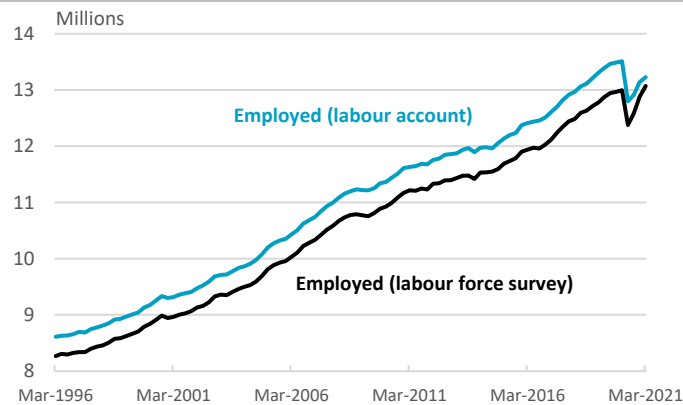


ASFA Economic Snapshot: week ending 11 June

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 number of employed people is rising ...



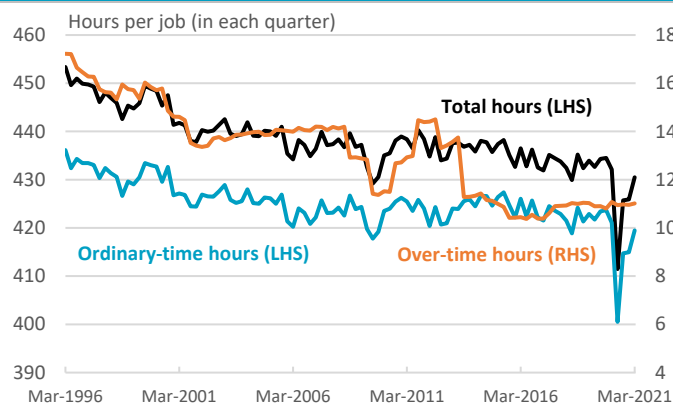
The ABS Labour Account (LA) gives a broader picture of employment than the Labour Force Survey (LFS) – notably, the LA includes non-residents.* The crisis saw many non-residents return to home countries. As such, while LFS employment exceeds pre-crisis levels, LA employment is lower. More broadly, less non-residents suggests the labour market is tightening sooner than otherwise would be the case.

... and more people are working multiple jobs



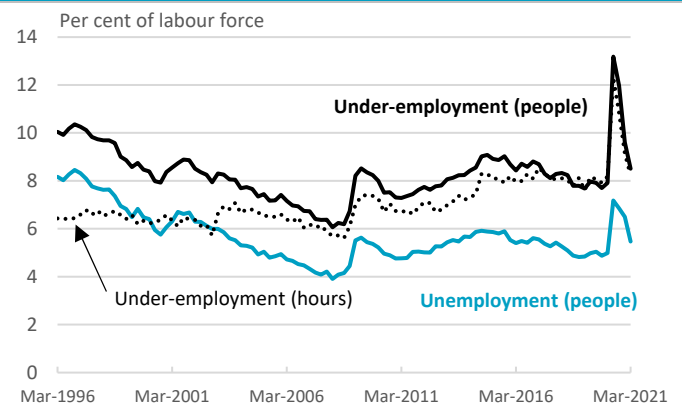
While Panel 1 shows the total number of employed people (which includes both employees and the self-employed), this chart shows the percentage of employed people who have more than one job. During the crisis, as firms' demand for labour fell, the percentage of employed people with multiple jobs fell sharply. However, the post-crisis recovery has seen this percentage reach new record-high rates.

Average hours worked near pre-crisis levels ...



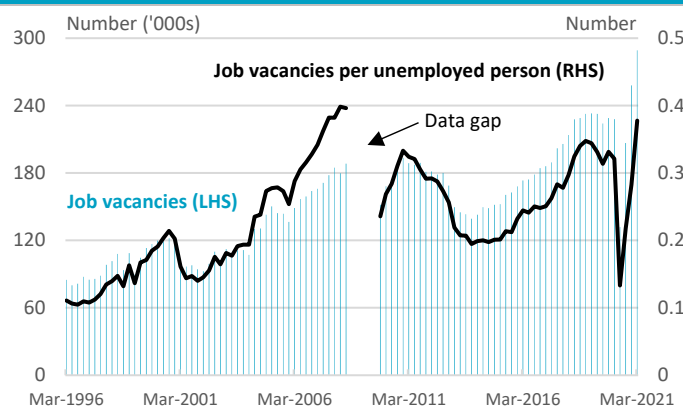
Average hours worked per job (per quarter), is almost back to pre-crisis levels. During the crisis, employers reduced employee hours – JobKeeper incentivised firms to cut hours rather than shed jobs. In trend terms, average hours have been declining. This, in part, reflects the shift from full to part-time work arrangements, notwithstanding that a large proportion of workers want to work more hours (Panel 4).

... but slack in the labour market remains



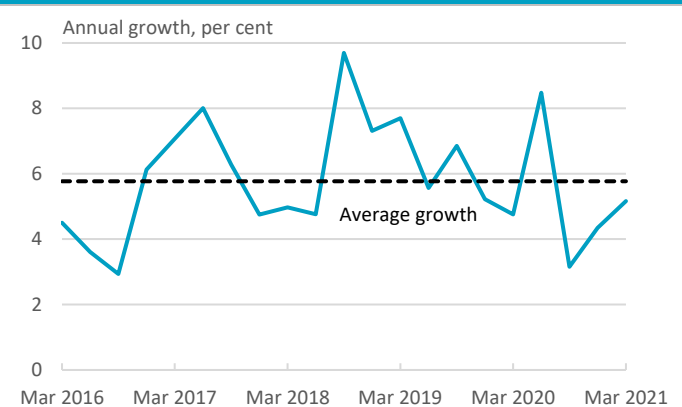
Unemployment comprises people who don't have a job but are seeking work, while under-employment comprises those who have a job but want more hours. Under-employment (people and hours) is now just shy of pre-crisis rates, however spare capacity remains high – under-employment (for people) averaged 6.4% in the 1990s. An ongoing sustained economic recovery will help reduce rates further.

Employment prospects are improving



This chart is a simple representation of the labour market. The black line is the number of job vacancies for each unemployed person. Post-crisis, the number of vacancies per unemployed person has risen sharply – an indication of a healthier labour market with improving employment prospects, in terms of both people and hours worked.

SG contributions are picking-up



This chart shows annual growth in compulsory super contributions. For the year to the September quarter 2020, 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 March quarter 2021 was near the 5-year average.

Sources for each panel: (1 to 5) ABS, *Labour Account*, March 2021; ABS, *Labour Force Survey*, April 2021 and ASFA calculations; (6) APRA, *Quarterly Superannuation Performance Statistics*, March 2021. * The Labour Account also includes people who are aged less than 15, and defence force personnel.