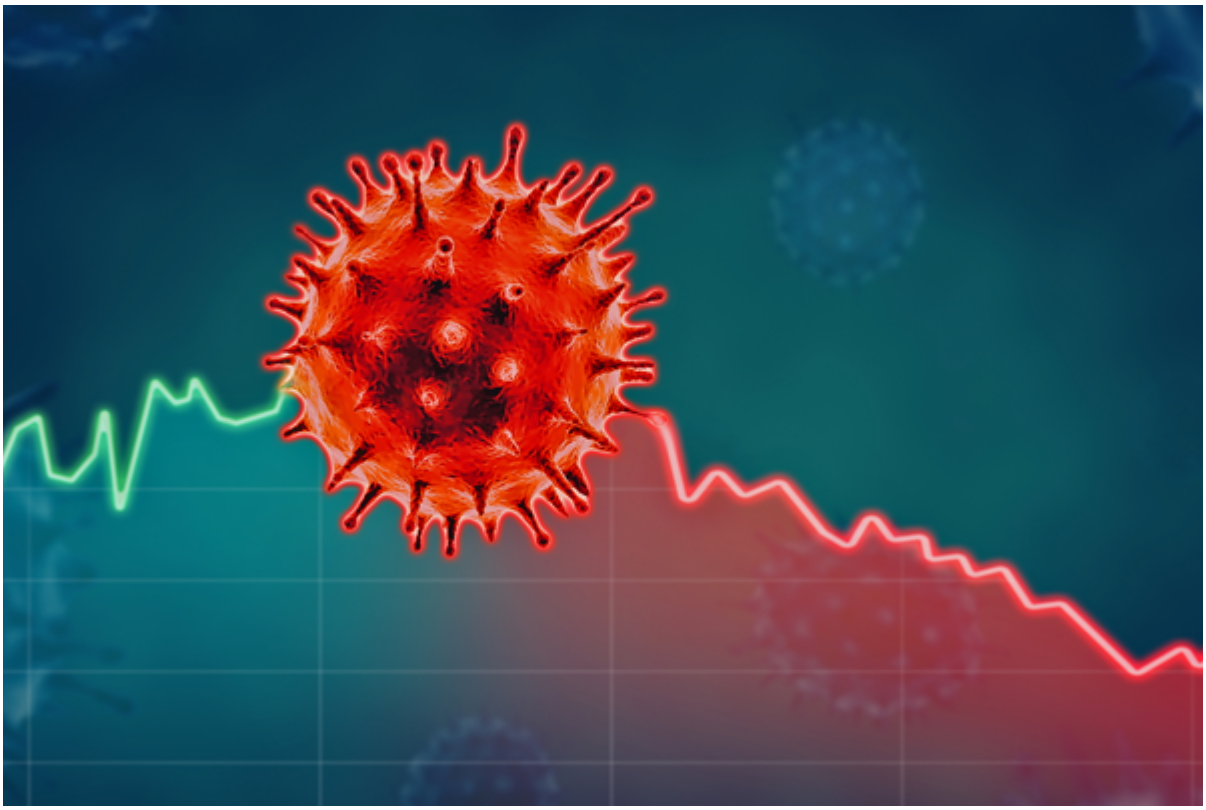


JULY 2021

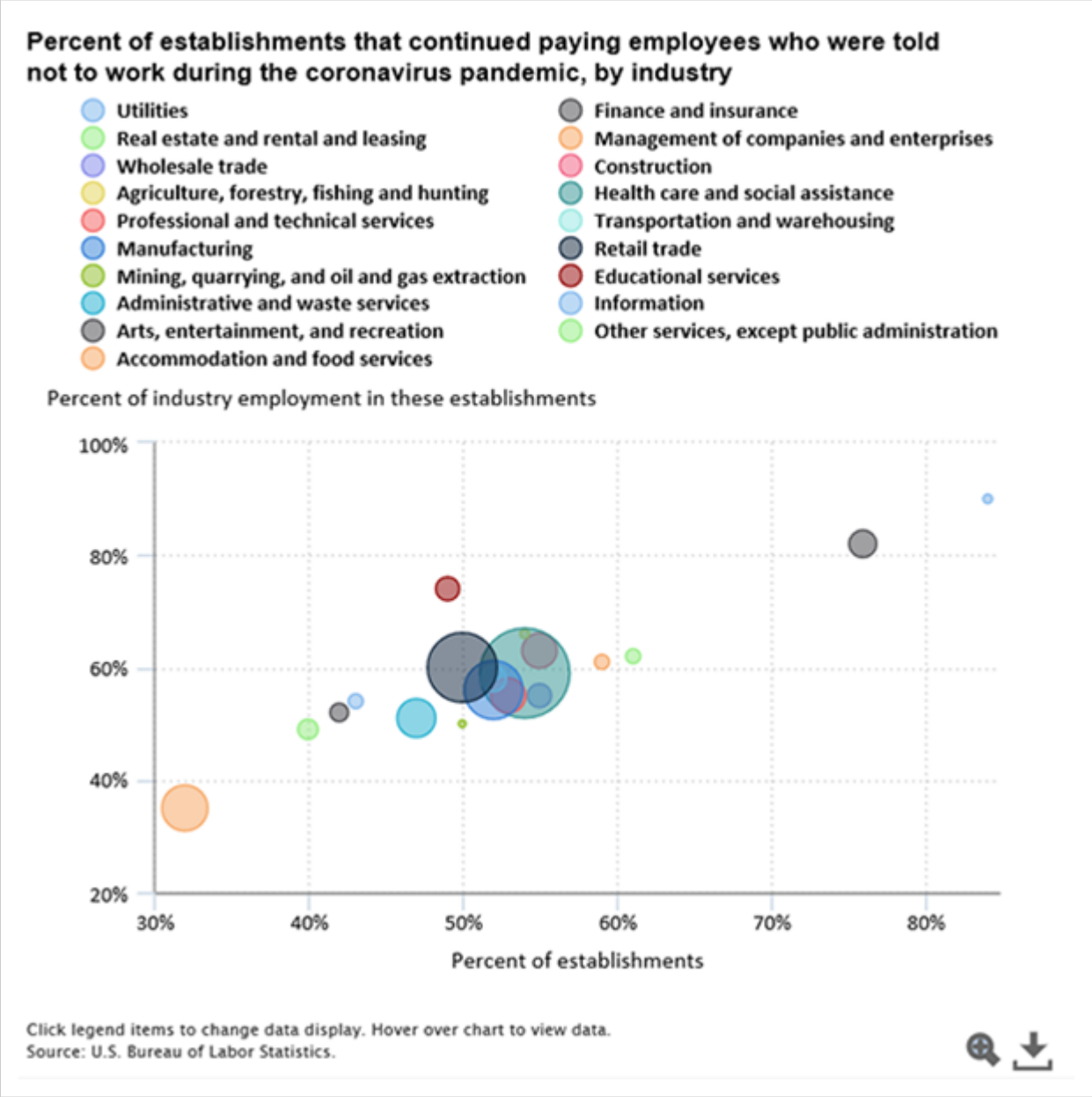
Impact Of The Coronavirus Pandemic On Businesses And Employees By Industry

Sharon Stang

The coronavirus pandemic affected all sectors of the economy in 2020, from movie theaters and nail salons, to warehouses and meat processing facilities. Many businesses across the country saw their supply chains interrupted, demand for their products and services decline, shortages in supplies and inputs, and government-mandated closures. At the same time, the federal government implemented programs designed to help keep employees on payrolls. This Spotlight on Statistics explores the pandemic's impact on private industry businesses and workers. The Business Response Survey to the Coronavirus Pandemic was conducted from July–September 2020.

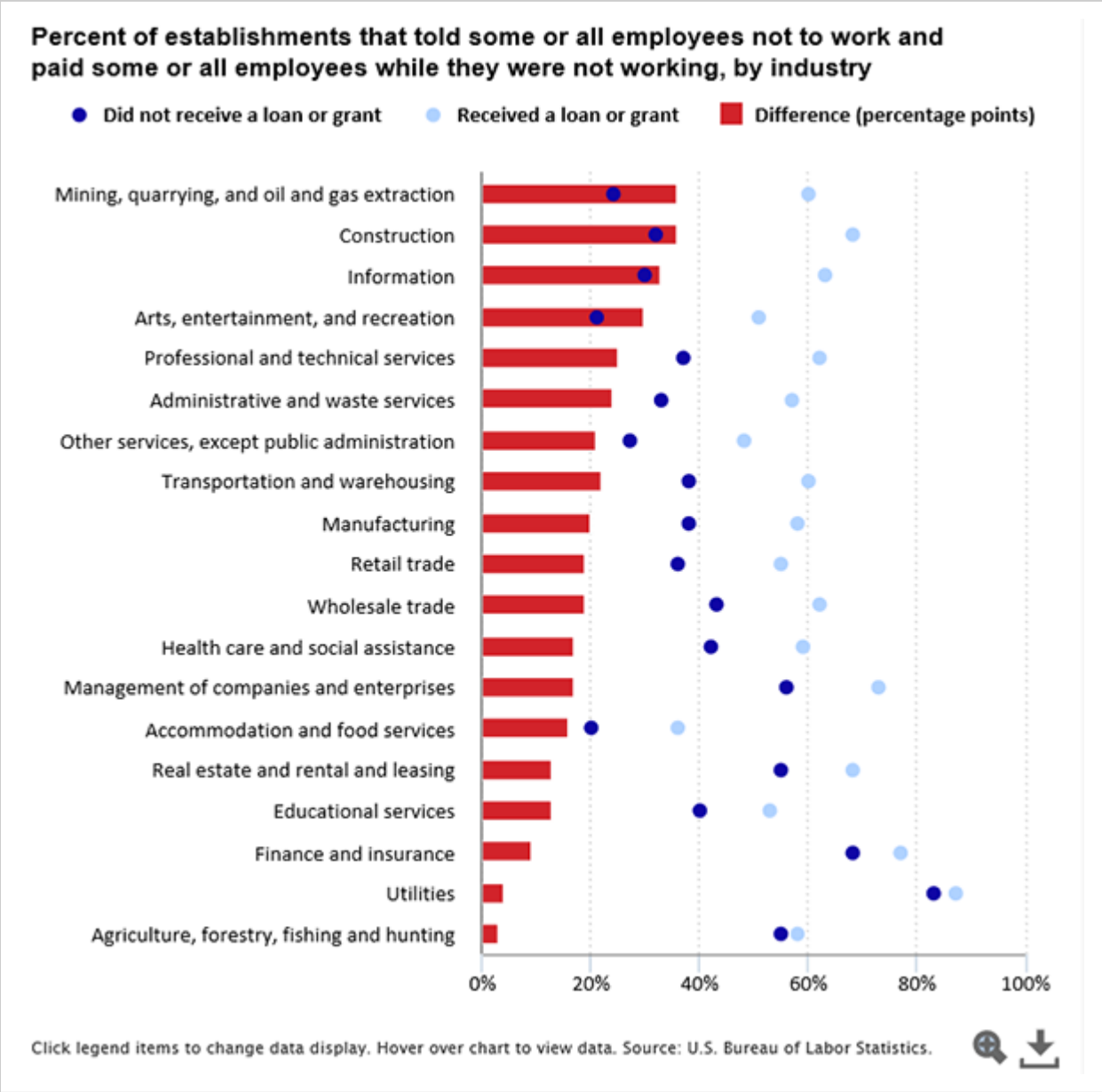
Establishments that continued paying employees told not to work during the pandemic

Seventy-six percent of establishments in finance and insurance, employing over 2 million workers, continued to pay some or all employees that were told not to work. That compares with 32 percent of establishments in accommodation and food services. Fifty-four percent of establishments in health care and social assistance, employing almost 8 million workers, continued to pay some or all employees who were told not to work while they were not working. Overall, about 43.5 million employees worked in establishments that paid at least some workers while they were not working.



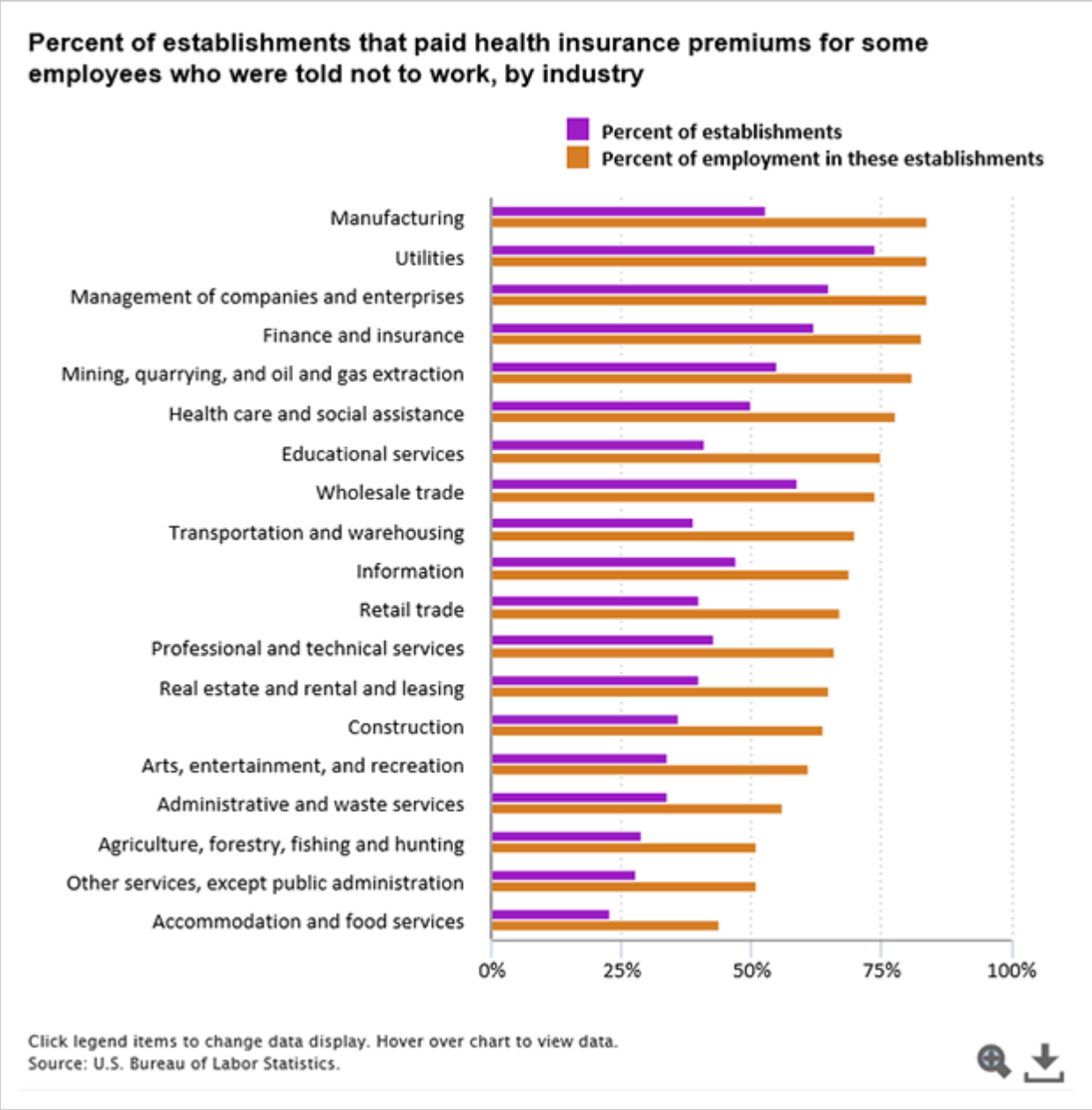
Impact of receiving a coronavirus-related loan or grant on continuing to pay employees

Receiving a loan or grant tied to maintaining or rehiring employees had a positive impact on businesses in every industry. That impact is most noticeable in four industries: mining, quarrying, and oil and gas extraction; construction; information; and arts, entertainment, and recreation. In these industries, 30 percent or more of establishments that received a loan or grant were able to pay some or all employees who were told not to work while they were not working.



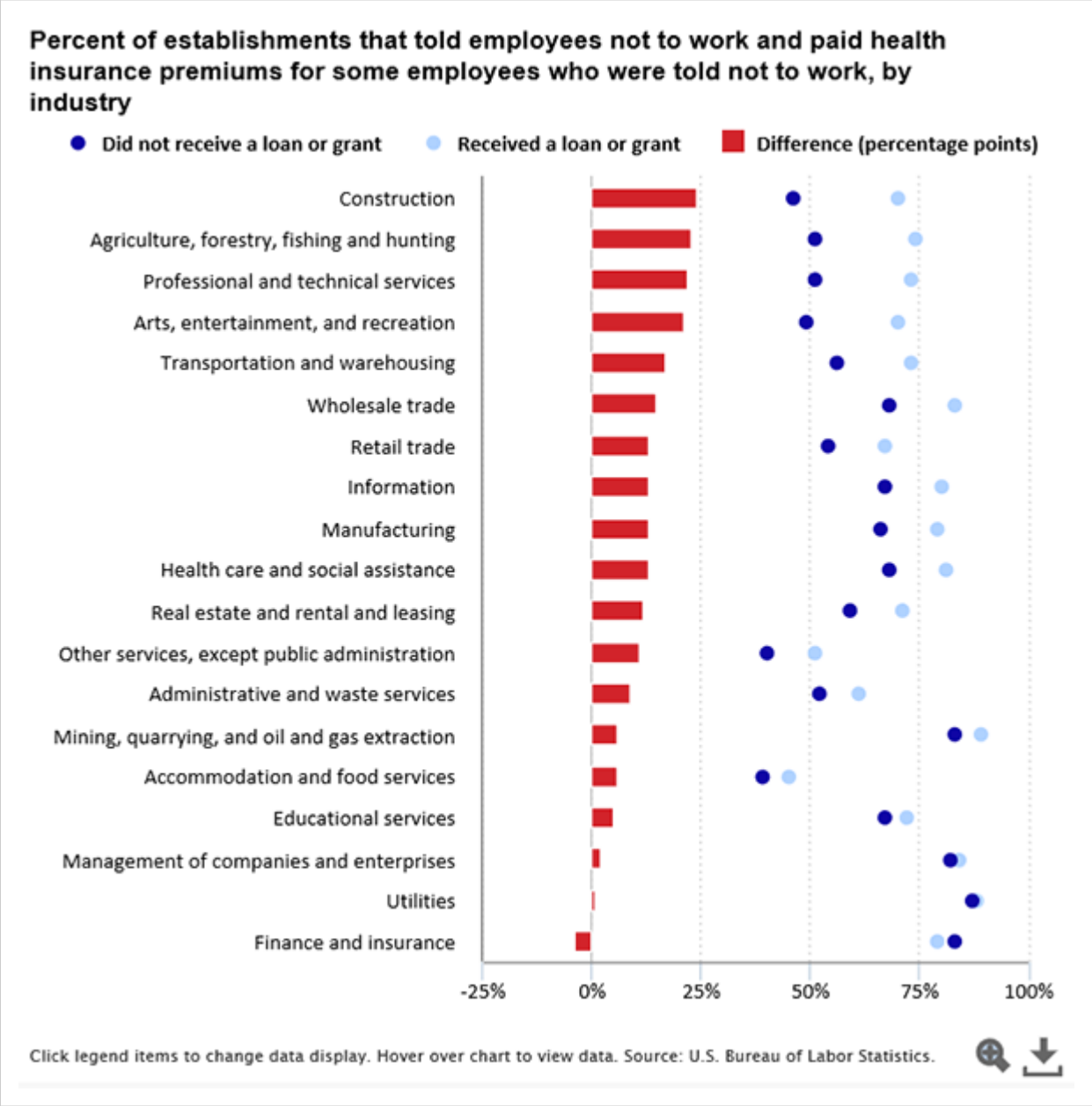
Establishments that continued paying health insurance premiums for employees told not to work

During the pandemic, many businesses were forced to tell employees not to work. Some establishments continued paying the health insurance premiums of their employees while they were not working. This had the greatest impact in manufacturing; utilities; management of companies and enterprises; finance and insurance; and mining, quarrying, and oil and gas extraction. In each of these industries at least 80 percent of the employees worked in establishments that continued to pay health insurance premiums for some or all of their employees while they were not working.



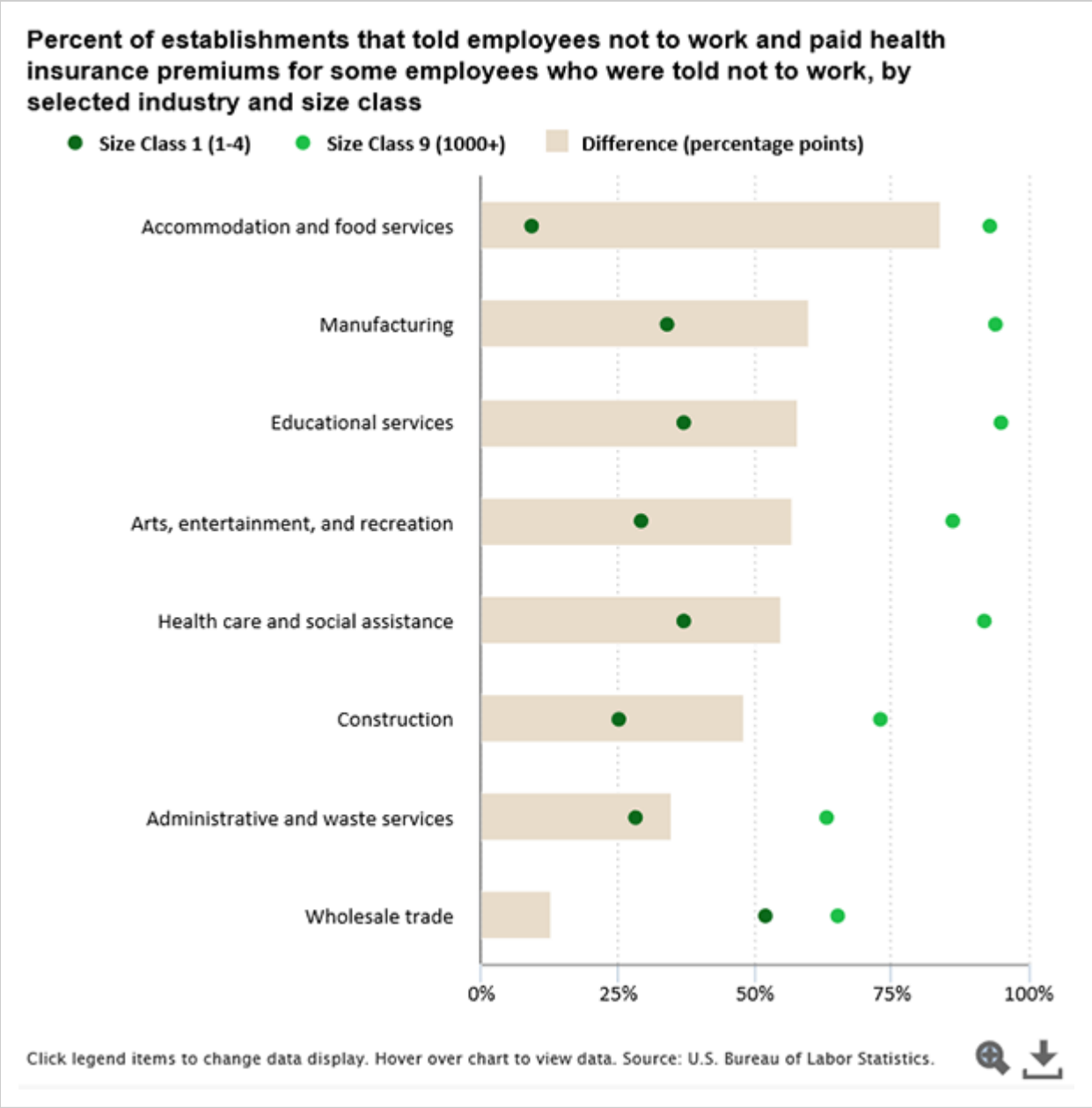
Impact of receiving a coronavirus-related loan or grant on continuing to pay health insurance

For most industries, receiving a coronavirus-related loan or grant had a positive impact on continuing to pay health insurance premiums for employees who were told not to work while they were not working. The most significant impact was seen in construction; agriculture, forestry, fishing and hunting; professional and technical services; and arts, entertainment, and recreation. In these industries, establishments that received a coronavirus-related loan or grant were much more likely to continue paying health insurance premiums for some or all of their employees when they received a coronavirus-related loan or grant than were establishments that did not receive a loan or grant.



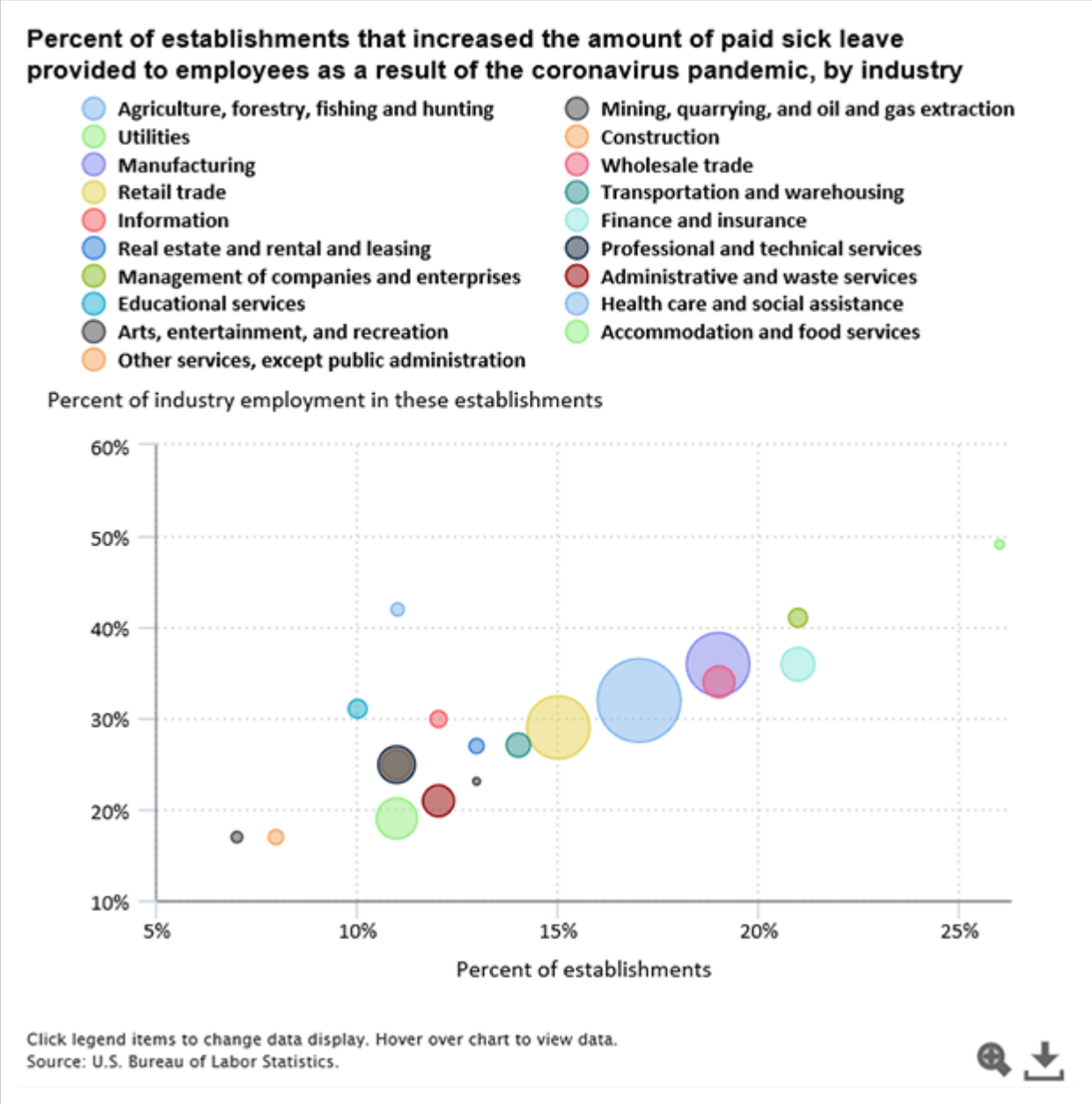
Impact of establishment size on continuing to pay health insurance premiums

Establishment size is a key factor in whether establishments offer health insurance to their employees. It was also a key factor in whether they were able to continue paying health insurance premiums for employees who were told not to work due to the pandemic. The impact of establishment size is most apparent in accommodation and food services. Only 9 percent of establishments in that industry with fewer than 5 employees continued to pay health insurance premiums for some or all of their employees, compared with 93 percent of establishments with more than 1,000 employees. The impact is least apparent in wholesale trade where 52 percent of establishments with fewer than 5 employees and 65 percent of establishments with more than 1,000 employees continued to pay health insurance premiums for some or all of their employees.



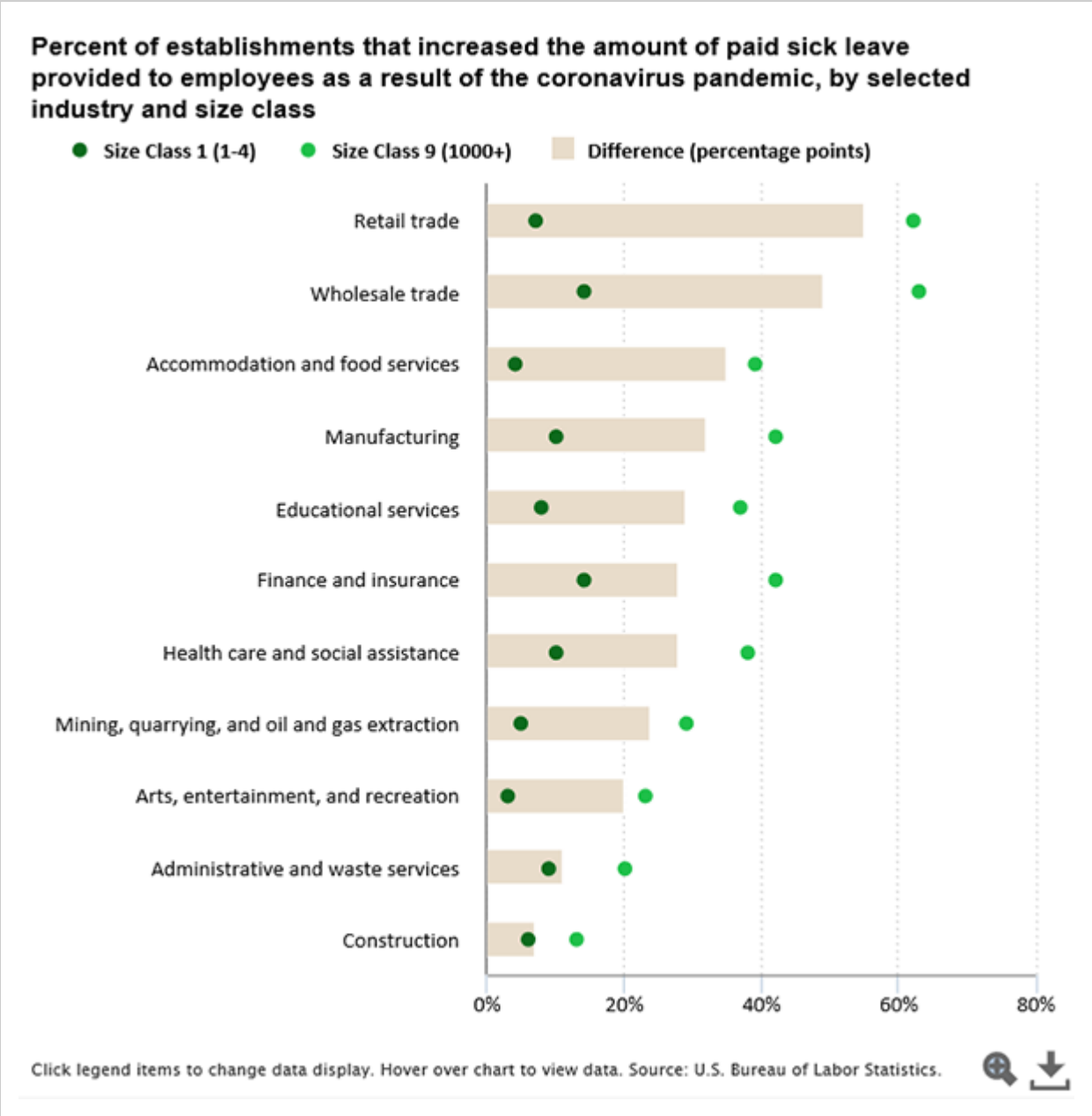
Establishments that increased paid sick leave for their employees due to the coronavirus pandemic

Twenty-six percent of establishments in utilities, employing about 270,000 workers, increased the amount of paid sick leave provided to employees due to the coronavirus pandemic. That compares with 19 percent of establishments in manufacturing employing almost 4.6 million workers that increased paid sick leave for employees.



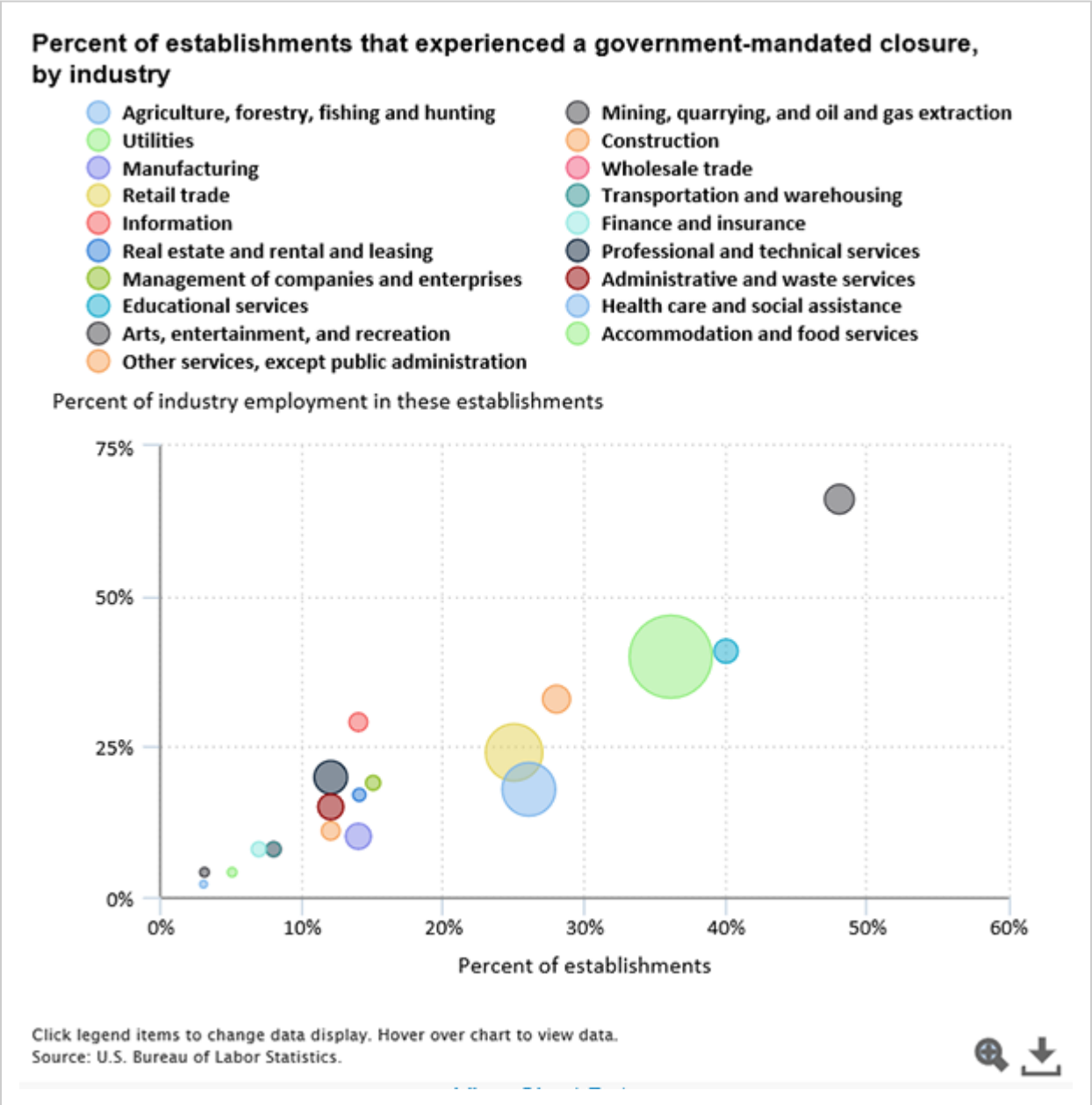
Impact of establishment size on ability to increase paid sick leave

Establishment size is a key factor in whether establishments offer paid sick leave to their employees. It was also a key factor in whether establishments increased the amount of paid sick leave offered to employees during the pandemic. The impact of establishment size is most apparent in retail trade where only 7 percent of establishments with fewer than 5 employees and 62 percent of establishments with more than 1,000 employees increased paid sick leave. The impact is least apparent in construction where 6 percent of establishments with fewer than 5 employees and 13 percent of establishments with more than 1,000 employees increased paid sick leave.



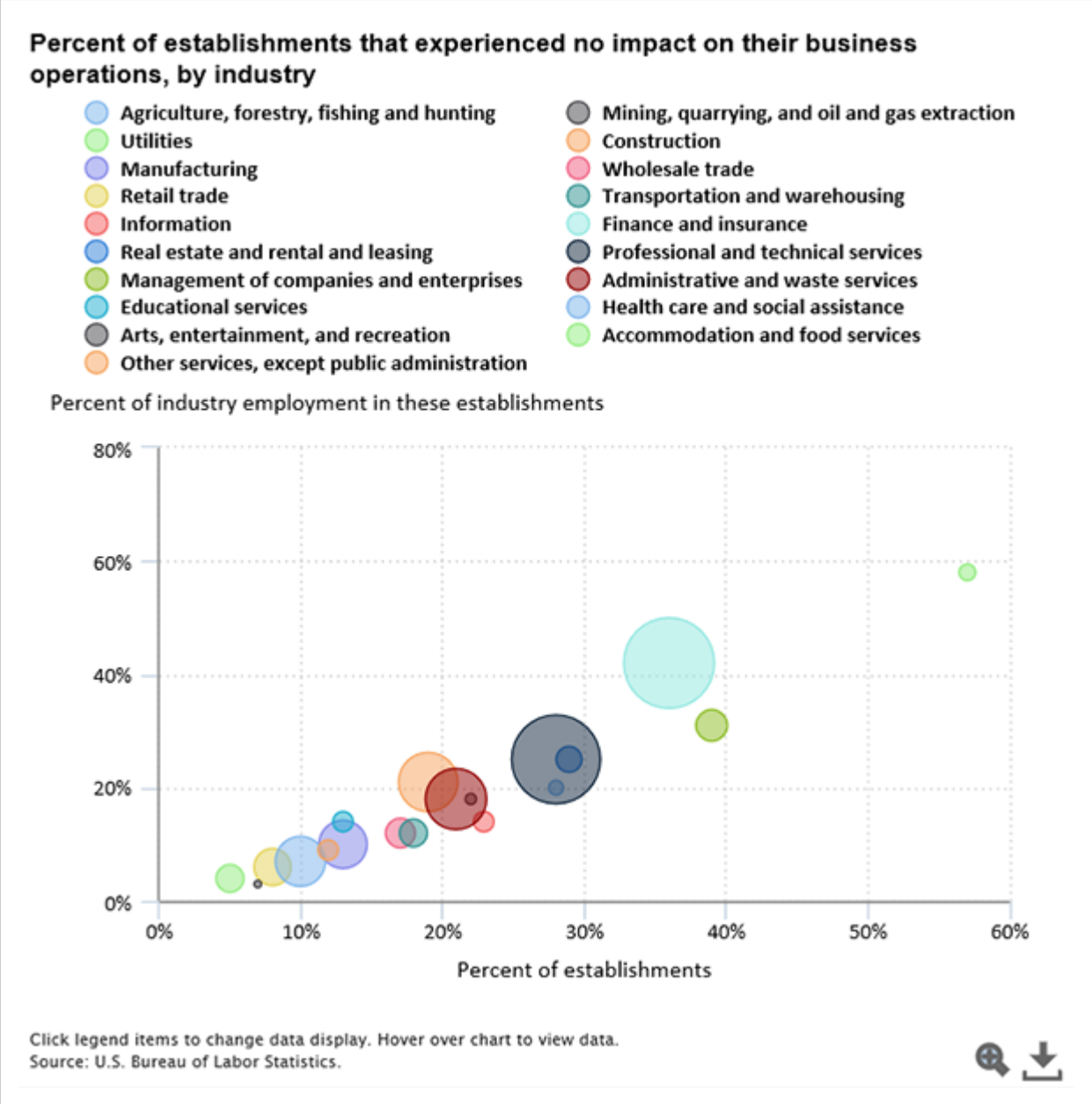
Establishments that experienced a government-mandated closure during the pandemic

Forty-eight percent of establishments in arts, entertainment, and recreation, employing 1.6 million workers, experienced a government-mandated closure during the coronavirus pandemic. This was the highest rate of government-mandated closures of any industry. Thirty-six percent of establishments in accommodation and food services, employing 5.7 million workers, also experienced a government-mandated closure. Only 3 percent of establishments in mining, quarrying, and oil and gas extraction, and agriculture, forestry, fishing and hunting, with combined employment of 45,000 workers, experienced a government-mandated closure during the pandemic.



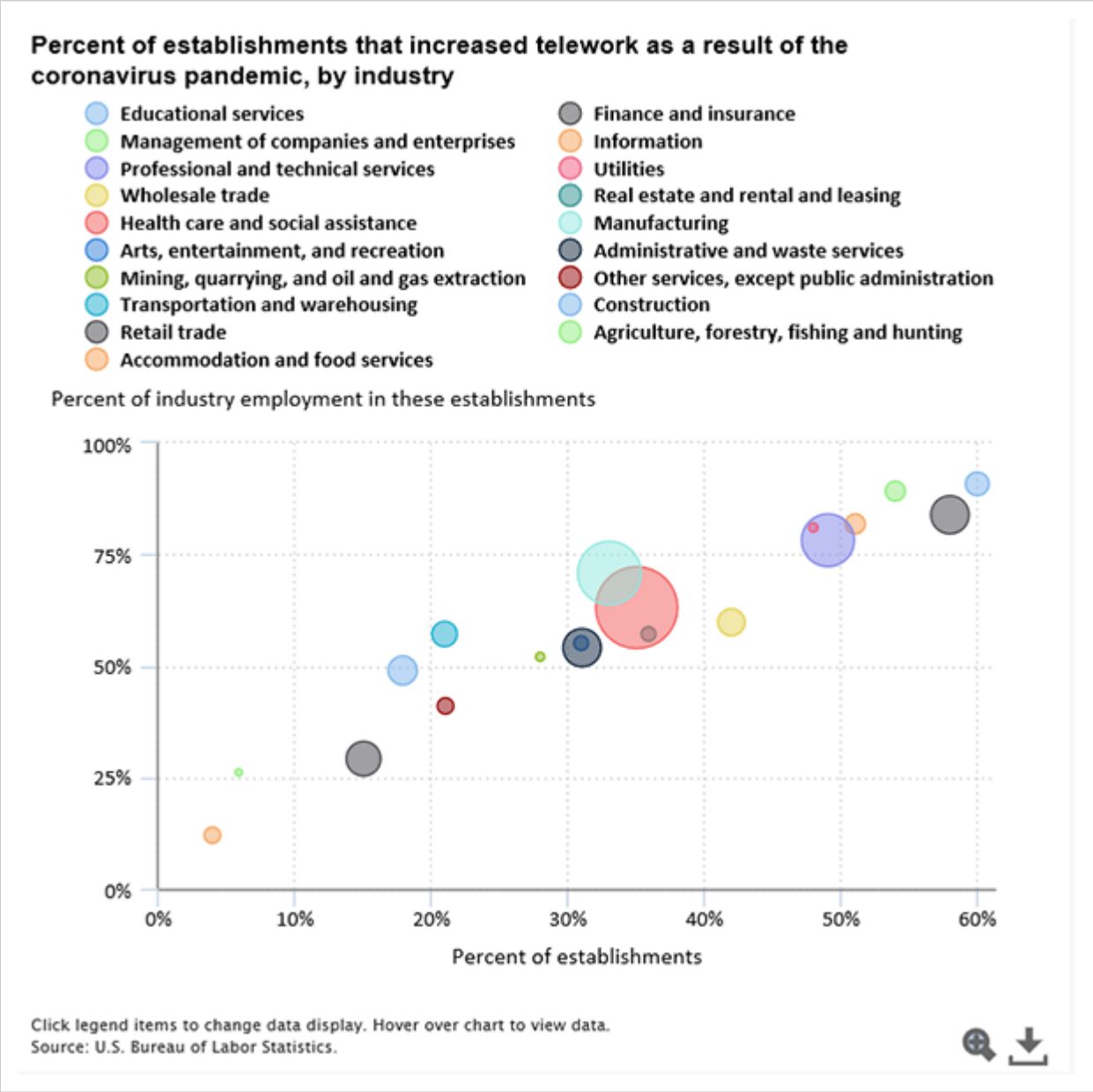
Industries least affected by the pandemic

Fifty-seven percent of establishments in utilities, employing about 316,000 workers, experienced no impacts on their business operations from the coronavirus pandemic. In finance and insurance, 36 percent of establishments, employing 2.5 million workers, experienced no impact on their operations from the coronavirus pandemic.



Industries that increased telework because of the pandemic

All industries increased telework for some or all of their employees due to the coronavirus pandemic. The highest rate was in educational services where 60 percent of establishments, employing 2.7 million workers, increased telework for some or all of their employees due to the coronavirus pandemic. The lowest rate was in accommodation and food services, where 4 percent of establishments, employing 1.6 million workers, increased telework for some or all of their employees.



More information

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Data in this Spotlight come from the Business Response Survey to the Coronavirus Pandemic.