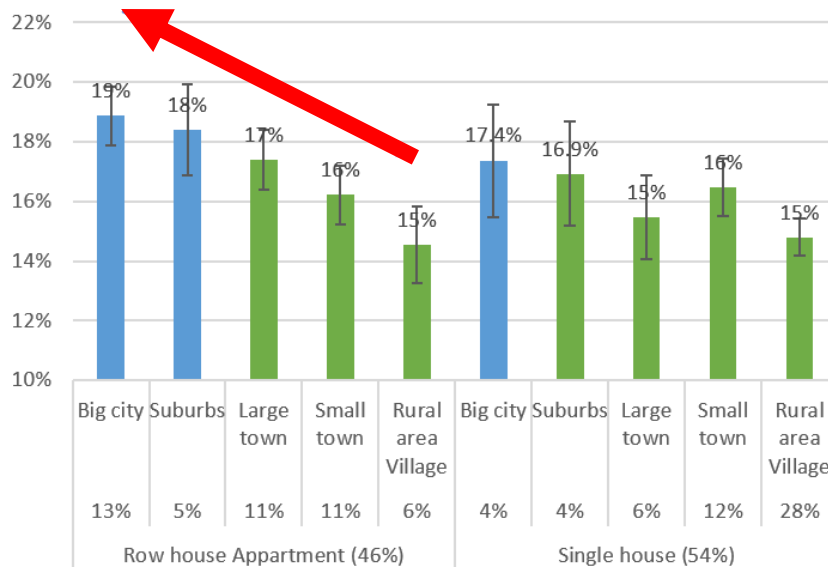
Healthcare crowd out

- Has led to an increase in social inequalities in access to healthcare
- Interaction effect: **economic** and **health** vulnerability

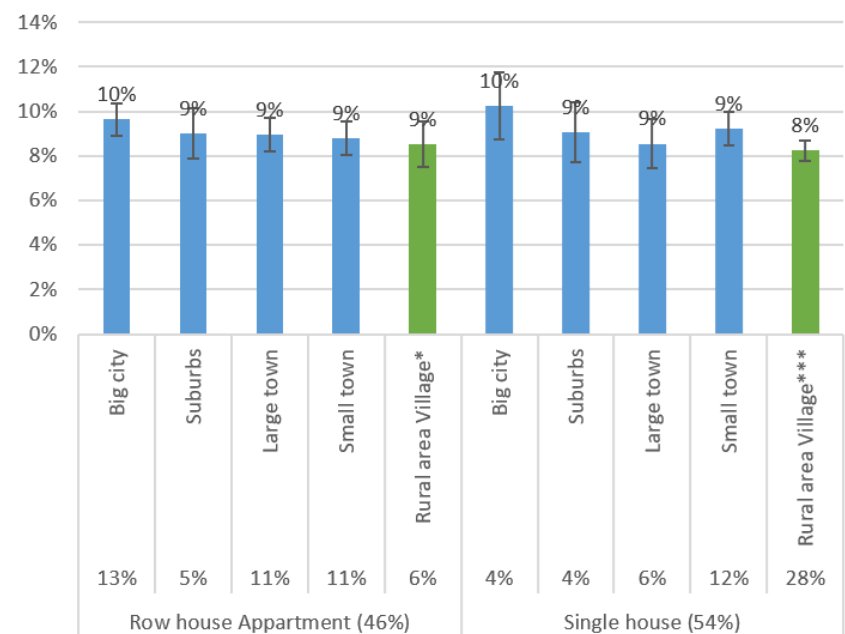


Health and housing/location

More depressed



Worsen Self rated Health

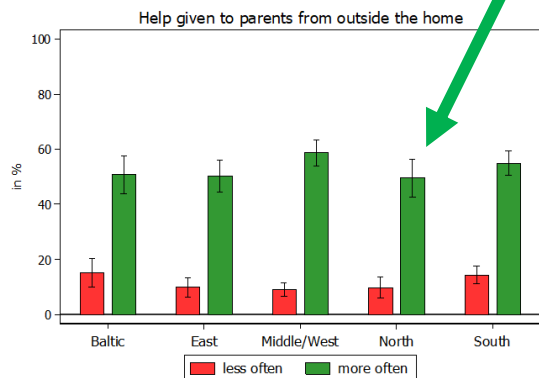


holding income and education constant

4 Care and help

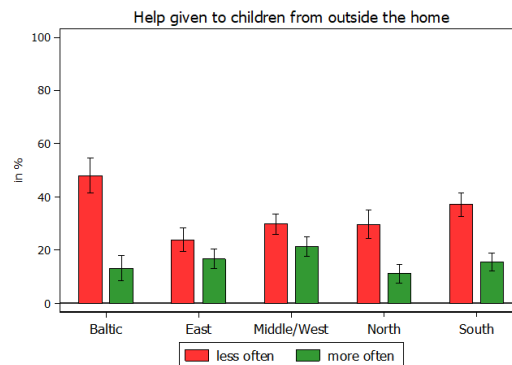
- Larger adjustment of social activities in countries with more infections (cases + deaths); focus on family nucleus

Help to parents



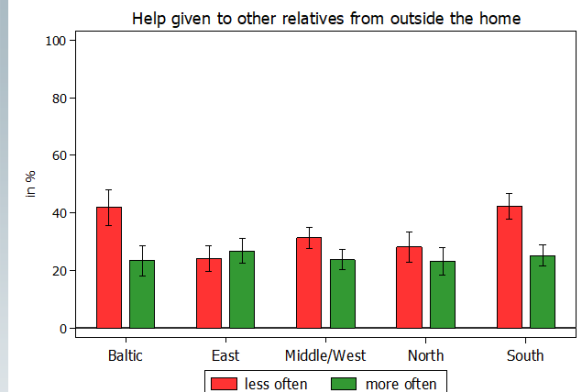
Respondent = child
who helps parents

Help to children



Respondent = parent
who helps their child

Help to other relatives



Conclusions

Across the EU:

- About 20% **lost job**
- 22% faced **income loss** > 10%
 - Of those: 33% loss on average
- 23% worked **fewer hours**
 - 18% of those received short-term employment aid
 - Targetting and effect ok, but negative side effects
- **Healthcare crowd-out**: social gradient, interaction with health status
- Mental **health** improved for older folks, worsened for younger
 - Both mental & physical health worse in cities/denser housing areas
- **Social relationships** focused on nuclear family
- **Large variation by country**, typically north-south gradient