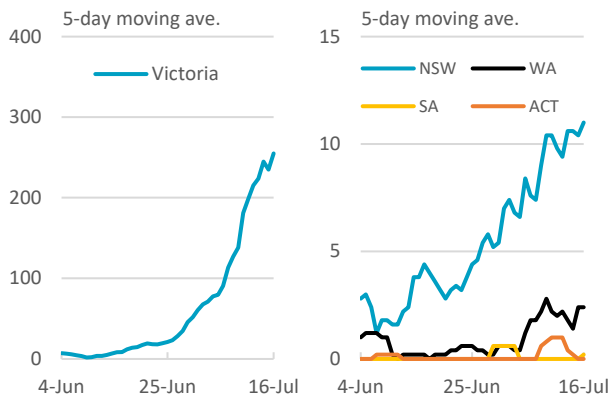


ASFA Economic Snapshot: week ending 17 July

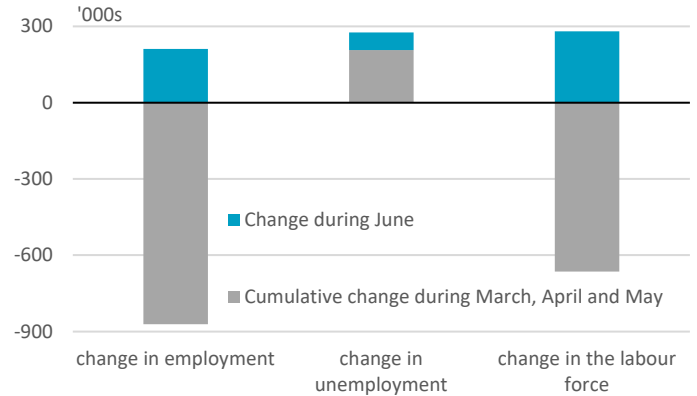
This is a weekly update on the impact of the COVID-19 pandemic on financial and economic conditions, in Australia and globally, and government policy measures to support economic activity and employment.

New cases rise in Victoria, but also in NSW



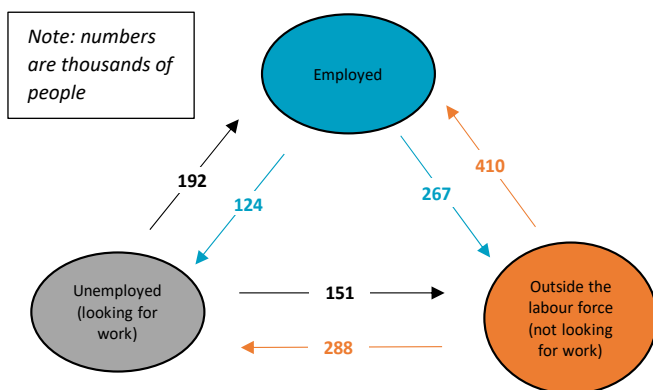
For the 5th week in succession, new cases in Victoria doubled from the previous week as authorities struggle to contain community transmission. In NSW, while growth in new cases has been slower, a number of small local clusters have now emerged. These developments highlight the key challenge for governments: to control virus transmission while supporting a fragile economic recovery.

Total employment increases in June ...



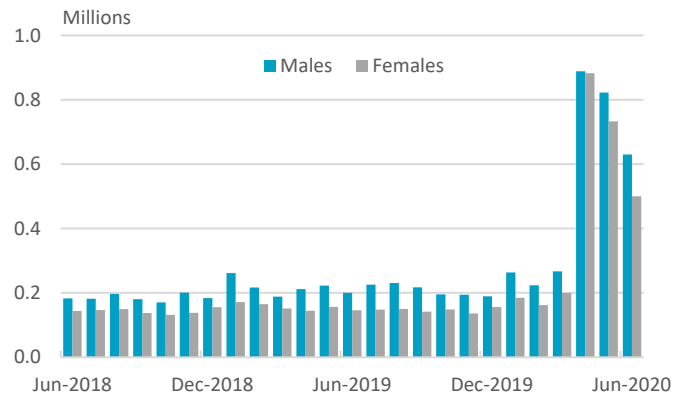
The number of employed people rose by 211,000 in June, following a decrease of 872,000 during the previous 3 months. Despite this increase, the number of unemployed people rose by 69,000 in the month. In broad terms, the increase in employment in June was not sufficient to soak-up the increase in the labour force – which comprises the employed and those looking for work (unemployed).

... people returning to the labour force ...



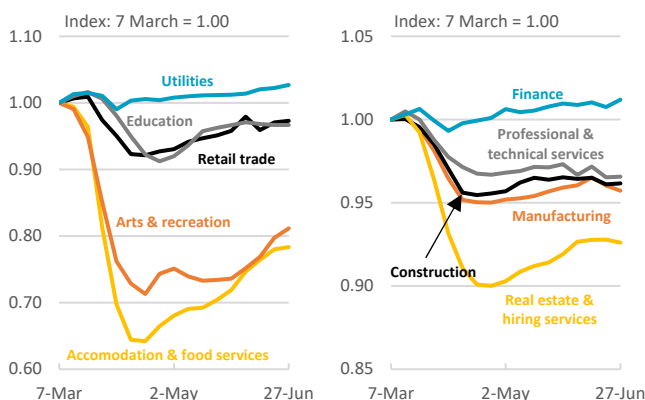
While the previous chart shows net changes in the labour market, this diagram depicts the underlying flows (during June). The orange arrows show the relatively large flows of people who were outside the labour force (not looking for work) in May, but subsequently employed or unemployed (looking for work) in June. In part, this reflects people who had lost their job in March or April returning to the labour force.

... the number of people working reduced hours falls



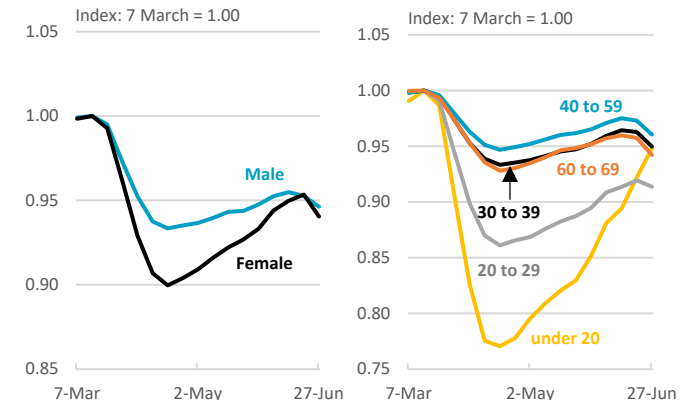
Of the people who were employed during June, around 1.1 million worked less hours than usual. This is about 800,000 million above pre-crisis levels, but well below the April peak (1.8 million people). The improvement in hours-worked has been greater for women than men. This, in part, reflects improvements in conditions in industries in which women are heavily-represented (see Panel 5 below).

Conditions picking-up in hardest hit industries ...



Other data for the number of payroll jobs (for selected sectors) show the continued recovery in job numbers in industries hit hardest by the crisis. Ongoing improvement will depend on whether social restrictions can continue to be eased. A broader recovery in job numbers will be slower and will require ongoing government support.

... and across gender and age cohorts



Data for the number of payroll jobs by gender and age show that the crisis has disproportionately affected women and younger people. The sharp fall in job numbers in March and April, and the subsequent bounce-back, reflects the trajectories for jobs in industries hit hardest (in which women and younger people are heavily-represented).