

Timeline

2020

Study Type

Descriptive / Surveillance

Article Link

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3711367

Research Implemented by IPA

No

Great Lockdown vs. Great Recession: Is This Time Different for the Labor Market?

Researchers

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Abstract

The study uses administrative data for 35 million private-sector jobs in Mexico to investigate the differences between the Great Lockdown (GL) and the Great Recession (GR). Using an event-study design, researchers observe that the GL produced more loss of employment than the GR. The researchers then document five heterogeneous facts. First, men and women were similarly affected by each crisis. Second, both recessions impacted the youngest workers (15 to 29 years old), but the GL also negatively impacted those over 60 years. Third, the GR produced more job loss in large companies (over 1000 workers), while the effects of the GL were greatest in small and medium-sized companies. Fourth, in both crises, individuals were most affected at the extremes of the income distribution. Finally, the construction industry was detrimentally affected in both the GL and GR. The hospitality-focused service sector was more impacted in the GL than the GR.

Project Outcomes of Interest

Employment, Labor Market Participation

Key Findings

- Men and women were similarly affected by each crisis.
- Both recessions impacted the youngest workers (15 to 29 years old), but the Great

Lockdown also negatively impacted those over 60 years.

- The Great Recession produced more job loss in large companies (over 1000 workers), while the effects of the Great Lockdown were greatest in small and medium-sized companies.
- In both crises, individuals were most affected at the extremes of the income distribution.
- The construction industry was detrimentally affected in both the Great Lockdown and Great Recession. The hospitality-focused service sector was more impacted in the Great Lockdown than the Great Recession.

Link to Results

[Link to paper](#)

Impact Goals

- Build resilient and adaptable businesses and employment opportunities
- Improve social-safety net responses

Results Status

Results