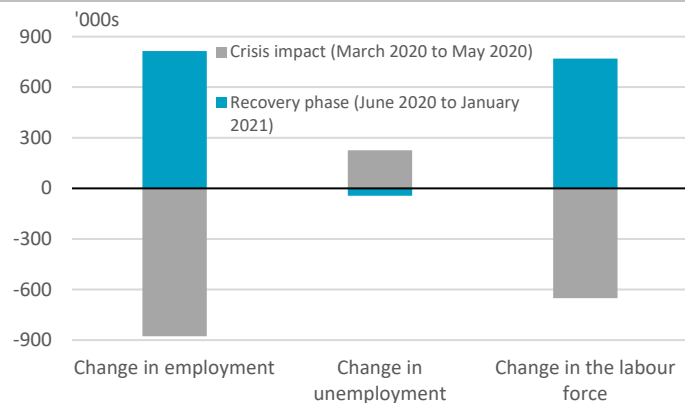


ASFA Economic Snapshot: week ending 19 February 2021

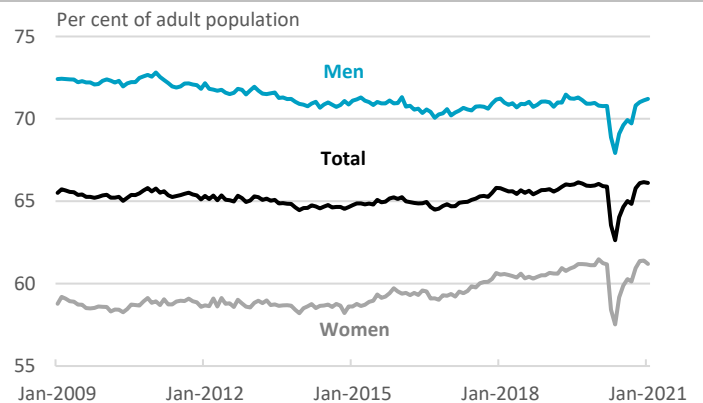
This is a weekly update on the impact of the COVID-19 pandemic on financial and economic conditions, in Australia and globally, and government policy measures to support economic activity and employment.

The labour market recovery continues ...



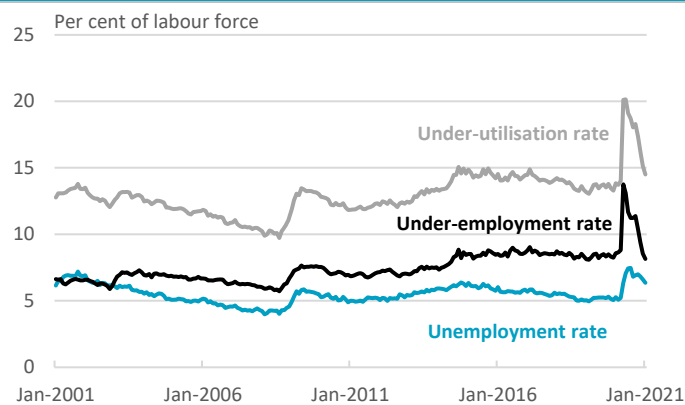
The recovery began in June 2020 (blue bars). Employment has now risen by 810,000, following a fall of 880,000. However, the number of unemployed has fallen only slightly during the recovery, since (in broad terms) the rise in employment has not been sufficient to account for the stronger re-bounce in the labour force (which comprises the employed as well as those looking for work).

... with participation back to pre-crisis levels



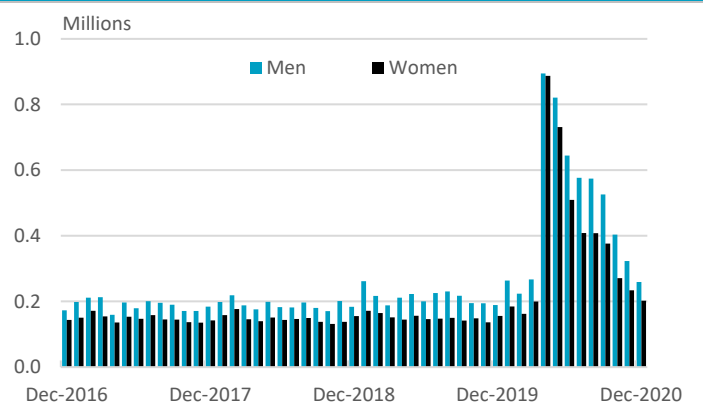
The participation rate is the share of people aged 15 and over who are in the labour force (working or looking for work). The re-bounce in total participation (black line) reflects the labour force outcomes in Panel 1. Rates for both male and female participation are back at around pre-crisis levels – with female participation having fallen by more than male participation in the initial stages of the COVID-19 crisis.

Unemployment remains elevated ...



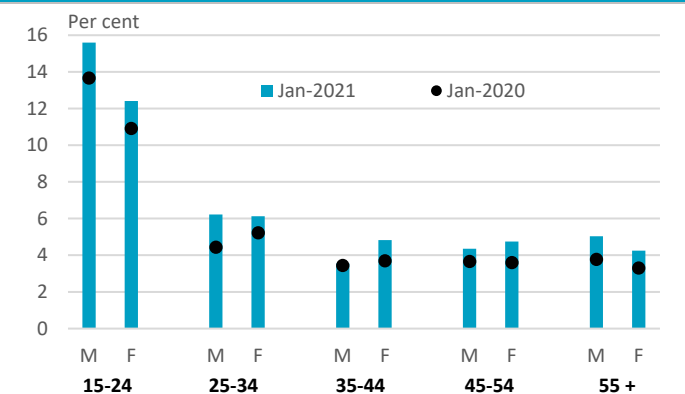
Unemployment comprises people who do not have a job but are looking for work, while under-employment comprises people who do have a job but want to work more hours. Together, the two metrics equal under-utilisation. The under-employment rate has fallen to around pre-crisis levels, while unemployment rate remains elevated – equivalent to around 200,000 more people than before the crisis.

... with spare capacity among current employees low



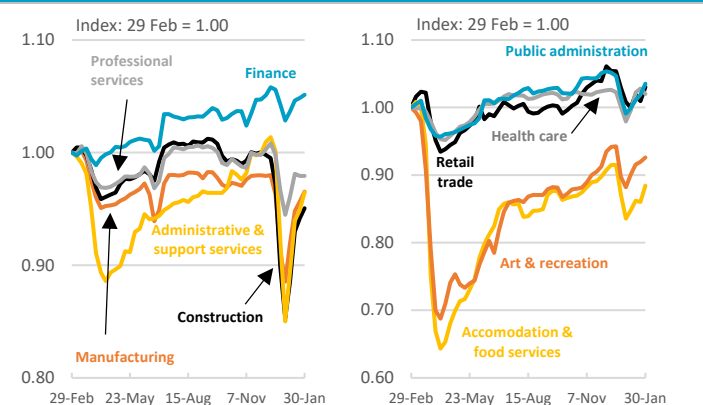
Of the people who were employed during January, around 460,000 worked less hours than usual (due to economic reasons). In terms of spare capacity, this is around 100,000 more than pre-crisis levels – which is equivalent to around 1% of people who are currently employed. The number of workers who are on reduced hours due to the crisis is well down from the peak (around 1.4 million in April 2020).

Younger people most impacted by the crisis ...



This chart shows unemployment rates by sex and age, currently and prior to the crisis. A long-standing feature of the labour market is elevated rates of unemployment among younger people (see January 2020 figures). Younger people also have been disproportionately impacted by the crisis – experiencing the largest increases in rates.

... reflected in job numbers across sectors



Payroll data for the number jobs shows the impact of the crisis and also the more recent holiday period (the latter effect is largest in sectors where paid-leave is less prevalent). The lingering effects of the crisis remain most acute in the tourism and recreation-related sectors – in which younger people have historically been over-represented.