WHAT IS THE TRUE, REAL-TIME U.S. JOBS PICTURE?

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WHAT IS THE TRUE, REAL-TIME U.S. JOBS PICTURE ON THE EVE OF THE ELECTION?

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Data current as of September 27 at 17:00 Eastern Daylight Time (EDT).

KEY FINDINGS

- *On the eve of the last jobs report before the 2020 election, RIWI data gathered in collaboration with Cornell University and the U.S. Private Sector Job Quality Index continue to reveal that the real-time jobs picture is worse than lagging mainstream jobs data indicate.*

- *These data show that a second round of layoffs is well underway and workers face increased job insecurity as many are being paid but not actually working, have again been laid off, or have been told they could be laid off. Of workers who were put back on payroll after being initially laid off as a result of the COVID-19 crisis, 27 percent reported in August/September that they have been laid off a second time, and another 36 percent have been told by their employer that they may be laid off again. Nearly 40 percent of those initially laid off reported being put back on payroll by August/September, but one-quarter of such respondents say they were not asked to return to work.*

- *The data also show that, in addition to being disproportionately impacted by COVID, Black and Latino workers are disproportionately bearing the brunt of the second wave of layoffs. 34% of Latino workers and 31% of Black workers reported being laid off again compared to 25% of White workers over the July 23-September 27 time period.*

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In our August 4th joint report, we showed that almost a third of Americans who had been laid off and then put back on payroll had been laid off again by early August. In other words, a significant share of the job gains in the official jobs reports in the spring and summer - which were more positive than economists had expected - did not actually reflect true employment: workers were either being paid but not working or had been laid off again.

The official jobs reports overstated true employment since many workers were back on payroll in connection with the loan forgiveness requirements of the U.S government's Payroll Protection Program (PPP), but they were not actually working or had been let go, likely after the PPP funds ran out. Our analysis also showed that almost two in five Americans put back on payroll were not actually working and therefore were at risk of being laid off again.

These results were subsequently confirmed in the weekly unemployment claims data over the summer and early fall that showed new claims hovering between eight hundred thousand and one million week after week, reflecting those who were laid off a second time. We have complete confidence in the high volume of repeat layoffs as aggregate conventional unemployment insurance claims (i.e. excluding those by self-employed workers) since the start of the COVID unemployment crisis, during the week ending March 21, 2020, through the week ended September 19, 2020 total over 62 million – while continuing claims by those conventional claimants, remaining unemployed, has declined below 13 million and the cumulative change in employment reported by the U.S. Bureau of Labor Statistics (BLS) is even lower.

What is the true, real-time US jobs and economic situation? Have the layoffs bottomed out? Are more Americans already laid off for the second time or likely to be laid off than mainstream data show? Knowing the answer to these questions in real-time is critical for anticipating the speed and timing of recovery or contraction heading into the election and beyond.

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The BLS will release its last jobs report before the election on Friday, October 2, reflecting mid-September conditions. In advance of those lagging data, this brief shares results from RIWI's real-time daily economic tracking up to and including September 27.

We used a unique methodology to extract real-time data on job status and layoff risk from the broadest set of Americans. Each day, RIWI asked a new set of randomly engaged Americans, including those who have never answered a survey of any other kind before, the same question set. This enabled us to reach both random and non-typical survey respondents.

We found that, despite unique respondents daily, our previous results held, with evidence of repeat layoffs indicating business failure or downsizing after PPP money has run out and not been renewed. These daily, 24/7, real-time data also showed a worsening situation that overall employment did not improve in September compared with August, and slightly more Americans are now looking for work. Moreover, while more Americans have been put back on payroll after being laid off in the spring, more of those have been told by their employers that they may be laid off in future.

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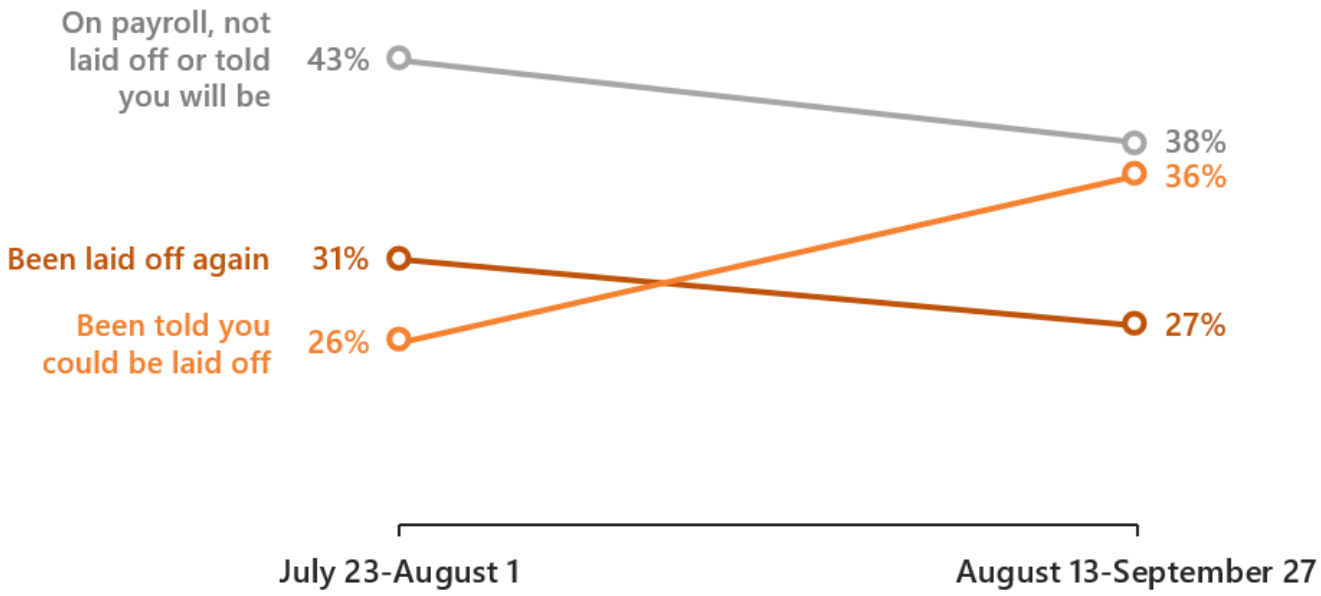
The RIWI data show that almost two out of every 5 respondents currently employed by third-party employers (i.e. not self-employed) have been laid off – at least once – since March 1, 2020. This share is consistent over time, increasing only slightly between July (37 percent) and the August/September period (38 percent).

More of these previously laid-off respondents report being back on the payroll than in our July data. But there is also a notable increase in those re-payrolled individuals being told they could be laid off again in the future. This is of particular concern as COVID-19 case counts increase again, which could lead to renewed requirements for businesses to shut down.

Of workers who were put back on payroll after being initially laid off as a result of the COVID-19 crisis, 27 percent report that they have been laid off a second time, and another 36 percent have been told by their employer that they may be laid off again. These repeat layoffs line up with the September unemployment claims data showing new applications remain at historically high levels.

Since being put back on payroll by your previous employer:

U.S. overall, July/August vs August/September 2020



Source: RIWI, July 23-August 1, 2020, 654 respondents & August 13-September 27, 2020, 773 respondents who indicated they stopped working at some point during the COVID-19 shutdown and were subsequently put back on payroll, out of a total of 6,383 & 5,897 randomly engaged Americans, respectively. Respondents are unique, anonymous, and unincentivized.

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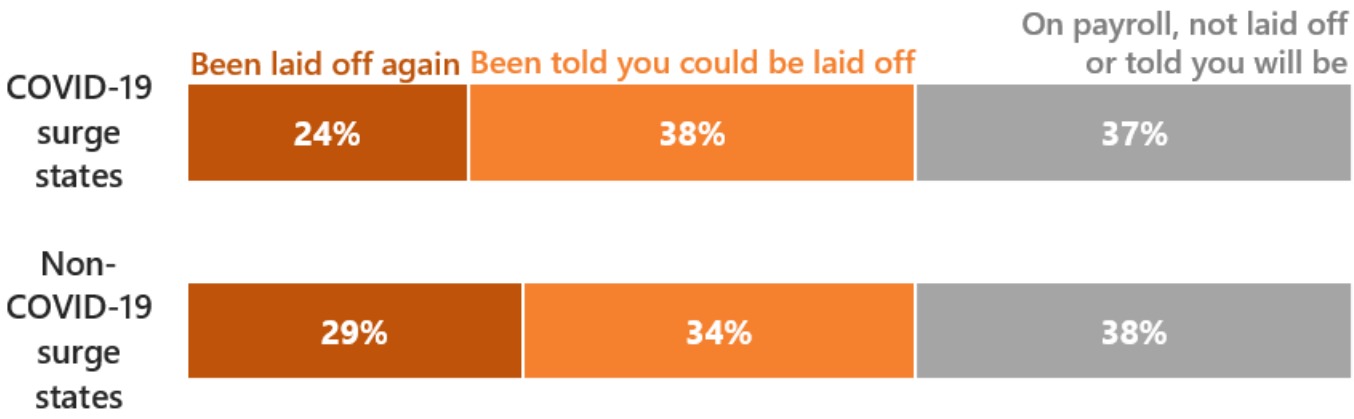
In both COVID surge and non-surge states, the majority of re-payrolled workers have either been laid off or told they may be laid off. The fact that this is happening in non-surge states as well suggests a decline in demand is the culprit rather than the COVID surges and related lockdowns. The data do show that the risk of layoffs increased by more in COVID surge states than in non-surge states between July and August/September, as might be expected.

Since being put back on payroll by your previous employer:

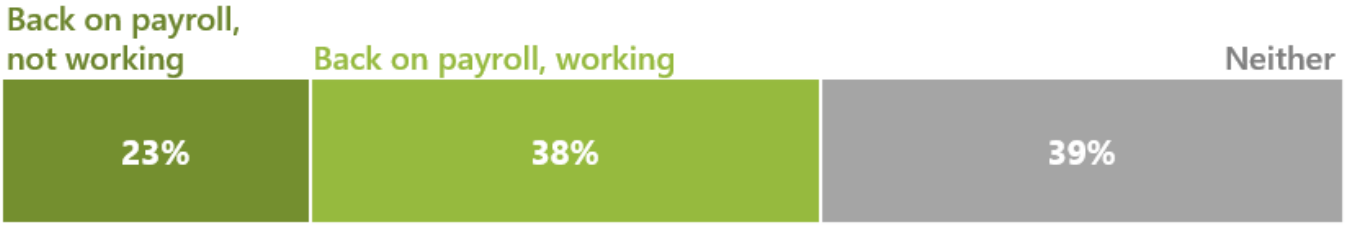
COVID surge vs non-surge states, August/September 2020



Note: COVID-19 surge states are states from which travellers to the Northeast must quarantine for 14 days, as defined by the New York State government.
Sources: New York State COVID-19 Travel Advisory, current as of September 22, 2020; RIWI, August 13-September 27, 2020, 773 respondents who indicated they stopped working at some point during the COVID-19 shutdown and were subsequently put back on payroll, out of a total of 5,897 randomly engaged Americans. Respondents are unique, anonymous, and unincentivized.

Nearly 40 percent of those initially laid off reported being put back on payroll sometime after their initial dismissal, but one-quarter of such respondents say they were put back on payroll yet were not asked to return to work.

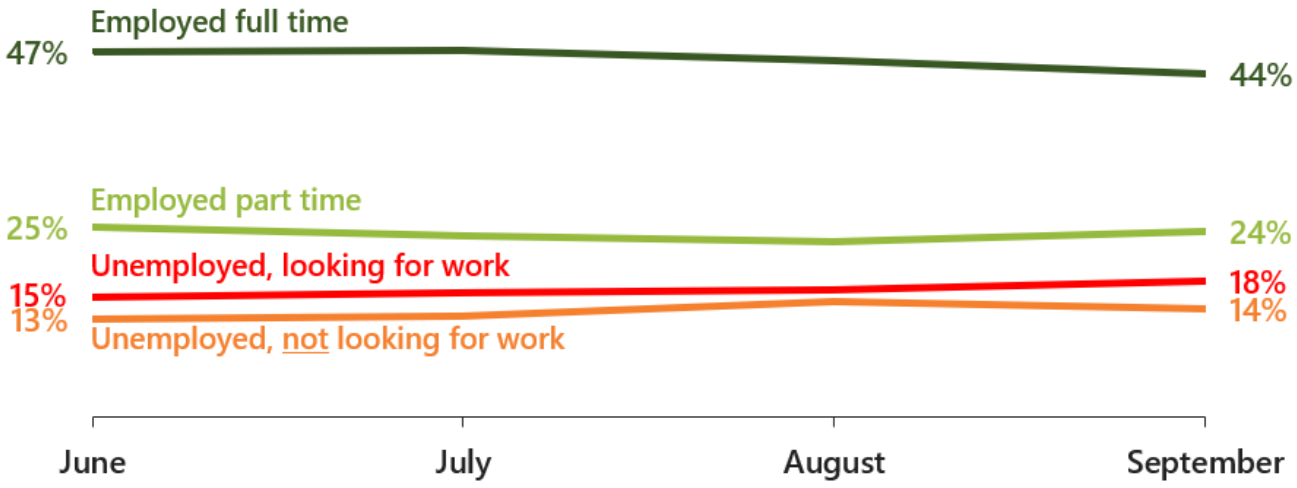
After you were laid off or temporarily stopped working, were you put back on payroll by your previous employer?



Source: RIWI, August 13-September 27, 2020, 1,432 respondents who indicated they stopped working at some point during the COVID-19 shutdown, out of a total of 5,897 randomly engaged Americans. Respondents are unique, anonymous, and unincentivized.

RIWI's full-time employment measure also did not improve in September relative to the summer months, and a greater share of Americans reported looking for work.

Are you currently employed?



Source: RIWI High-Frequency Economic Data Stream, US tracking, monthly average, June 1-September 29, 2020, 11,088 unique, anonymous, unincentivized respondents, representative of the online population. Answer options *student* and *retired* are not included in above share calculation.

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RIWI data consistently show little evidence of a meaningful improvement in employment across reopening in the US. Since July/August, the share of those who are unemployed and looking for work has increased, while full-time and part-time employment has not changed.

These data also show that, in addition to their disproportionately higher mortality and morbidity from the virus, Black and Latino Americans are disproportionately bearing the brunt of this second wave of COVID-19 layoffs compared to White Americans. After being put back on the payroll by their previous employer, 34% of Latino workers and 31% of Black workers reported being laid off again compared to 25% of White workers over the July 23-September 27 time period.

In sum, previous RIWI-Cornell-JQI data anticipated the second wave of COVID layoffs, now confirmed in weeks of historically elevated unemployment insurance claims. The data in this report confirm the repeat layoffs, and show that many workers who are technically re-employed face job insecurity as they are being paid but not working, or have been told they could be laid off. These findings are not specific to COVID surge states but more widespread, and so new containment measures to address COVID surges will only worsen the situation.

These data indicate that businesses are at high risk of failing as government support runs out, suggesting that consumer demand could be weaker than anticipated, in turn threatening an economic contraction in Q4.

RIWI randomly engaged a total of 5,897 U.S. respondents aged 16+ from August 14-September 27 on a continuous 24/7 basis with questions to determine who held a private-sector job, which share of those were laid off, which share of those were re-payrolled, and then in turn which share was laid off or told they might be laid off. Data collection for the earlier, August 4 report spanned July 23-August 1, 2020. In addition to these data specific to layoff risk, RIWI also randomly engages over 2,500 U.S. respondents aged 16+ monthly on their employment status 24/7 on an ongoing basis, with a historic data stream against which we compared our findings.

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OUR METHODOLOGY

RIWI gathered these data using a robust and unique technology that engages the broadestpossible swath of the American population in real-time – Random Domain Intercept Technology (RDIT). RDIT draws randomly from the entire Web-using population in the US on a continuous, 24/7 basis. Unlike traditional or online survey approaches, the technology's algorithms ensure that anyone on the Web has an equal chance of being randomly exposed to the questions. Also, unlike government and private sector surveys, all data are gathered anonymously, reducing social desirability bias and eliminating a potential barrier to participation. Further, respondents are not incentivized to participate in any way.

We randomly engage a new set of unique respondents each day, with no repeat respondents throughout the period. Results were consistent across the most recent data collection period, despite a unique set of fresh respondents each day. Results presented here are not further weighted to U.S census age and gender demographics, as both methods resulted in essentially the same results.

Due to its broad reach and truly random interception method, RIWI data are accurate and predictive of macro trends. Examples of this include U.S. non-farm payroll surprises, 2016 U.S. Election, 2018 Senate Elections, and headline indicators in China.

ABOUT US

ABOUT RIWI

RIWI stands for “real-time interactive world-wide intelligence.” RIWI provides access to continuous consumer and citizen sentiment in all countries. We break through the noise to find the truth about what people really think, want and observe – by reaching the most diverse audiences, including the disengaged and quiet voices who do not typically answer surveys or express their views on social media. RIWI technology rapidly collects data in every country around the world and displays the results in a secure interactive dashboard in real-time. We only collect anonymous information: 229 countries and territories, over 80 languages and 1.6 billion interviewees and counting. For more information, please visit us at www.riwi.com.

ABOUT THE U.S. PRIVATE SECTOR JOB QUALITY INDEX

The U.S. Private Sector Job Quality Index (JQI) assesses job quality in the United States by measuring desirable higher-wage/higher-hour jobs versus lower-wage/lower-hour jobs. The JQI results also may serve as a proxy for the overall health of the U.S. jobs market, since the index enables month-by-month tracking of the direction and degree of change in high-to-low job composition. By tracking this information – and other alternative measures developed by the JQI team – policymakers and financial market participants can be more fully informed of past developments, current trends, and likely future developments in the absence of policy intervention. Economists and international organizations have in recent years developed other, complementary conceptions of job quality such as those addressing the emotional satisfaction employees derive from their jobs. For the purposes of this JQI, “job quality” means the weekly dollar-income a job generates for an employee. Payment, after all, is a primary reason why people work: the income generated by a job being necessary to maintain a standard of living, to provide for the essentials of life and, hopefully, to save for retirement, among other things.

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