



An Roinn Coimirce Sóisialaí
Department of Social Protection

Statistical Report
Labour Market and Trends in the Pandemic
Unemployment Payment
March 2020 to March 2021

16th March 2021

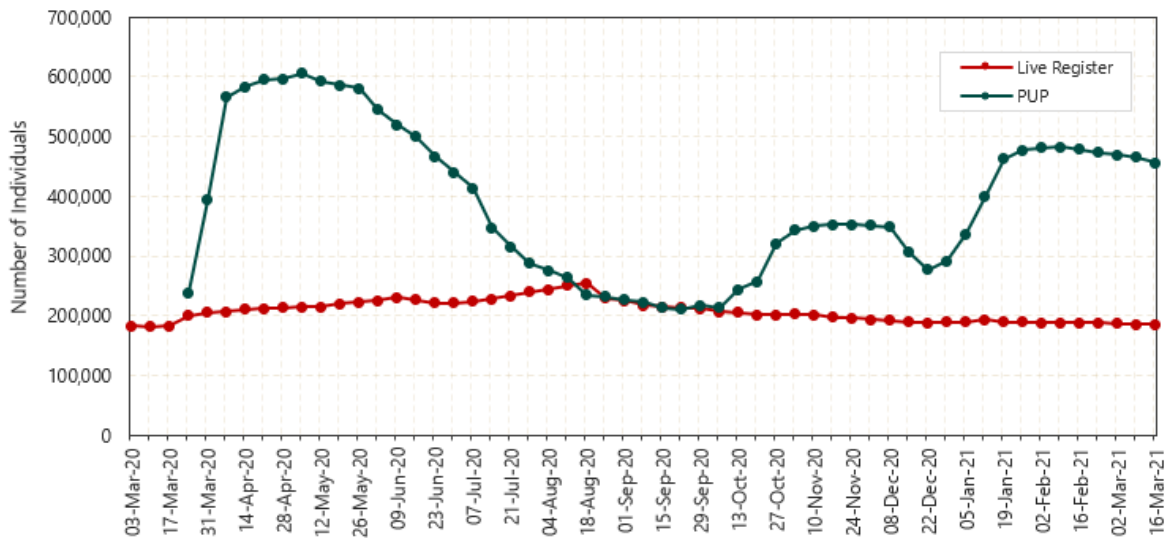


Section 1: Overview of Trends in Supports to the Labour Market

1.1 Overview of Trends in the Pandemic Unemployment Payment

Latest figures (as of March 16th, 2021) indicate that there are currently 456,580 individuals supported by the PUP, a decrease of 8,280 on the previous week's figure. The peak in total claimants on the scheme was seen at May 5th, with over 600,000 claimants.

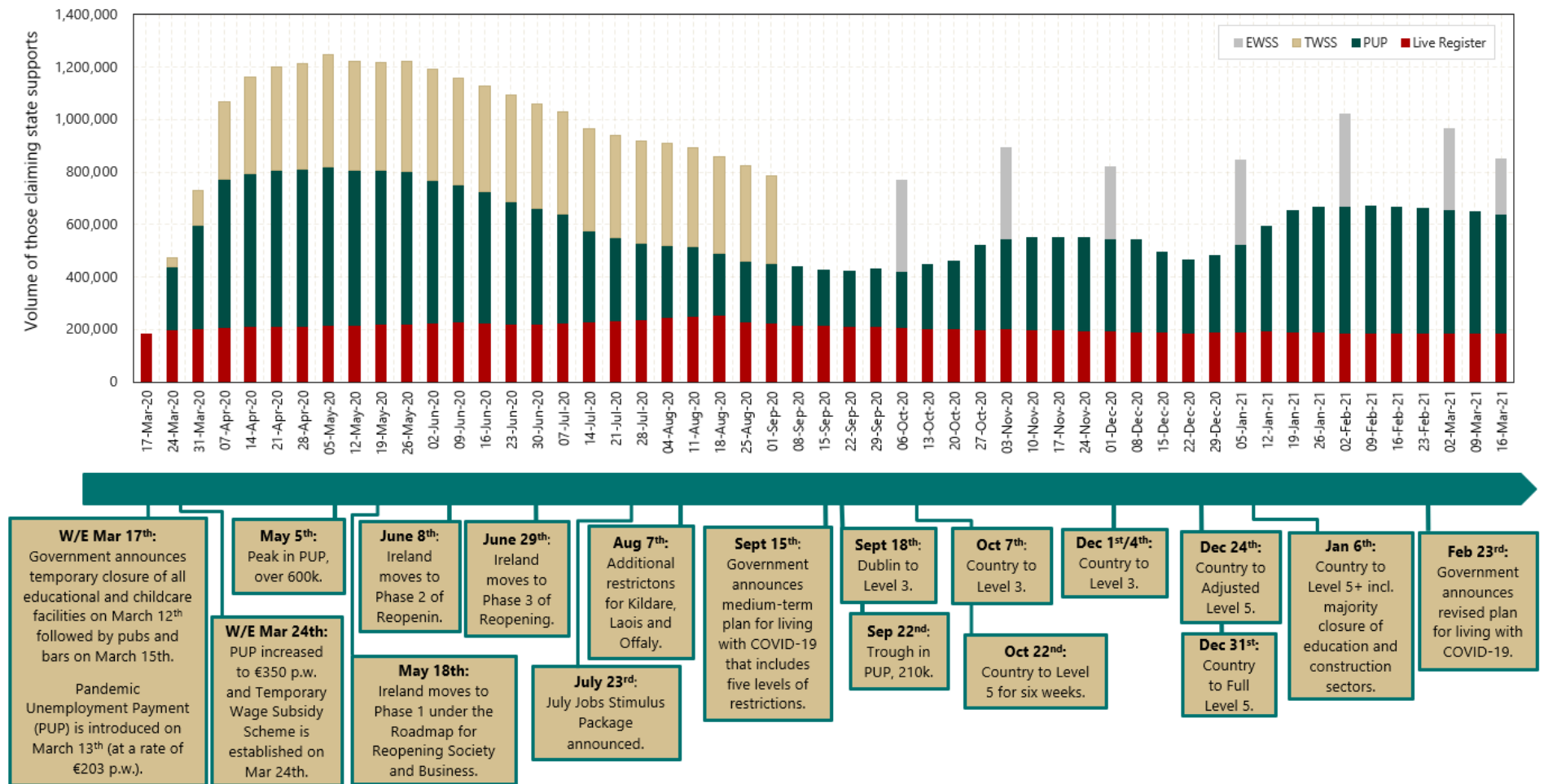
Figure 1a: Overview of trends in the PUP and Live Register since March 2020.



Source: DSP administrative data (figures are provisional and subject to revision).

Examining the demographics of claimants; the additional restrictions announced in early January have had a significant impact on the gender distribution of current claimants, with males now accounting for just under 55 per cent of current claimants. A key driver here is the closure of the construction sector under current restrictions, leading to significant inflows of predominantly male claimants. Moreover, this week young people continue to make up a proportionally higher share of current recipients than was the case at the peak (just less than one in four at present, compared to one in five at May 5th), driven by the high shares of younger workers in the most impacted sectors.

Figure 1b: Timeline of State supports since the Onset of the Pandemic in March 2020.

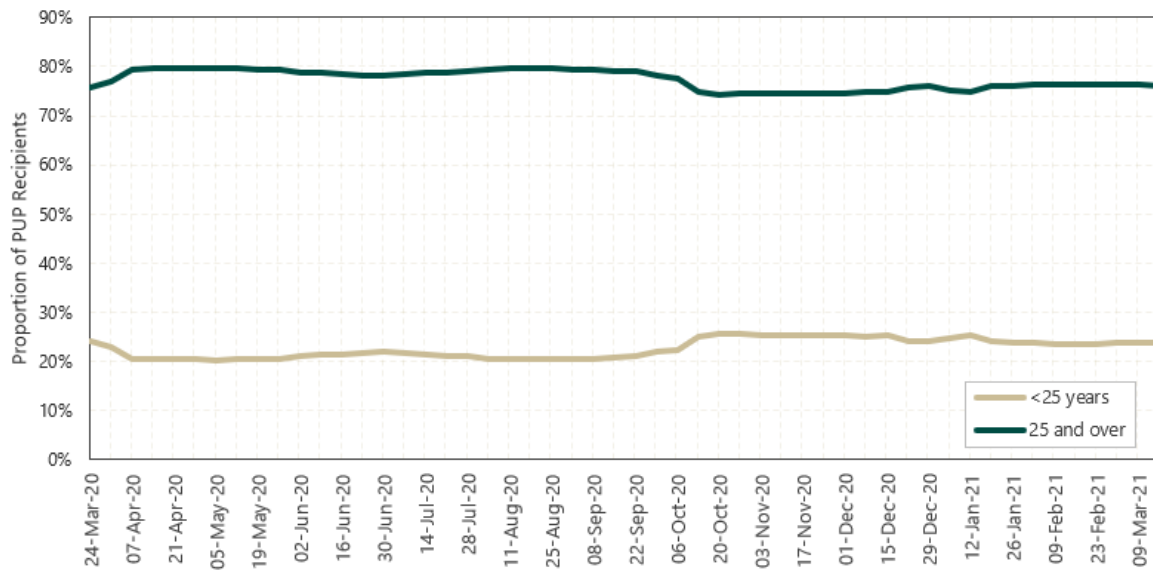


Source: CSO, Revenue and DSP administrative data (figures are provisional and subject to revision).

Notes:

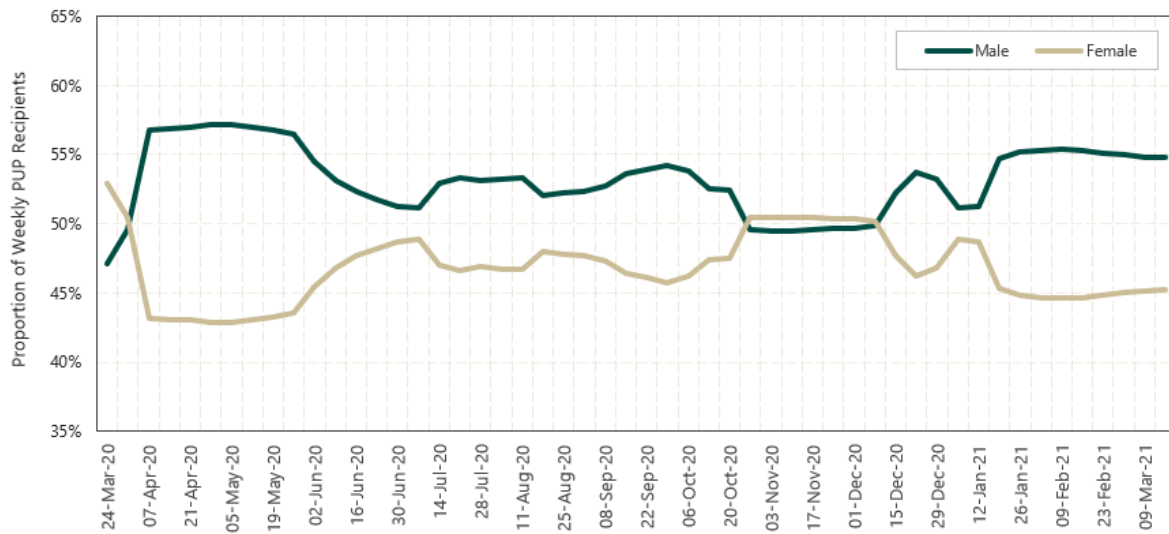
- EWSS replaced TWSS from September 1st, 2020. Numbers supported by EWSS are reported on a monthly basis, i.e. number of employees supported in a given month.
- The above EWSS figures for March 16th 2021, which show the number of employees supported so far in March, is based on the latest data release from Revenue (March 11th).

Figure 2a: Proportion of PUP weekly recipients by age group since March 2020.



Source: CSO and DSP administrative data (figures are provisional and subject to revision).

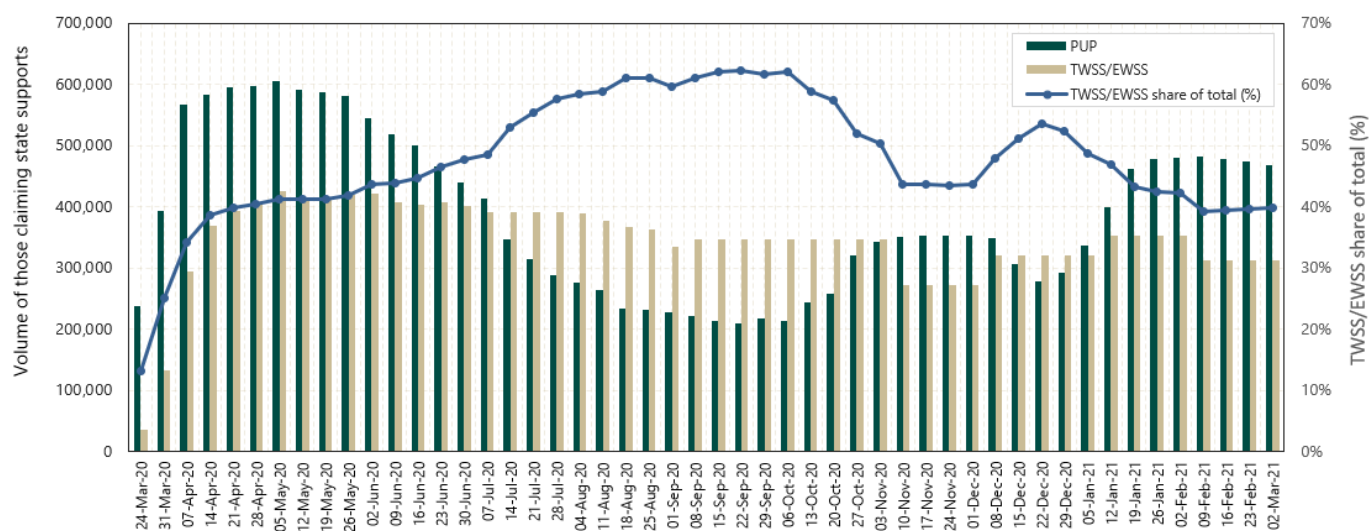
Figure 2b: Proportion of PUP weekly recipients by gender since March 2020.



Source: CSO and DSP administrative data (figures are provisional and subject to revision).

1.2 Overview of Trends in Employment Wage Subsidy Scheme (EWSS)

Figure 2c: Evolution of PUP and EWSS claims March 2020 – February 2021



Source: CSO and DSP administrative data (figures are provisional and subject to revision).

As shown in the chart above trends in number of people supported via EWSS have not fluctuated as sharply as PUP in response to changes in the level of public health restrictions. At times of peak restrictions PUP claims outnumber those on EWSS however the reverse is true as restrictions are relaxed, the number of people dependent on PUP fall faster than those dependent on EWSS. This reflects the differences in the schemes, PUP being primarily an income support, EWSS being primarily an employment support.

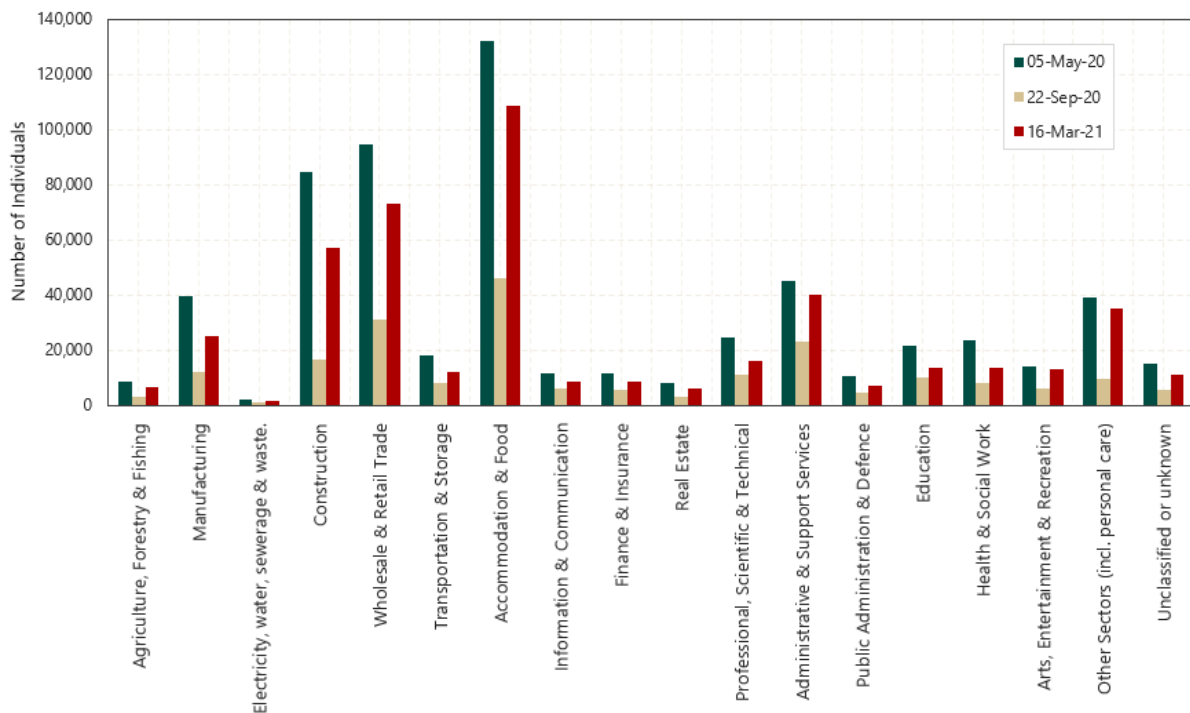
The latest Revenue statistical release (11th March 2021) reports that EWSS payments have been processed in respect of 207,900 employees in March to date, compared to the 311,600 payments processed in respect of employees for the full month of February (The figure for March only reflects people who have been paid so far during the month this will increase as more people are paid during the remainder of the month). The release also indicates that as of February 18th 2021, 55,200 January EWSS employees appeared on PUP in February. By contrast just 7,000 people moved from PUP to EWSS during January. This is in addition to the 85,900 December EWSS employees who received PUP in January (71,000 PUP recipients moved in the reverse direction during December). In general, the December/January movements indicate that people may have moved off PUP to EWSS during the limited period of re-opening of the economy during December but moved back to PUP income support in January.

Section 2: Detailed PUP Breakdowns

2.1 PUP by Sector

Figure 3a below presents the breakdown of PUP recipients by sector at the peak, trough and in the latest week.

Figure 3a: PUP numbers by sector (volume) – May 5th 2020 (initial peak), September 22nd (trough) and March 16th (present).

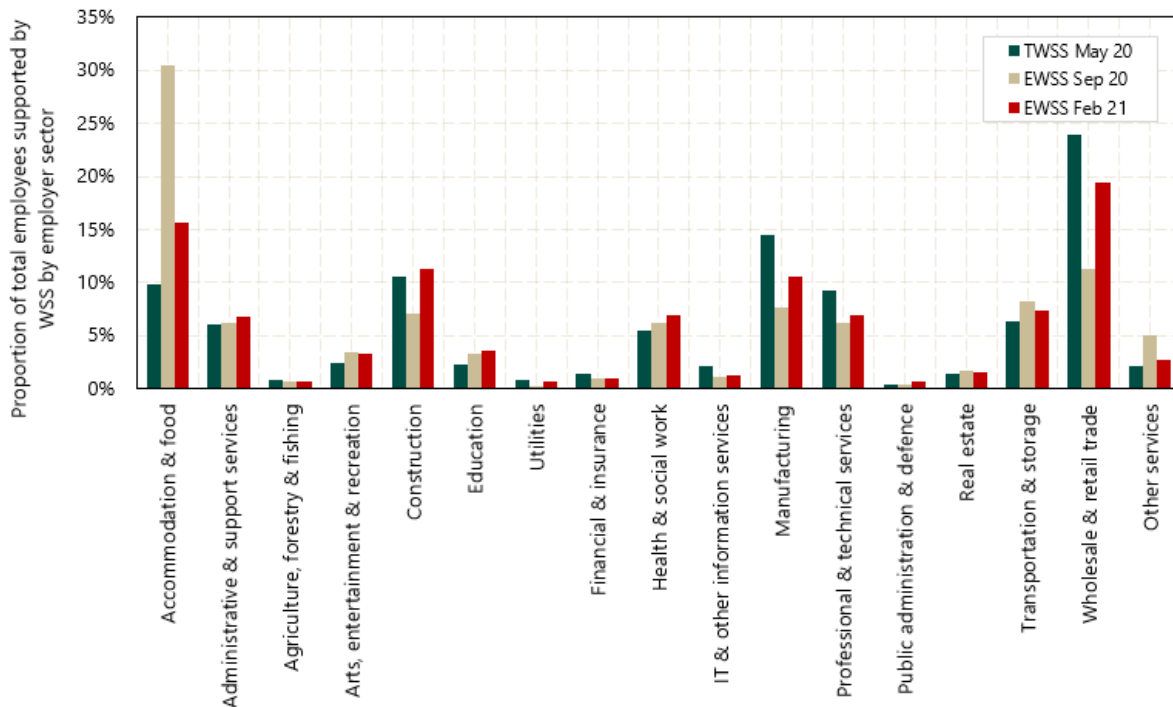


Source: DSP administrative data (figures are provisional and subject to revision).

At present, the three largest sectors, Accommodation & Food, and Wholesale & Retail, and Construction account for approximately 24, 16 and 13 percent of total claims respectively or 52% of the total.

For comparison, figure 3b below presents the proportion of employees supported monthly by EWSS by employer sector at PUP peak, trough and latest (February 2021). Similar to the PUP sectoral breakdown the largest share of employees currently being supported by the EWSS are wholesale and retail trade, accommodation and food and construction.

Figure 3b: Proportion of employees supported monthly by WSS by employer sector at PUP peak, trough and latest: May 2020 (initial peak), September 2020 (trough) and February 2021 (latest).

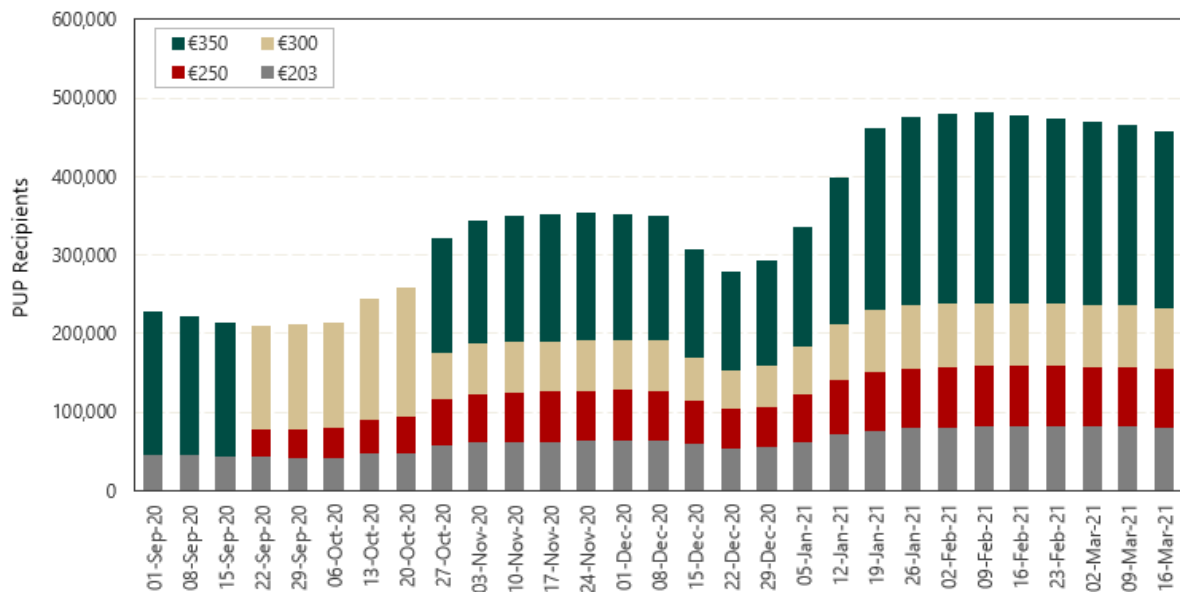


Source: Revenue data (figures are provisional and subject to revision).

2.2 PUP by Payment Rate

The introduction of the latest set of restrictions has also had an impact on the share of total recipients in each of the scheme’s four payment bands. Since the introduction of full level 5 restrictions in early January, an increase has been observed in the proportion of people claiming the highest rate of payment of €350, indicating that a significant number of individuals with high pre-pandemic earnings have joined the scheme. Based on the experience of the re-opening of the economy in summer 2020 it would be expected that these workers will be among the first to leave PUP as restrictions are relaxed at some point in the future.

Figure 4: PUP Rate composition since September 1st 2020.

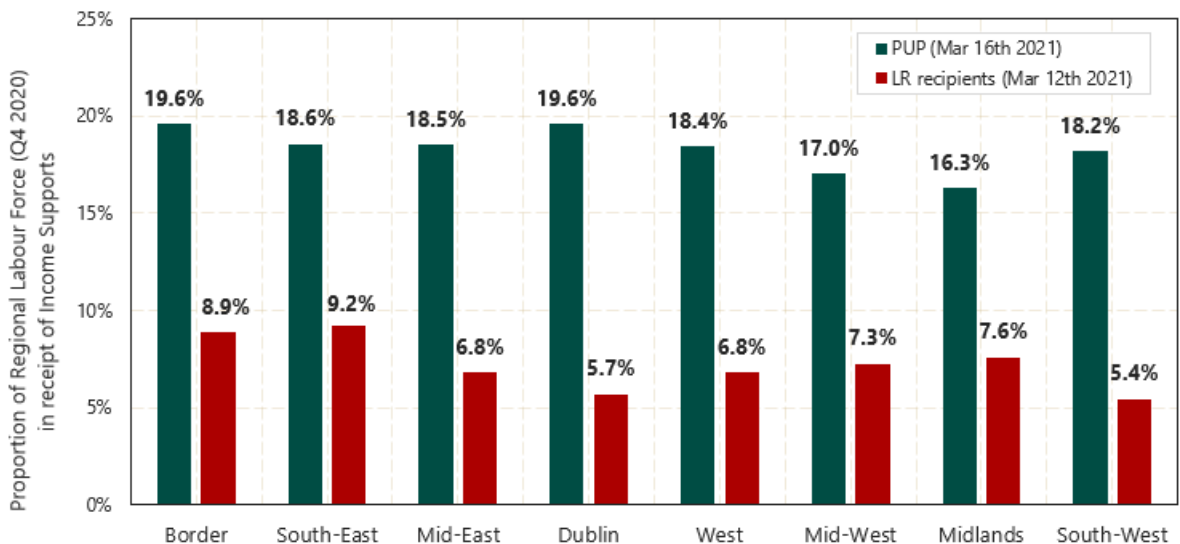


Source: DSP administrative data (figures are provisional and subject to revision).

2.3: PUP and Live Register Trends by Region

Figure 5 presents the latest regional distribution of PUP recipients (as of March 16th) and those on the Live Register (as of March 12th).

Figure 5: Proportion of Regional Labour Forces currently in receipt of the PUP and Live Register.



Source: CSO Labour Force Survey (Q4 2020) and DSP administrative data (figures are provisional and subject to revision).

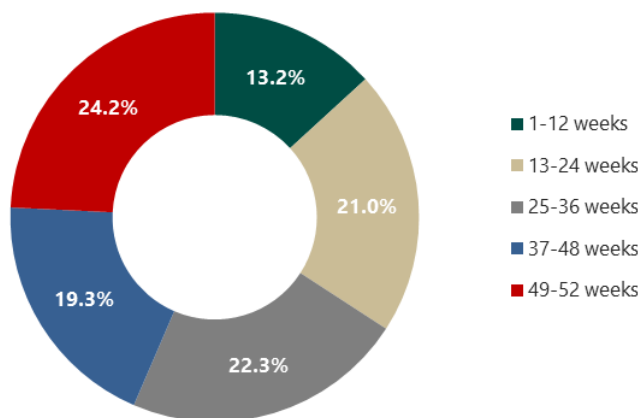
Comparing the proportion of regional labour forces currently supported by both the PUP and Live Register indicates that the Border region has the highest proportional reliance on these

supports, with almost 29 percent of its labour force currently in receipt of payments; 19.6 percent claiming the PUP and 8.9 percent in receipt of the Live Register.

2.4: Duration of Claimants

The number of persons on PUP for significant periods has remained largely consistent, with approximately 111,000 persons now on PUP for 49 weeks or more, out of the 52 weeks the scheme is in place (over 94% of the maximum possible duration). Of this cohort, approximately 51,000 have been in receipt of the payment continuously since its first week in March (i.e. have received a full 52 weekly payments).

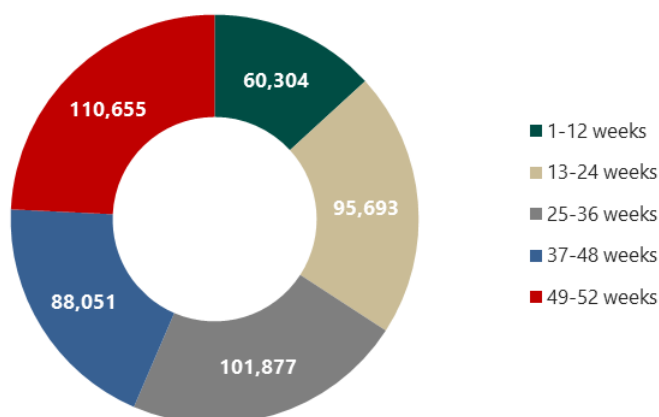
Figure 6a: Number of Weekly PUPs Received by Current PUP Recipients (proportion)



Source: DSP administrative data (figures are provisional and subject to revision).

Note: Payments are cumulative, may not necessarily be consecutive. 52 is the maximum possible number of payments as of March 16th 2021.

Figure 6b: Number of Weekly PUPs Received by Current PUP Recipients (volume)



Source: DSP administrative data (figures are provisional and subject to revision).

Note: Payments are cumulative, may not necessarily be consecutive. 52 is the maximum possible number of payments as of March 16th 2021.

Section 3: The Impact of the Government Covid-19 Income Supports

The ESRI¹ estimates the introduction of PUP significantly shifted the risk of severe income loss. In the absence of policy changes such as the PUP, disposable income would have fallen by more than 20% for 400,000 out of over half a million families affected by a job loss. For the subset most severely affected, disposable income would have fallen by more than 60% (affecting 70,000 families). Instead, the introduction of PUP provided a cushioning effect, and the 20% decrease in disposable income affected 280,000 families, and the 60% reduction affected 40,000 instead of 70,000. In follow-up work for the Department, the ESRI also considered rate changes and found that the PUP tended to mitigate the decrease in disposable income.

The positive effect of these interventions was further reflected by research published by the ESRI in late-2020². It examined the impact of the COVID-19 pandemic on unemployment in Ireland, estimating how family incomes had changed as a result of increased unemployment. It found that, as a result of the initial COVID-19 pandemic policy responses, the fall in household income was significantly reduced when compared to the absence of these responses.

Separately, the Department used SWITCH, a tax-benefit modelling tool developed by the ESRI, to assess the move to Level 5 restrictions in late-2020. The analysis found that the measures introduced to cushion the employment effect of Level 5 restrictions were weighted to protect those at the lower end of the income distribution, with the lowest three deciles seeing an increase in disposable income.

¹Beirne, K., Doorley, K., Regan, M. Roantree, B. and Tuda, D. (April 2020) *The Potential Costs and Distributional Effect of Covid-19 related Unemployment in Ireland*. Budget Perspectives 2021 Paper 1, ESRI.

² K., Doorley, Keane, C., McTague, A., O'Malley, S., Regan, M, Roantree, B. and Tuda, D (December 2020) *Distributional impact of tax and welfare policies: COVID-related policies and Budget 2021*, ESRI.