Risks that matter 2020: The long reach of COVID-19

28 April 2021

The COVID-19 pandemic has been a global health tragedy. Yet as the world inches towards the end of the health crisis, another injury threatens to leave a more enduring scar: that of entrenched economic insecurity. The 2020 round of the OECD Risks that Matter survey presents a stark picture of economic disruption and rising worries about health and financial security across 25 OECD countries. Despite massive government investments in social protection during the pandemic, people in most OECD countries are looking for more public support to lift them out of the crisis – and many report a willingness to pay more in taxes in order to fund better health, pensions, employment and long-term care programmes.

Key findings

- Insecurity runs deep during the COVID-19 crisis. More than one-third of all respondents (37%) to the 2020 OECD Risks that Matter (RTM) survey say that their household has experienced at least one job-related disruption in the form of a job loss, a job lay-off, the use of a job retention scheme, a reduction in work hours, and/or a pay cut, on average, across the 25 countries surveyed. Job disruptions were relatively worse among youths and parents with children at home. When paid leave, unpaid leave and resignations are included, the total rises to 44.2%
- Among households that lost a job during the pandemic, 68% had trouble paying bills.
- COVID-19 is driving worries about finances. An overwhelming 81% of respondents whose household lost a job say that they are somewhat or very concerned about their household's overall financial, social and economic well-being in the next year or two. Even among those not reporting outright job loss in the household, 65% say that they are somewhat or very concerned about their social and economic security in the next couple of years.
- More than 60% of people whose household lost a job since the start of the crisis report that they are worried about having the right skills and knowledge to work in a secure and well-paid job a decade from now – about 10 percentage points higher than the share among those reporting no household job loss.
- Households that lost jobs since the start of the COVID-19 crisis show a stronger willingness to pay more in taxes to receive better social protection. There is especially strong support in the job loss group for better investments in employment supports (e.g. job search services, skills training, access to entrepreneurial funds), unemployment supports, and income supports like minimum income benefits
- Despite the massive expansion of social protection systems in OECD countries during the crisis, there is widespread agreement that governments should nevertheless do more to ensure economic and social security and address gaps in social protection. In most countries, as expected, the most economically-insecure respondents were more likely to call for greater government intervention.
- Similar to the 2018 survey, respondents are most worried about their health, making ends meet, and having financial security to retire. RTM 2020 also finds that a larger share than before are worried about securing good-quality long-term care for themselves or for their elderly family members – possibly reflecting concerns about family members' health in long-term care facilities during the pandemic.

The COVID-19 pandemic has been a global health tragedy. By the mid-April 2021, nearly 2.9 million lives had been lost worldwide. Millions more have suffered physically and mentally from this illness.

As the distribution of vaccines proceeds and the end of the pandemic comes into view, another injury threatens to leave a more enduring scar: that of persistent economic insecurity. The pandemic has caused tremendous job losses, reduced incomes, stalled many children's learning, and disrupted economic growth. It has strained households from all walks of life, in different ways. The economic and social repercussions may last for decades.

The 2020 OECD Risks that Matter survey has taken the pulse of people's economic health in OECD countries. In line with the 2018 round of the survey, Risks that Matter (RTM) 2020 helps us understand people's perceptions of the risks they face and how well they feel government addresses these risks. In 2020, however, these issues took on an even more urgent tone.

Responses to RTM present a stark picture of economic insecurity across 25 OECD countries. More than four out of ten respondents (44.3%) say that their household experienced a job-related disruption as a result of COVID-19. Since the start of the pandemic, around 10% of all respondents, across countries, report that their household has been unable to pay a usual expense like rent, a mortgage, a utility bill, or a credit card bill. 17.8% say they took money out of savings or sold assets to pay for usual expenses, while 9% borrowed money from friends or family. Households with young adults and parents with children under age 18 were disproportionately affected.

Perhaps unsurprisingly, both the people who kept their jobs *and* those who lost them during the COVID crisis are worried about their health and economic security. But the group who lost income has stronger concerns about everyday financial issues: how to make ends meet, getting or maintaining a good job, ensuring financial security in old age, affording decent housing, and making sure that they have the skills necessary to compete in the labour market. In response to these high levels of insecurity, a broad majority of RTM respondents think governments should be doing more to improve their economic and social security. And those who suffered economically during the crisis are, understandably, demanding more in terms of employment services and unemployment insurance.

Since the start of the pandemic and the associated economic crisis, OECD governments have taken bold steps to strengthen and enhance social protection systems. As governments continue to develop their social and economic response to the COVID crisis, however, groups experiencing high levels of economic insecurity deserve particular attention. Governments must focus even more on these historic insecurities – or risk leaving vulnerable people behind for decades to come.

A pandemic of economic insecurity

COVID-19 has brought about the worst economic crisis since the Great Depression, with dramatic effects on the economy and society (OECD, 2020[1]). The economic disruption is clearly illustrated by widespread job losses, massive reductions in work hours, and pay cuts (OECD, 2020[1]), which, as RTM illustrates, have made it much harder for households to pay even their usual bills.

Taking into account both the stark drop in employment and the reduction in hours worked by people who remained in the labour market, the negative impact of COVID-19 on total hours worked in spring 2020 was ten times greater than that observed in the first few months of the 2008 global financial crisis (OECD, 2020[1]). This reflects the fact that many OECD countries put entire sectors of their economy on hold to try to limit the spread of the virus.

By the third quarter of 2020, when the RTM survey ran in 25 OECD countries, the OECD area employment rate was 66.7%.[1] This is an improvement on the second quarter, when employment dropped to 64.8%, but still well below the 2020 first quarter employment rate of 68.6%, before the pandemic hit most countries.

Governments, in turn, have applied a range of bold policy responses to limit the disruption, with varying degrees of effectiveness (OECD, 2020[2]; OECD, 2020[3]; OECD, 2020[4]).

It is against this backdrop that RTM 2020 shines a light on the everyday challenges people are facing today in OECD countries. RTM is an attitudinal survey assessing perceptions of economic risk and government effectiveness in providing social protection, and these descriptive results on the experience of economic

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[1] Employment rates come from the OECD Short-Term Labour Market Statistics and refer to 15- to 64-year-olds. Estimates for Q2 and Q3 2020 exclude Mexico. Further information on cross-national comparability challenges in employment rates during the pandemic can be found in the note “Employment and unemployment statistics during the COVID-19 pandemic”, published by the OECD Statistics and Data Directorate.

insecurity during COVID correspond closely with labour force survey research on the crisis. RTM illustrates how a range of job disruptions have left many people in OECD countries struggling to make ends meet.

Job losses and pay cuts are widespread

On average, more than one in ten respondents (11.8%) to RTM 2020 worldwide report that either they or a household member have lost their job or their own business since the start of the crisis (Figure 1). In Chile, Mexico and Turkey, the share reporting job loss in the household reaches a quarter of the sample or more.

However, *outright* job loss represents only a small portion of the total job-related disruption caused by COVID-19. OECD governments have introduced a range of public measures aimed at preserving jobs during the lockdowns or strict confinement periods, when many activities were reduced dramatically if not halted altogether. These measures took the form of short-time work schemes or wage subsidies aimed at reducing labour costs, preventing a surge in unemployment, and mitigating financial hardship by supporting the income of people working reduced hours (though usually below a 100% income replacement rate). By May 2020, job retention (JR) schemes supported about 50 million jobs across many OECD countries – about ten times as many as during the global financial crisis in 2008-09 (OECD, 2020[2]). Social partners have at times co-operated to negotiate arrangements around JR schemes to prevent outright job losses, including via reduced working hours (OECD, 2020[3]).

Nevertheless, even with these supports in place, a high degree of income disruption occurred.

Since the start of the crisis, more than one-third (37.3%) of all respondents to RTM 2020 say that either they or a household member have experienced *at least one* job-related disruption in the form of a job loss, a job lay-off, the use of a job-retention scheme, a working hours reduction, and/or pay cut, on average, across countries.

Box 1. About the OECD Risks that Matter Survey

The OECD Risks that Matter (RTM) survey is a cross-national survey examining people's perceptions of the social and economic risks they face and how well they think their government addresses those risks. The survey was conducted for the first time in two waves in 2018. The 2020 survey, conducted in September-October 2020, draws on a representative sample of over 25 000 people aged 18 to 64 years old in the 25 OECD countries that agreed to participate: Austria, Belgium, Canada, Chile, Denmark, Estonia, Finland, France, Germany, Greece, Ireland, Israel, Italy, Korea, Lithuania, Mexico, the Netherlands, Norway, Poland, Portugal, Slovenia, Spain, Switzerland, Turkey and the United States. Respondents were asked about their social and economic concerns, how well they think government responds to their needs and expectations, and what policies they would like to see in the future.

The aim of the survey is to understand better what citizens want and need from social policy. Standard data sources, such as administrative records and labour force surveys, provide traditional data on issues such as where and how much people work, how much they earn, their health status, whether or not they are in education, and even, in the case of time-use surveys, how much they sleep and how they choose to spend their free time. These traditional surveys have proved invaluable for social policy research and have helped shape social programmes for decades. Yet, as highlighted in recent work (Stiglitz, Fitoussi and Durand, 2018[9]), these traditional data sources rarely illuminate people's concerns, perceived vulnerabilities and preferences, especially with regard to government policy. Existing cross-national surveys in this area (such as certain rounds of the International Social Survey Programme or the European Commission's Eurobarometer survey) are conducted infrequently and/or only in specific regions. The OECD Risks That Matter survey fills this gap – it complements existing data sources by providing comparable OECD-wide information on people's opinions about social risks and social policies.

The survey questionnaire was developed in consultation with OECD member countries. RTM principally covers 1) risk perceptions and the social and economic challenges facing respondents and their households; 2) satisfaction with social protection and government; and 3) desired policies, or preferences for social protection going forward. The 2020 survey questionnaire has added subsections on experiences during COVID-19, the future of work, and inequality. Most questions are structured as fixed-response, taking the form of either binary-response or scale-response. The questionnaire is conducted in national languages.

RTM is implemented online using samples recruited via the internet and over the phone by Respondi Ltd. Respondents are paid a nominal sum (around EUR 1 or EUR 2 per survey). Sampling is conducted through quotas, with sex, age group, education level, income level, and employment status (in the last quarter of 2019) used as the sampling criteria. Survey weights are used to correct for any under- or over-representation based on these five criteria. The target and weighted sample is 1 000 respondents per country. While COVID-19 infection was not used as a quota target, Secretariat analyses show a strong and statistically significant relationship cross-nationally between self-reported COVID-19 infection rates in RTM and epidemiological data from October 2020.

RTM is overseen by the OECD Employment, Labour and Social Affairs Committee. Core financial support for the survey was provided by OECD member countries' voluntary contributions and the OECD Secretariat. Researchers at the University of Lausanne and the University of Konstanz also contributed to support subsections of the survey.

Many households experienced more than one type of job disruption. Respondents reported the following rates of job disruptions to themselves or their households (respondents were allowed to select more than one response):

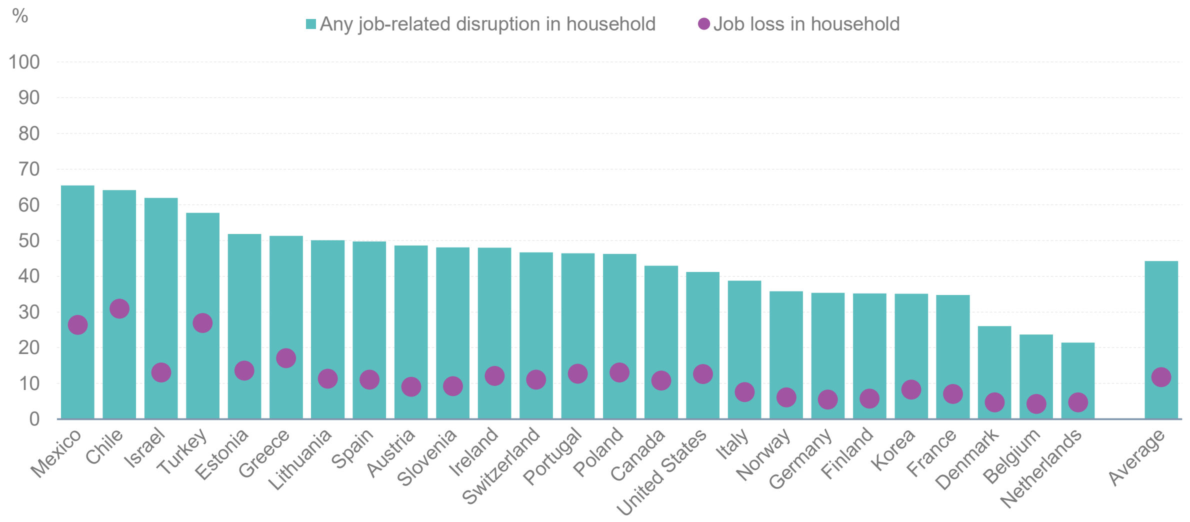
- Were laid off temporarily or placed on a job retention scheme (9.9%)
- Had working hours reduced or were placed on a part-time job retention scheme (13.2%)
- Had pay reduced by employer or lost income from own business (16.8%)

Additionally, 12.3% of respondents report that they (or a member of their household) have taken paid or unpaid leave from work, and 3.7% resigned from their job.

When these leaving-takings and resignations are included, a total of 44.2% of respondents have experienced some kind of job-related disruption in their household due to COVID, on average, across countries (Figure 1). In Chile and Mexico, this total rises to 64-65% of respondents.

Figure 1. Almost half of all households have suffered some form of job-related disruption

Percent of respondents reporting that either they or a member of their household have/has lost a job (including self-employment/own business), and percent reporting any form of job-related disruption in the household, since the start of the COVID-19 pandemic, 2020



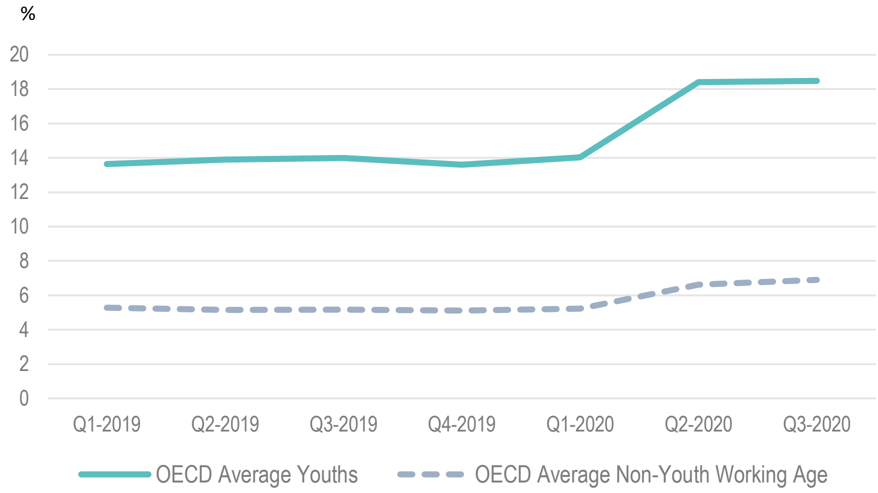
Note: Respondents were asked whether, at any time since the start of the COVID-19 pandemic, they (or any member of their household) had experienced one or more of a range of specific employment-related events. The options were: lost job, lost self-employed job, or lost own business; laid off temporarily or place on a job retention scheme; had working hours reduced or place on a part-time job retention scheme; had pay reduced by employer or lost income form self-employed job or own business; took leave from work (paid or unpaid); resigned from job. Respondents could select all the options that applied; percentages present the share of respondents who selected at least one.
Source: OECD Secretariat estimates based on the OECD Risks That Matter 2020 survey, forthcoming at http://oe.cd/RTM.

The outright job loss results in Figure 1 reflect, in part, the social protection measures in place in OECD countries. Countries where respondents have experienced the lowest degree of outright job loss – such as Belgium, Denmark, Finland, Germany, the Netherlands, and Norway – are also countries where job retention schemes existed prior to the start of the pandemic and likely provided relatively better cushioning for those at risk of unemployment (OECD, 2020[2]). Most of these countries increased access, coverage, and benefit generosity of JR schemes in response to the pandemic, even if take-up rates varied. In contrast, in Chile, for example, the job retention scheme has taken the form of income support that is financed out of individual savings accounts for unemployment insurance of workers, and Mexico does not have a JR scheme in place (*Employment Outlook 2021* (OECD, forthcoming)). High rates of informality in these countries likely contributed to many workers not having job or income support during the economic crisis.

Job disruptions vary across groups. Young people – aged 18 to 29 – fared much worse economically than older groups. When comparing self-reported job status in December 2019 with self-reported job status in September 2020, young people surveyed by RTM had the largest increase in non-employment. This corresponds with trends in official OECD labour force data on unemployment: young people experienced a higher risk of job loss during the pandemic than the non-youth working age-population, with unemployment rates for youths reaching 18.5%, on average, throughout the OECD in Q3 2020.

Figure 2. Youth unemployment rose during the pandemic

Unemployment rates for youth and non-youth working age populations, women and men, OECD unweighted averages, Q1 2019 to Q3 2020



Note: This presents the OECD average unemployment rate for women and men, by age group, based on national labour force surveys. Mexico and Germany are missing in Q2 and Q3 2020. Youths are defined here as 15- to 24-year-olds in the labour force. The non-youth working age population is defined as 25- to 54-year-olds in the labour force.
Source: OECD.Stat Quarterly unemployment rate, by sex and age group. https://stats.oecd.org

Importantly, given that households share resources, young people in RTM also tend to live in more financially-insecure households: 14.6% of young respondents reported job loss in their household (themselves or a household member) since the start of COVID-19,[2] compared to 12% of 30- to 49-year-old respondents, and 9.9% of 50- to 64-year-old respondents. Differences were especially large when looking at whether working hours were reduced: 17.2% of young people say they (or a member of their household) had working hours reduced or were put on a part-time job retention scheme during COVID, compared to just 14% of 30 to 49-year-olds and only 9.4% of 50- to 64-year-olds. There is a statistically significant gap between the youngest and oldest groups in 15 of the 25 country samples. Indeed, young adults are among

[2] For the sake of brevity in questionnaire design, the question about job loss in the household does not enable us to identify who in the household lost their job – the young person, a parent, or someone else. This somewhat complicates interpretation, as we cannot see who is driving the results for households with youths. However, given that households pool resources, and that throughout the OECD households with youths often have higher poverty rates than households without youths (OECD, 2019[9]), there are arguably still important substantive implications of this increased insecurity experienced by younger respondents.

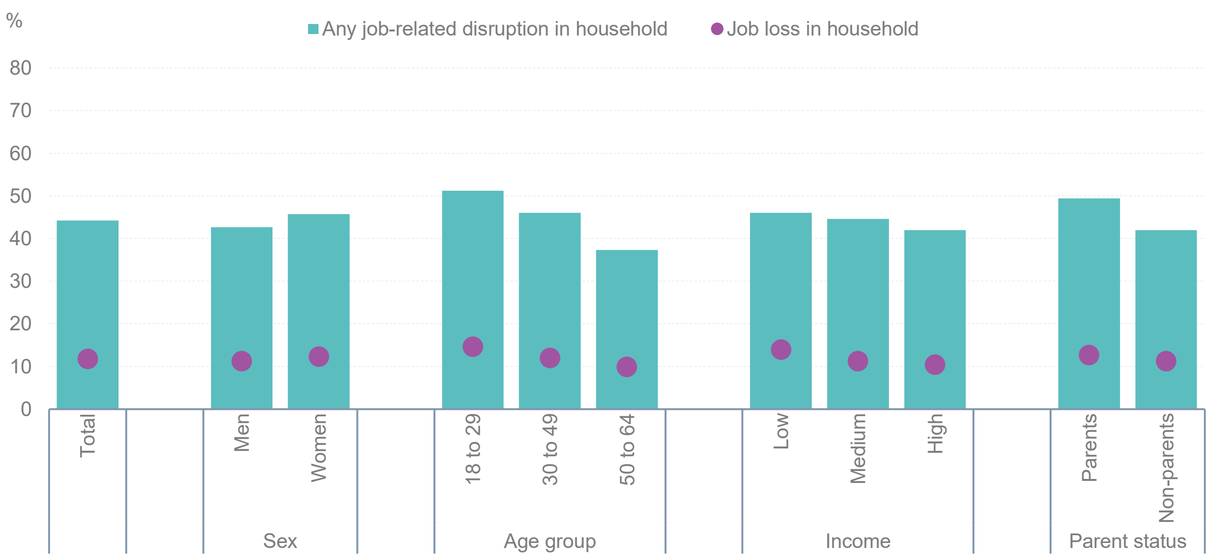
the most affected because they generally have less secure, lower skill jobs and are highly represented among workers in industries most affected by the crisis, such as tourism and restaurants (OECD, 2020[1]).

Parents suffered as well. Given widespread school closures in the first wave of the pandemic and – in some countries – during the second wave, as well, it is unsurprising that about half of respondents with children under age 18 experienced some kind of household job disruption due to COVID-19. In all but two countries (Turkey and the United States), there was no significant difference in the experience of job loss across parents and non-parents in the RTM sample. However, more gaps emerge when looking at working hour reductions and taking leave from work. Across the sample, about 15.2% of respondents with children report a member of their household having their working hours reduced or were put on a part-time job scheme, compared to just 12.3% of childless respondents, on average across countries.

Additionally, many parents reported taking leave from work. 15.6% of respondents with children under 18 had at least one member of the household take paid or unpaid leave from work, compared to just 10.8% of respondents without children. The difference was significant in 11 countries: Belgium, Canada, France, Israel, Italy, Korea, Lithuania, the Netherlands, Norway, Slovenia, and the United States. (The rate of paid or unpaid leave-taking from work increases further, to 17%, when looking only at parents with younger children under age 12.)

Figure 3. Young people and parents are among the most likely to report job-related disruption in their households during COVID-19

Percent of respondents reporting that either they or a member of their household have/has lost a job (including self-employment/own business), and percent reporting any form of job-related disruption in the household, since the start of the COVID-19 pandemic, by selected socio-economic characteristics, unweighted cross-country average, 2020



Note: Respondents were asked whether, at any time since the start of the COVID-19 pandemic, they (or any member of their household) had experienced one or more of a range of specific employment-related events. Respondents could select all the options that applied. “High education” a highest level of education at tertiary level. “Low income” households are those with an equivalised disposable income (for 2019) in the bottom three deciles of the national disposable income distribution, “medium income” households those in the middle four deciles, and “high income” households those in the top three deciles. Parents are defined as respondents with at least one child under age 18 living in the same household.
Source: OECD Secretariat estimates based on the OECD Risks That Matter 2020 survey, forthcoming at http://oe.cd/RTM

Given high rates of school closures worldwide, the suggestion that parents took leave in fewer than one in five households may seem low. It is worth noting that in many of the households where no one took leave, someone may have *already* been available to care for children anyway due to a different type of job-related disruption. Across countries, on average, 41% of households with children that did *not* take (paid or unpaid) leave reported some other form of job-related disruption, such as job loss, a temporary lay-off, working hours reduction, and/or placement on a JR scheme.

There is also variation across countries in the share of households where parents take leave to care for children. The 15.6% average is pulled down a bit by countries like Denmark and the Netherlands, where part-time work is more common and parents may have been (better) able to manage childcare in tandem with paid work. The leave-taking rates are also relatively low in countries like Portugal and Spain, where parents were more likely to have been laid off or put on a JR scheme.

When looking at other subgroups, men and women do not have dramatically different experiences of household job loss, on average across countries. Lower-income respondents tend to have a slightly higher probability of experiencing job loss in their household (Figure 3), as do respondents with lower levels of education.

Paying the bills in the time of COVID-19

The economic insecurity brought about by COVID-19 has translated into many households being unable to pay their bills. Close to one-third (31%) of all respondents report that they or their household experienced at least one of the following financial difficulties since the start of the pandemic (Figure 4): failed to pay a usual expense; took money out of savings or sold assets to pay for a usual expense; took money from family or friends to pay for a usual expense; took on additional debt or used credit to pay for a usual expense; asked a charity or non-profit organisation for assistance because they could not afford to pay; went hungry because they could not afford to pay for food; lost their home because they could not afford the mortgage or rent; or declared bankruptcy or asked a credit provider for help. These national rates correspond with rates found in other surveys carried out during COVID-19, even if questions differ slightly (see, for example, surveys of European Union countries and the United States (European Parliament / Eurobarometer, 2020[5]; Carman and Nataraj, 2020[6])).

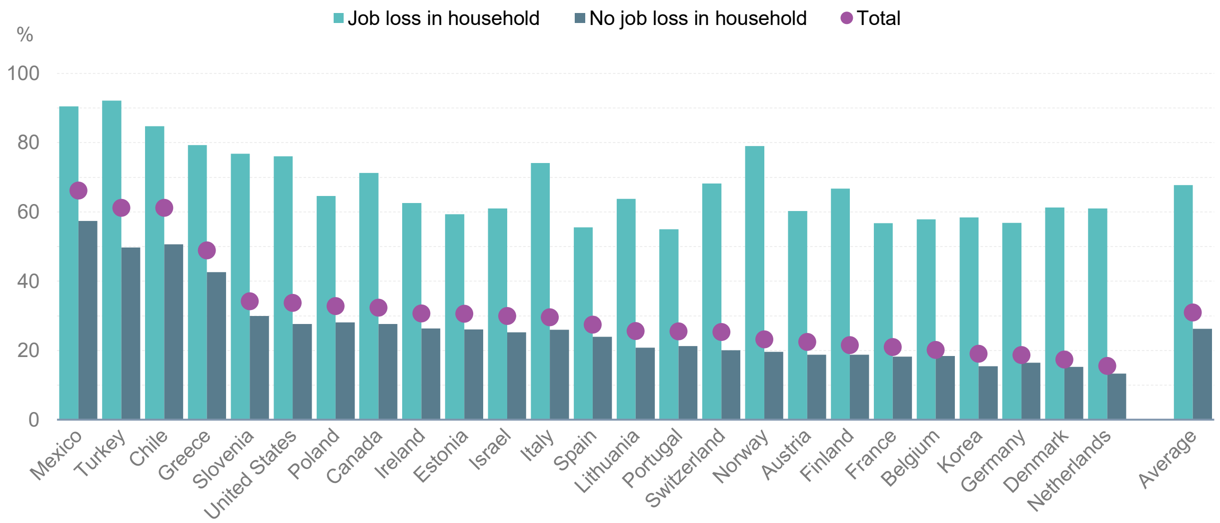
Among those respondents reporting household job loss during the pandemic, the share who had trouble paying bills jumps to 67.7%, on average, across countries. Over 70% of respondents whose households lost a job during COVID had at least one financial difficulty in nine countries: Canada, Chile, Greece, Italy, Mexico, Norway, Slovenia, Turkey, and the United States (Figure 4).

Even in countries where job loss rates were relatively low, financial difficulties still appear common. 69% of households with financial difficulties but *without* an outright job loss experienced a different form of job-related disruption, such as working hours or pay being cut. (See note to Figure 1 for the full range of job disruptions.) These economic disruptions likely compound underlying levels of structural poverty in countries like Mexico and Turkey, contributing to very high levels of financial difficulty.

When respondents had trouble paying bills, the most common solution was taking money out of savings or selling assets, which 17.9% of respondents did, on average across countries. Rates range from 6.8% of respondents in Korea to 42.6% in Chile. In Canada, Chile, Mexico, Turkey, and the United States, more than one out of ten people had to take on additional debt or use credit cards to pay for usual expenses.

Figure 4. Almost one-third of respondents report financial difficulties since the start of the crisis

Share of respondents reporting at least one financial difficulty since the start of the COVID-19 pandemic, by reported experience of job loss in the household since the start of the pandemic, 2020



Note: Respondents were asked whether, at any time since the start of the COVID-19 pandemic, they (or their household) had experienced one or more of a range of specific finance-related events: failed to pay a usual expense, took money out of savings or sold assets to pay for usual expense, took money from family or friends to pay for a usual expense, took on additional debt or used credit to pay for usual expenses, asked a charity or non-profit organisation for assistance because they could not afford to pay, went hungry because they could not afford to pay for food, lost their home because they could not afford the mortgage or rent, or declared bankruptcy or asked a credit provider for help. Respondents could select all the options that applied; percentages present the share of respondents who selected at least one. "Job loss in household" refers to respondents reporting that either they or any member of their household have/has either "Lost their job or been laid off permanently by their employer" and/or "Lost their self-employed job or their own business", since the start of the COVID-19 pandemic. Note: that the majority of households without outright job loss that still experienced financial difficulties nevertheless had some other type of job disruption (listed in note to Figure 1).
Source: OECD Secretariat estimates based on the OECD Risks That Matter 2020 survey, forthcoming at http://oe.cd/RTM.

Young adults, parents, and low-income households – in addition to the households who experienced job loss – also had trouble paying bills during the pandemic. Young adults (aged 18 to 29) were much more likely to take on additional debt or use credit to pay for usual expenses, with 11.5% of them reporting taking on debt or using credit (versus a sample average of 7.3%). They were also more likely to experience financial hardship in almost all other categories. This is likely related to the large job losses we see in households in this age bracket.

Parents of children under 18 also report trouble paying bills. Across every measure of financial hardship (see note to Figure 1), respondents with children were more likely than those without to say that they had struggled. For example, 12.3% of households with children versus 9.4% of childless households failed to pay a usual expense – such as rent, mortgage, utility, or credit card bills – because they could not afford to pay. 20.5% of households with children took money out of savings or sold assets to pay usual expenses, versus 16.6% of childless households. Again, this reflects not only household expenditures but also the relatively higher rates of income drops among households with children under 18.

Finally, as expected, respondents in low-income households – regardless of employment status – were on average the most likely to report have trouble paying bills (Figure 5).

Table 1. Nearly one-third of households in OECD had trouble paying bills during COVID-19

Percent of respondents reporting each of the following financial difficulties since the start of the COVID-19 pandemic, 2020

	Failed to pay a usual expense	Taken money out of own savings or sold assets	Taken money from friends or extended family	Taken on additional debt or used credit	Asked a charity or non-profit institution for assistance	Gone hungry because could not afford food	Lost your home as could not afford the mortgage or rent	Declared bankruptcy or asked bank for assistance	Any of the above
Austria	4.2	15.9	5.2	2.3	1.7	1.1	0.6	0.7	22.5
Belgium	4.2	11.0	5.3	2.6	1.4	3.0	1.4	1.3	20.2
Canada	8.8	20.8	6.6	12.5	2.7	4.1	0.8	0.7	32.3
Chile	28.6	42.6	18.7	16.3	6.7	6.8	1.4	2.5	61.2
Denmark	1.4	9.3	5.0	3.9	1.2	2.3	1.0	0.6	17.4
Estonia	7.1	17.9	9.1	7.9	2.2	4.6	2.1	0.9	30.6
Finland	6.9	13.6	5.6	4.2	1.6	1.6	0.5	0.7	21.6
France	6.5	10.3	4.6	3.3	1.5	2.9	0.6	0.4	21.0
Germany	3.9	12.2	5.1	3.3	1.6	2.0	0.4	0.9	18.7
Greece	27.5	20.1	16.3	2.4	2.0	13.8	1.3	0.4	48.9
Ireland	9.6	20.4	7.8	8.0	1.5	2.2	0.9	0.8	30.7
Israel	8.3	18.2	9.2	9.7	2.9	2.1	0.8	0.2	29.9
Italy	9.7	16.9	6.0	5.5	3.4	1.7	1.4	0.4	29.6
Korea	4.0	6.8	5.8	6.7	1.8	2.4	1.1	0.7	19.0
Lithuania	6.4	14.4	8.2	3.5	2.3	2.8	1.6	0.5	25.7
Mexico	26.4	40.1	27.0	18.7	7.0	10.7	1.3	2.2	66.1
Netherlands	3.3	9.0	3.8	2.4	2.2	2.0	0.5	1.1	15.6
Norway	5.2	13.0	7.2	4.0	2.6	3.8	1.5	0.6	23.2
Poland	12.1	10.3	9.8	8.1	3.4	7.3	1.9	1.1	32.9
Portugal	7.0	17.0	5.7	5.2	2.1	1.9	0.4	0.6	25.5
Slovenia	12.9	23.4	9.0	7.1	3.7	2.8	0.8	1.1	34.2
Spain	6.7	18.9	5.6	4.4	2.0	1.6	0.3	0.6	27.4
Switzerland	6.8	14.5	7.0	3.5	3.0	3.2	1.2	0.8	25.4
Turkey	28.5	28.5	22.2	23.8	9.3	6.2	5.3	3.4	61.2
United States	12.2	20.2	10.8	12.7	5.8	5.6	2.5	1.1	33.7
Average	10.3	17.8	9.1	7.3	3.0	3.9	1.3	1.0	31.0

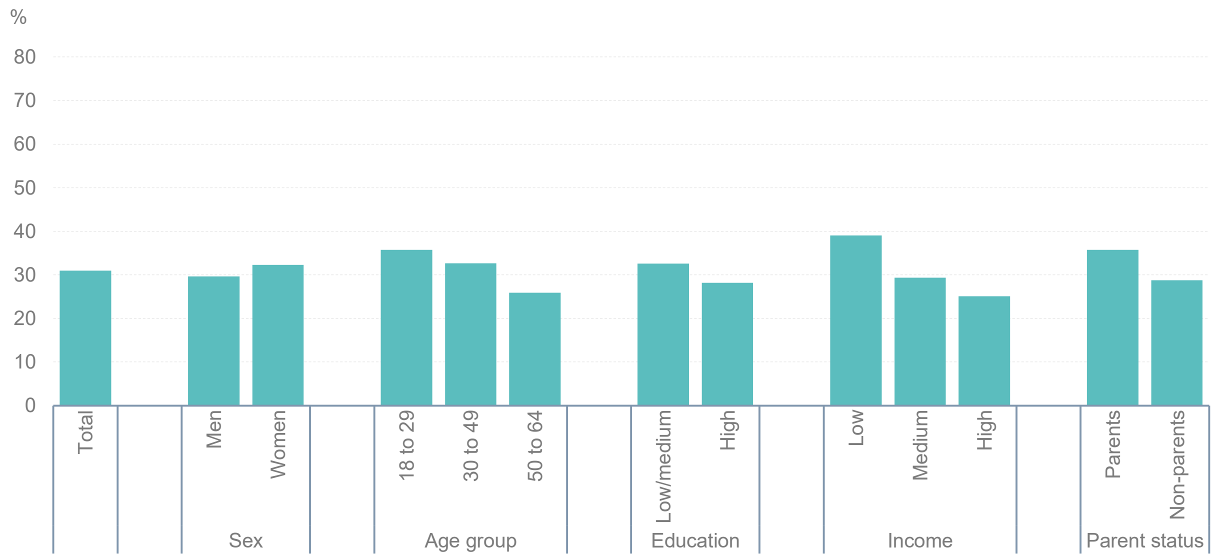
Note: Respondents were asked whether, at any time since the start of the COVID-19 pandemic, they (or their household) had experienced one or more of a range of specific finance-related events, listed in the above columns. Respondents could select all the options that applied.
Source: OECD Secretariat estimates based on the OECD Risks That Matter 2020 survey, forthcoming at http://oe.cd/RTM.

Experiences vary across countries, with respondents in wealthier countries and those with historically higher levels of spending on social programmes showing less financial stress (Figure 6). Among the 25 surveyed countries, those that have higher levels of GDP per capital (Figure 6, Panel A) and those that historically spent more on social programmes (Figure 6, Panel B) tend also to have fewer respondents reporting financial difficulties in the household since the start of COVID-19.

These associations are driven in part by the high levels of financial stress reported in Chile, Mexico and Turkey – all countries with lower levels of social spending and GDP per capita, compared to the OECD average. These are also the countries with the highest levels of labour market informality in the OECD, meaning that many workers are excluded from contributory social protection schemes. But even if these three countries are discounted, there remain negative correlations between pre-crisis GDP per capita, pre-crisis public social spending, and reported financial difficulties during the pandemic.

Figure 5. Young people, parents, and those in low-income households are the most likely groups to report having run into financial difficulties since the start of the crisis

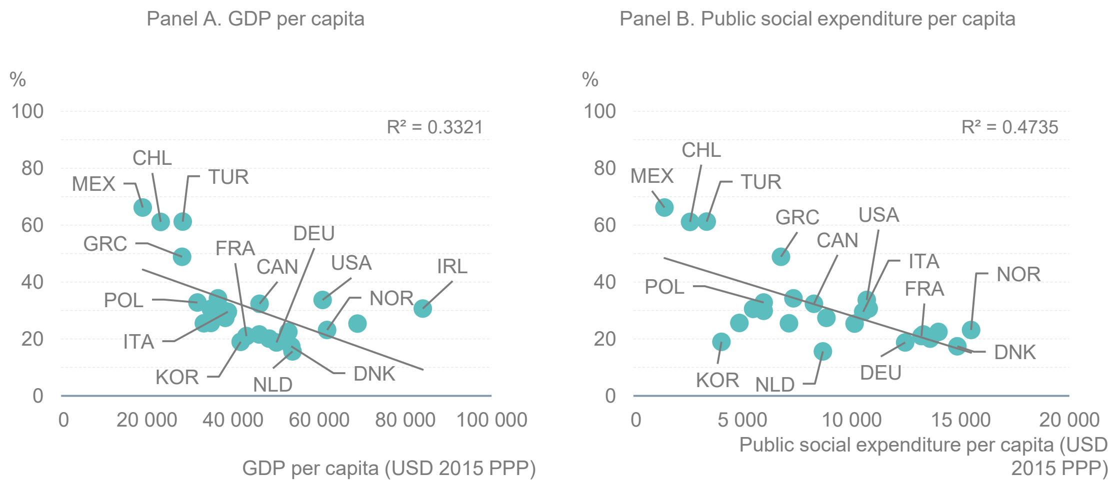
Percent of respondents reporting at least one financial difficulty since the start of the COVID-19 pandemic, by selected socio-economic characteristics, unweighted cross-country average, 2020



Note: Respondents were asked whether, at any time since the start of the COVID-19 pandemic, they (or their household) had experienced one or more of a range of specific finance-related events. Respondents could select all the options that applied. "High education" a highest level of education at tertiary level. "Low income" households are those with an equivalised disposable income (for 2019) in the bottom three deciles of the national disposable income distribution, "medium income" households those in the middle four deciles, and "high income" households those in the top three deciles. Parents are defined as respondents with at least one own child under age 18 living in the same household.
Source: OECD Secretariat estimates based on the OECD Risks That Matter 2020 survey, forthcoming at http://oe.cd/RTM.

Figure 6. Fewer respondents report suffering financial difficulties in richer countries and in countries that historically spent more on social programmes

Percent of respondents reporting experience of financial difficulties in the household since the start of the COVID-19 pandemic, GDP per capita (USD 2 015 PPP), and total public social expenditure per capita (USD 2 015 PPP)



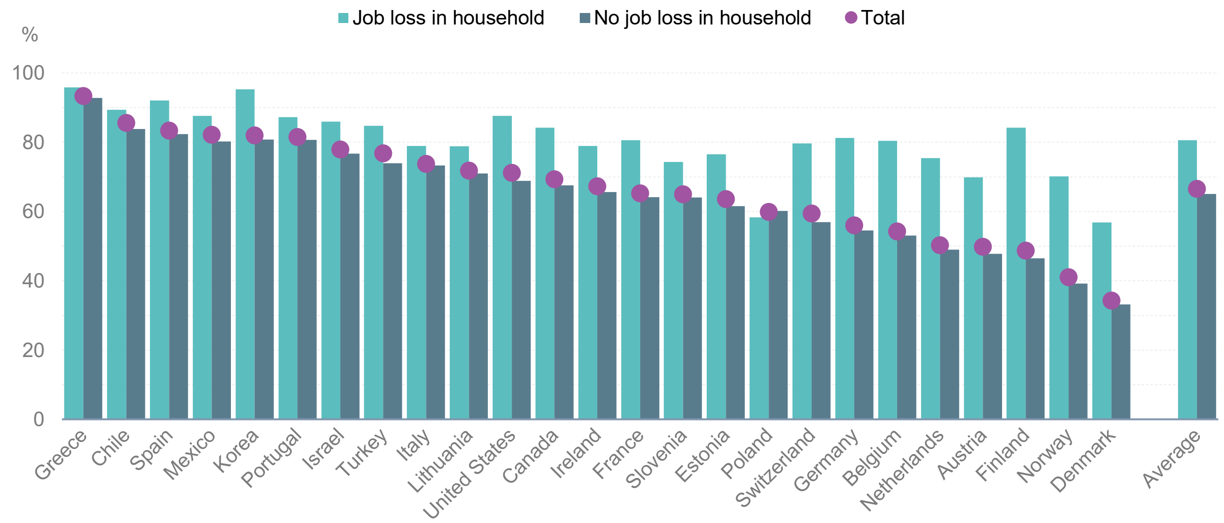
Note: Respondents were asked whether, at any time since the start of the COVID-19 pandemic, they (or their household) had experienced one or more of a range of specific finance-related events. Respondents could select all the options that applied. Data on GDP per capita refer to 2019. Data on total public social expenditure per head refer to 2017, except for Switzerland (2016).
Source: OECD Secretariat estimates based on the OECD Risks That Matter 2020 survey (forthcoming at http://oe.cd/RTM), OECD National Accounts (http://www.oecd.org/sdd/na/), and the OECD Social Expenditure Database (https://www.oecd.org/social/expenditure.htm)

COVID-19 has shifted risk perceptions

COVID-19 has changed many people's outlook towards the future, but most pre-pandemic social and economic concerns remain salient today. Similar to the results of the 2018 RTM survey (OECD, 2019[7]), people across OECD countries today are worried about maintaining good health, making ends meet, and having financial security to retire. When looking at the entire sample, across countries, 66.5% of respondents say that they are somewhat or very concerned about their household's finances and overall social and economic well-being in the next year or two (Figure 7). In contrast to the 2018 RTM survey, the 2020 survey also finds that securing good-quality long-term care for themselves or for elderly family members has become a more pressing concern for many respondents – possibly reflecting concerns about elderly family members' health in long-term care facilities during the pandemic (OECD, forthcoming, http://oe.cd/RTM). This aligns with recent research on attitudes towards long-term care in the EU (European Commission, 2020[8])

Figure 7. Most people are concerned about their finances and social and economic well-being

Percent of respondents who are "somewhat" or "very" concerned about their household's finances and overall social and economic well-being over the next year or two, by reported experience of job loss in the household since the start of the COVID-19 pandemic, 2020



Note: Respondents were asked how concerned they were about their household's finances and overall social and economic well-being in the near future, defined as the next year or two. The response options were "not at all concerned", "not so concerned", "somewhat concerned" and "very concerned". Respondents could also choose "can't choose" as a response option. "Job loss in household" refers to respondents reporting that either they or any member of their household have/has either "Lost their job or been laid off permanently by their employer" and/or "Lost their self-employed job or their own business", since the start of the COVID-19 pandemic.
Source: OECD Secretariat estimates based on the OECD Risks That Matter 2020 survey, forthcoming at http://oe.cd/RTM.

COVID-19 drives worries about financial health

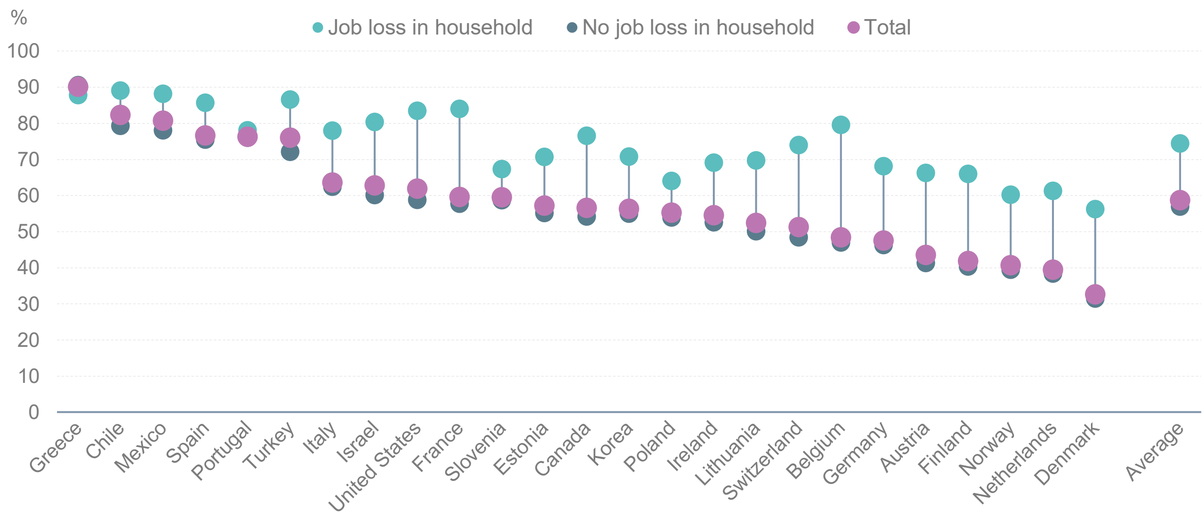
The people who suffered the worst of the pandemic's economic effects have greater financial needs today than the rest of the RTM sample. Unsurprisingly, affected populations are much more worried about making ends meet, losing a job in the future, having the right skills, and ensuring financial security in old age than respondents who did not lose income due to COVID-19.

Respondents were asked to look forward and assess their household's finances and overall social and economic well-being in the short run. Pocketbook issues are at the fore. An overwhelming 80.6% of respondents whose household lost a job during the pandemic (11.8% of the sample) say that they are somewhat or very concerned about their household's overall financial, social and economic well-being in the next year or two (Figure 7). In contrast, a smaller (though still sizeable) share – 65.1% – of people who report *no* outright household job loss during COVID say that they are somewhat or very concerned about their financial, social and economic well-being in the next two years. It is important to note that many households without outright job loss instead experienced a different form of job disruption, such as a work hours reduction (Section 2), so there is still a fair degree of insecurity in this group.

Of those who lost jobs during COVID-19, three-quarters (74.4%) are somewhat or very concerned about their household not being able to pay all expenses and make ends meet in the next year or two (Figure 8). In Chile, France, Greece, Israel, Mexico, Spain, Turkey, and the United States, over 80% of those whose household lost a job are worried about making ends meet.

Figure 8. Three-quarters of respondents experiencing job loss are concerned about their ability make ends meet

Percent of respondents who are "somewhat" or "very" concerned about "not being able to pay all expenses and make ends meet", by reported experience of job loss in the household since the start of the COVID-19 pandemic, 2020



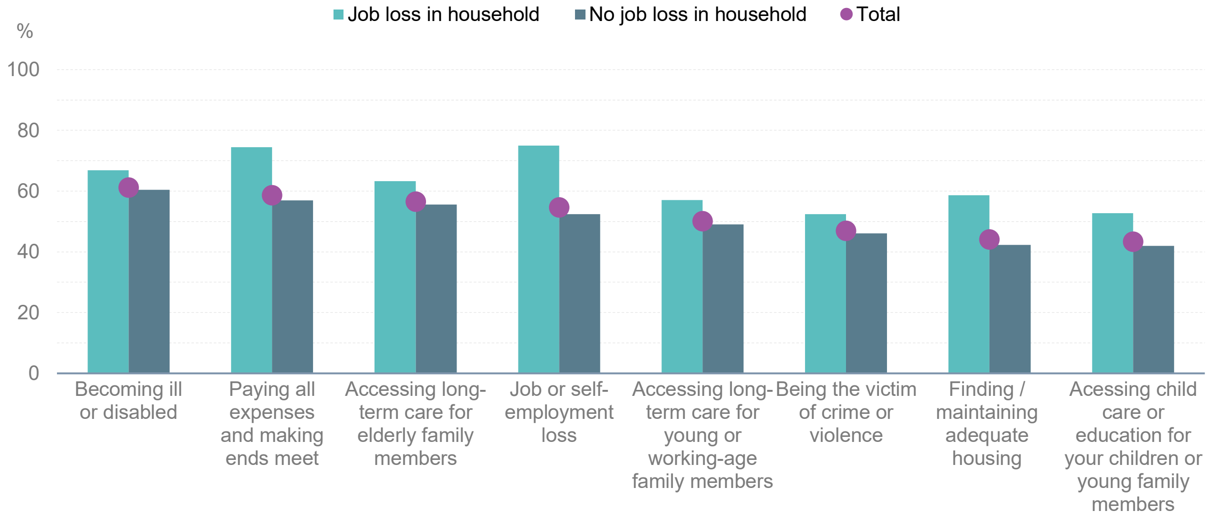
Note: Respondents were asked how concerned they were about their ability to pay all expenses and make ends meet in the short term, defined as the next year or two. The response options were "not at all concerned", "not so concerned", "somewhat concerned" and "very concerned". Respondents could also choose "can't choose" as a response option. "Job loss in household" refers to respondents reporting that either they or any member of their household have/has either "Lost their job or been laid off permanently by their employer" and/or "Lost their self-employed job or their own business", since the start of the COVID-19 pandemic.
Source: OECD Secretariat estimates based on the OECD Risks That Matter 2020 survey, forthcoming at http://oe.cd/RTM.

The cross-national variation in this graphic suggests that COVID-19 related job loss is driving a divergence in people's risk assessments between northern and central European countries (which, relatively speaking, spent more to cushion workers during the pandemic) and much of the rest of the OECD. Nearly all respondents remain worried about making ends meet in countries with longstanding higher levels of poverty on the left side of the x-axis. In Chile, Greece, Mexico, Portugal, Spain and Turkey, more than seven out of ten respondents, on average, say they are concerned or very concerned about their ability to make ends meet in the short term – regardless of their household's job experience during COVID-19.

Related to worries about making ends meet, 75% of people whose household lost a job during COVID-19 remain worried about losing their job or self-employment income in the next year or two. 66.8% of respondents whose households lost jobs are concerned about becoming ill or disabled, though this is one of the smaller gaps relative to respondents who fared better during the pandemic (Figure 9). Those who lost jobs are also more concerned about accessing long-term care for elderly or disabled family members, becoming the victim of crime or violence, finding and maintaining adequate housing, and accessing good-quality childcare or education for their children, on average across countries, when compared with households that did not lose a job during the pandemic (Figure 10).

Figure 9. Respondents experiencing job loss are worried about the next two years

Percent of respondents who are "somewhat" or "very" concerned about each short-term risk, by reported experience of job loss in the household since the start of the COVID-19 pandemic, unweighted cross-country average, 2020



Note: Respondents were asked how concerned they were about different specific social and economic risks in the short term, defined as the next year or two. The response options were "not at all concerned", "not so concerned", "somewhat concerned" and "very concerned". Respondents could also choose "can't choose" as a response option. "Job loss in household" refers to respondents reporting that either they or any member of their household have/has either "Lost their job or been laid off permanently by their employer" and/or "Lost their self-employed job or their own business", since the start of the COVID-19 pandemic.
Source: OECD Secretariat estimates based on the OECD Risks That Matter 2020 survey, forthcoming at http://oe.cd/RTM.

When asked about the risks they face in the long run – beyond the next decade – all RTM 2020 respondents are very concerned about their health, financial security in old age, intergenerational mobility, and accessing long-term care for themselves and for family members.

Yet in every category, people whose households experienced job loss during COVID-19 show higher levels of stress about the future. Affording retirement is the top long-term concern for respondents whose households lost a job recently: 80.2% report that they are somewhat or very concerned about ensuring financial security in old age.

The largest gap in risk perceptions follows a question about job skills. 65.3% of people whose household lost a job during COVID report that they are worried about having the right skills and knowledge to work in a secure and well-paid job ten years down the line. In contrast, only 50.2% of the rest of the sample say they are worried about their skills in the future. This corresponds with the positive correlation we find between the probability of job loss and self-identification as working class.

Social policy preferences during the crisis

Many people have faced dramatic health and economic challenges during COVID-19. These challenges have strained social protection systems, prompting OECD governments to innovate quickly, expand and enhance coverage of social programmes, and install a battery of additional emergency measures, with a significant rise in public spending. As people became ill, were quarantined, or lost their jobs, governments responded with paid leave schemes, unemployment insurance, and job retention programmes for (largely) dependent workers (OECD, 2021[11]) (OECD, 2020[1]) (OECD, 2020[3]) (ISSA, 2021[4]) (Gentilini et al., 2021[12]).

At the same time, many national, regional and local governments have struggled to respond efficiently and thoroughly to save human lives and livelihoods. The fiscal cost of social spending has not yet been at the forefront of policy discussions as OECD governments recognise that they need to do “whatever it takes” to protect people and jobs during the crisis (OECD, 2020[1]). Yet most governments are borrowing at unprecedented levels (at least in peacetime) to get through the crisis (OECD, 2020[8]). Budgetary costs and hard decisions about which programmes to prioritise will thus surely become more pressing issues as governments move into a protracted economic recovery.

Despite these unprecedented efforts, RTM 2020 reveals that many people are dissatisfied with their government’s provision of social protection. Most would prefer a more expansive and higher quality safety net, even if they have to pay for it in the form of higher taxes. These results are in line with the results of RTM 2018, though attitudes have sharpened – especially among those who suffered economically due to COVID-19.

Many people are dissatisfied with public policy regardless of their experience in the pandemic

In general, similar to the findings of RTM 2018, many people remain dissatisfied with their government’s provision of social protection. Large numbers of respondents believe that public income supports are insufficient and public benefits and services are difficult to access, regardless of whether or not they have experienced job-related disruption or financial difficulties in their household since the start of the pandemic.

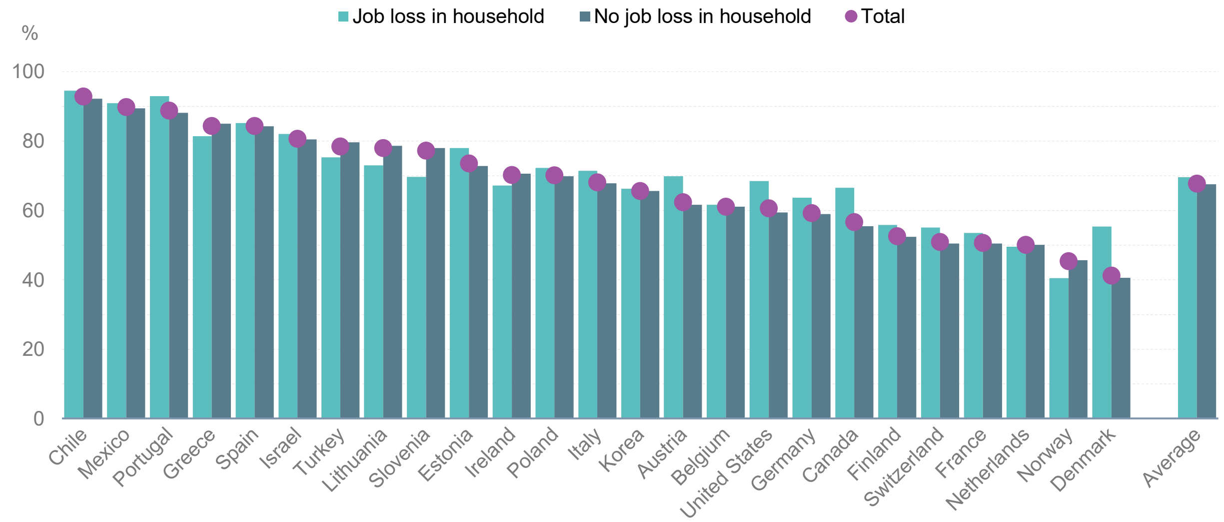
On average across countries, respondents whose household suffered a job loss are slightly more likely than other respondents to say that they do not feel they would have access to good-quality and affordable public services in every area surveyed: family support, education, employment support, housing, health, incapacity-related needs, long-term care for the elderly, and public safety.

Most think government should do more to ensure their economic security

Across countries, and regardless of job experience during the pandemic, there is widespread agreement that governments should be doing more to ensure citizens’ economic and social security. On average, 67.7% of all respondents think government should be doing more. Rates range from 41.2% in Denmark (where the social protection system is well-developed) to 92.9% in Chile, and a majority of people in all but two countries – Denmark and Norway – say that government should be doing more. Perhaps unsurprisingly, in most countries, respondents whose household experienced job loss during COVID-19 were more likely to call for greater government intervention (Figure 10).

Figure 10. Demands for greater government support are common, regardless of job security during the pandemic

Percent of respondents responding “more” or “much more” when asked “Do you think the government should be doing less, about the same, or more to ensure your economic and social security and well-being?”, by reported experience of job loss in the household since the start of the pandemic, 2020



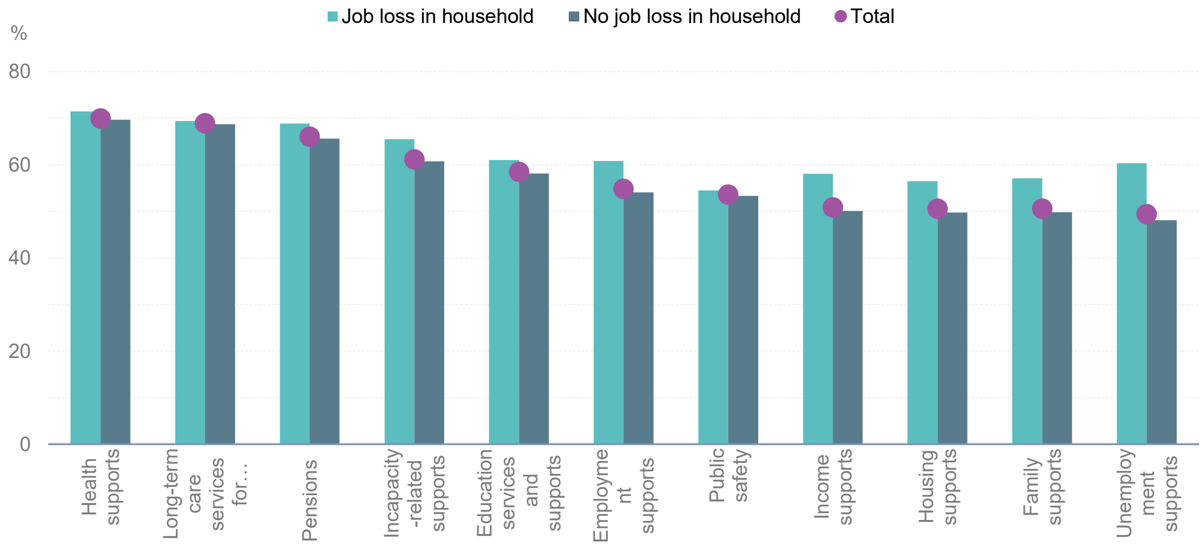
Note: Respondents were asked whether they thought the government should be doing less, more, or the same as they are currently doing to ensure their economic and social security. Possible response options were “much less”, “less”, “about the same as now”, “more” and “much more”. Respondents could also choose “don’t know”. “Job loss in household” refers to respondents reporting that either they or any member of their household have/has either “Lost their job or been laid off permanently by their employer” and/or “Lost their self-employed job or their own business”, since the start of the COVID-19 pandemic.
Source: OECD Secretariat estimates based on the OECD Risks That Matter 2020 survey, forthcoming at http://oe.cd/RTM.

Perhaps related to their experience of financial insecurity, respondents whose households lost jobs during COVID-19 show a stronger willingness to pay more in taxes to receive better social protection. There is especially strong support in this group for better investments in employment supports (e.g. job search services, skills training, access to entrepreneurial funds), unemployment supports, and income supports like minimum income benefits (Figure 11).

Across the entire sample, 60.3% of respondents whose household experienced a job loss say that – thinking about the taxes they might have to pay and the benefits they might receive – they would like the government to spend more or much more in order to provide better unemployment supports (e.g. unemployment benefits). This figure stands in contrast to the 48.1% of respondents who did not experience outright job loss during COVID who call for greater government spending on unemployment supports – though this is, of course, still a large share. In Austria, Canada, Finland, Slovenia, and the United States, the preference gap between people whose households lost jobs and those who did not is greater than 20 percentage points. Those living with COVID insecurity strongly prefer a bulking up of unemployment assistance programmes.

Figure 11. Respondents experiencing job loss during the pandemic are more likely to call for government action on pocketbook issues

Percent of respondents reporting that they would like government to spend "more" or "much more" on each policy area, by reported experience of job loss in the household since the start of the COVID-19 pandemic, unweighted cross-country average, 2020



Note: Respondents were asked whether they would like to see less, the same, or more government spending in different social policy areas, given the taxes they might have to pay and the benefits they and their family might receive. Possible response options were "spend much less", "spend less", "spend the same as now", "spend more" and "spend much more". Respondents could also choose "can't choose". "Job loss in household" refers to respondents reporting that either they or any member of their household have/has either "Lost their job or been laid off permanently by their employer" and/or "Lost their self-employed job or their own business", since the start of the COVID-19 pandemic.
Source: OECD Secretariat estimates based on the OECD Risks That Matter 2020 survey, forthcoming at http://oe.cd/RTM.

RTM 2020 also finds that people whose households experienced job loss are more likely than others to say they would pay an additional 2% of their income in taxes and social contributions for better provision of, and access to, services like employment supports, unemployment supports, minimum income benefits, family supports (like parental leave, childcare benefits and services, and child benefits) and housing supports (like social housing services and housing benefits). In all of these categories, the gap in willingness to pay an extra 2% is at least 5 percentage points. However, across the entire sample, in no policy area does a majority of respondents favour paying more than 2% in income to benefit from the better provision of any specific public benefit; rates range from around 22% (for employment programmes) to 45% (health programmes).

COVID-19 has exposed weaknesses in OECD countries' social protection systems, and people's worries have manifested in stronger calls for government support, particularly in areas related to employment and unemployment insurance. Greater investments, and the development of more comprehensive social safety nets and the closing of existing gaps, are needed to ensure that people can rebound economically. Without the continuation and expansion of strong policy responses, people in OECD countries may suffer the economic effects of COVID-19 for years to come.

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All figures and data from this brief are accessible in Ms-Excel via http://oe.cd/RTM.