

COVID-19, educational attainment, and the impact on American workers

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The coronavirus disease 2019 (COVID-19) has disrupted the U.S. labor market in many ways. Early data indicate that American workers without a college degree have experienced the most severe impact. In “[The unequal impact of COVID-19: why education matters](#)” (*FRBSF Economic Letter*, Federal Reserve Bank of San Francisco, June 29, 2020), Mary C. Daly, Shelby R. Buckman, and Lily M. Seitelman examine how American workers with different levels of education have fared since the start of the pandemic.

With employment levels falling by more than 20 million from March through May 2020 and the unemployment rate rising to its highest level since 1938, many people are feeling the economic impact of COVID-19. As of May 2020, 53 percent of Americans were working, compared with 61 percent at the start of the year. While people are losing their jobs, many are also leaving the labor force. Other factors that contributed to the disproportionate impact include occupation, industry, social distancing, and shelter-in-place measures.

During the period of expansion before COVID-19, many long-standing economic gaps between more and less advantaged groups narrowed. For example, the difference between the unemployment rate for those with a high school diploma or less and a bachelor’s degree or more was 2.2 percentage points. The gap increased to 8.8 percentage points in May 2020. The unemployment rate for people with a high school diploma or less rose more than 12.0 percentage points between February and May 2020. The rate rose 5.5 percentage points during the same period for those with a bachelor’s degree or more. People with a high school diploma or less also experienced a larger decline in labor force participation, decreasing 4.0 percentage points to 51.8 percent from February to May 2020. Those with a bachelor’s degree or more had a labor force participation rate of 71.9 percent at the end of the period, declining 1.2 percentage points. The proportion of job loss relative to working-age population share was also higher among those with a high school diploma or less.

The authors examined other factors potentially contributing to the disproportionate impact of COVID-19 on workers with different levels of education. Approximately 65 percent of workers with a bachelor’s degree or more teleworked during COVID-19. In contrast, 22 percent of workers with a high school diploma or less teleworked, reflecting structural job vulnerabilities to mandated changes in work environments for workers with lower levels of education. Data also show that workers with higher levels of education are more likely to hold jobs that involve less interpersonal contact. Many workers at nonessential businesses—hospitality, personal care, and restaurants—were affected by the pandemic more than essential businesses because of social distancing and other health precautions.

Daly, Buckman, and Seitelman close by noting that these discrepancies were not created during this COVID-19 pandemic, rather the inequalities were deepened. In addition, they note that access to education is not equal and that greater access to higher education may ensure better economic resiliency in the future for the country and its people.