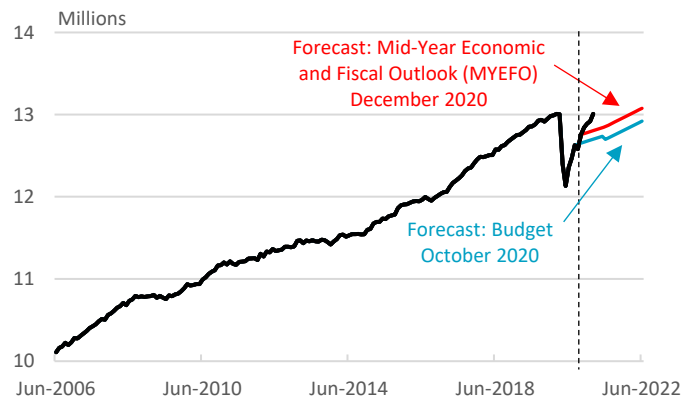


ASFA Economic Snapshot: week ending 19 March 2021

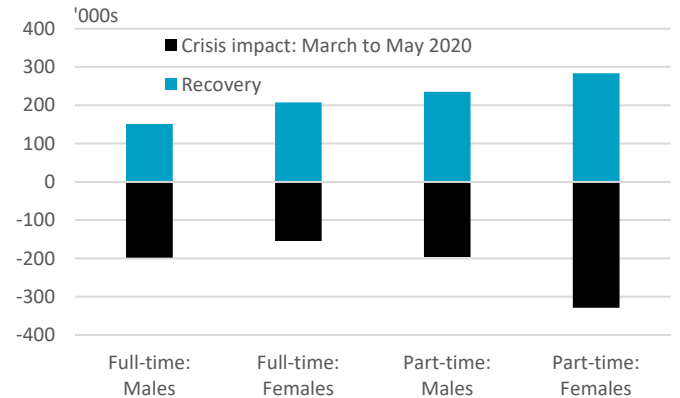
This is a weekly update on the impact of the COVID-19 pandemic on financial and economic conditions, in Australia and globally, and government policy measures to support economic activity and employment.

Employment is recovering faster than expected ...



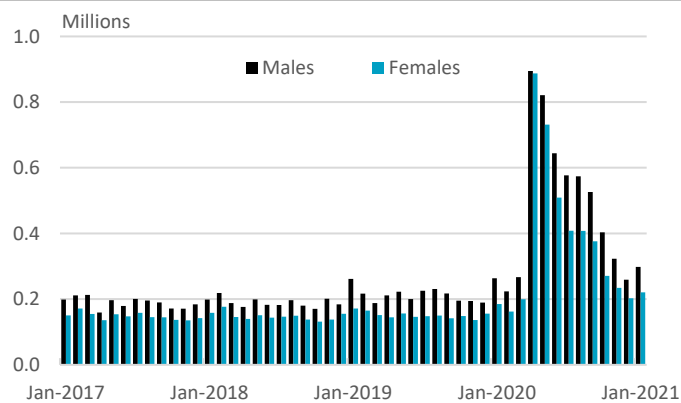
Employment has hit pre-crisis levels. The recovery is ahead of that implied by the government's most recent forecasts in December 2020 (red), which was an upgrade from the preceding forecasts in October (blue). That said, it is likely that the end of the government's JobKeeper program (on 28 March) will lead to a softening of employment growth.

... with full-time employment bouncing back



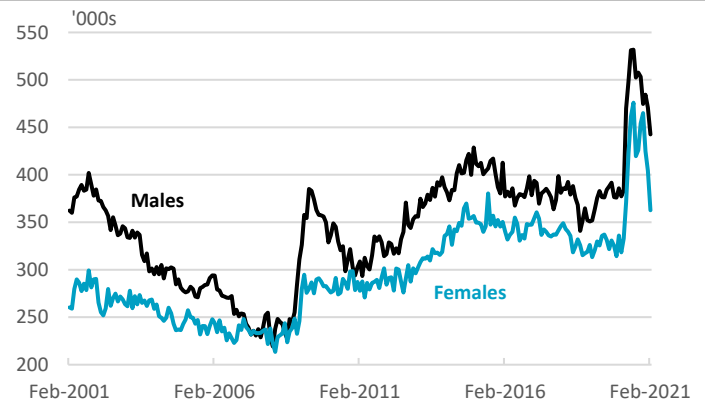
This chart shows the drop in employment during the initial crisis period (black) and the subsequent recovery (blue). Job losses were particularly severe among women working part-time. An encouraging feature of the recovery has been the bounce-back in (total) full-time jobs, rather than a shift to greater part-time employment.

Hours-worked by those working near pre-crisis levels ...



Of the people who were employed during January, around 520,000 worked less hours than usual due to economic reasons. In terms of spare capacity, this is around 150,000 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).

... and the number of unemployed is falling ...



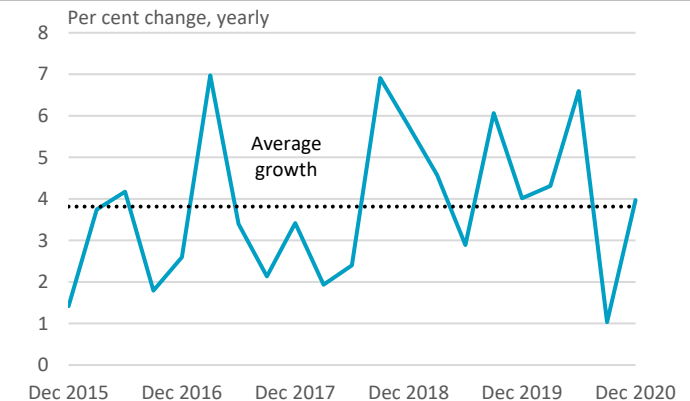
Unemployed people are those who do not have a job but are looking for work. The total number of unemployed people is now only 110,000 higher than prior to the crisis, with the gap slightly greater for men (65,000) than for women (45,000). Another positive indicator of the recovery's strength is that 72% of the unemployed are seeking full-time work – only slightly higher than the pre-crisis average of 70%.

... so rates of utilisation are improving



While unemployment comprises people who do not have a job but are seeking work, under-employment comprises those who do have a job but want more hours. Together, the two metrics equal under-utilisation. The under-employment rate (as a share of the labour force) is now 8.5%, which is around pre-crisis levels. The unemployment rate fell from 6.3 to 5.8% in February (prior to the crisis the rate was 5.1%).

Super contributions rebound



This chart shows annual growth in employer superannuation contributions (includes SG and salary sacrifice contributions). For the year to the September quarter, contributions growth dropped sharply – which coincided with the drop in employment. Growth has since rebounded in line with the labour market recovery. Indeed, growth for the year to the December quarter was equal to the 5-year average.