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unemployment in the U.S. to their highest points since the Great Depression. As of May 1, 2020, about 30 million Americans have lost their jobs ...

Isaac M. O'Bannon • May. 11, 2020



Covid-19 has strongly shaken the labor market in March and April, driving layoffs and unemployment in the U.S. to their highest points since the Great Depression. As of May 1, 2020, about **30 million Americans** have lost their jobs during the outbreak, resulting in at least 18% of the country's workforce now being idle.

New data from **Rippling**, a provider of HR and technology solutions for businesses, reveals that layoffs have most severely impacted those workers who can least afford it. The company looked at anonymized payroll and termination data from more than

600 small and midsize businesses and found a significant shift in layoffs toward

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lower wage-earner terminations, taking share from all other salary brackets below \$300,000.

Meanwhile, high wage earners, defined as employees making \$100,000 or more, fell 4.6 percentage points as a share of total terminations during the Covid-19 spread.

The median salary of employees laid off prior to the broad spread of Covid-19 was \$80,000 compared to \$75,000 during the spread.

The research suggests this trend cannot be explained by seasonal discrepancies. When looking back at the same period (March 1 – April 14) in 2019, employees earning below \$75,000 made up 48.3% of terminations —up only 2% from the beginning of the year (January 1 – February 28).

Compounding Disadvantages

Recessions often [hit low-income households the hardest](#). In each of the past four recessions, the lowest 20% of earners fared far worse on a relative basis than the average American. The Covid-19 recession looks likely to continue that trend. The survey data suggests that the spread of Covid-19 has largely spared high-wage jobs compared to their lower-earning counterparts across many sectors.

The workers most affected by the coronavirus downturn are also the least prepared. People who work low-wage jobs are uniquely vulnerable to economic booms and busts. They have less personal savings to tide them over and higher levels of personal debt.

In one recent [survey](#), 34% of adults making under \$50,000 in annual income said they would run out of savings in three months if someone in their household lost their job, while 18% said they have no savings to fall back on at all.

To make matters worse, because healthcare in the U.S. is usually employer-provided,

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