

## **Latest Research Based on U.S. Payroll Data Reveals Magnitude of the Impact of COVID-19 on the Labor Market**

### **ADP Research Institute® Hosts Fourth Annual State of the Labor Market Summit Featuring the Latest Research from Top Economists and Scholars, Rooted in ADP's Unmatched, Unique Data**

ROSELAND, N.J., July 10, 2020 /PRNewswire/ -- Insights derived from ADP's anonymized and aggregated payroll data enabled economists and academia to model the effects of COVID-19 on the labor market. At the [State of the Labor Market Summit 2020](#), hosted virtually by [ADP Research Institute](#) (ADPRI) on June 25, top economists and scholars came together to discuss a range of impacts to better understand the severity of the crisis on the labor market including the effectiveness of the first response of programs, the productivity and viability of businesses and the dynamics of the lockdown policies. The Labor Market Summit's annual forum, now in its fourth year, gathers distinguished experts in the field of labor economics to discuss the state of the U.S. labor market and research findings derived from ADP's unique data sets. To close the Summit, economists from ADP Research Institute, Massachusetts Institute of Technology (MIT), Moody's Analytics and the University of Chicago participated in an engaging panel discussion, moderated by CNBC anchor, Sara Eisen.

"The speed and magnitude of the deterioration of the labor market, especially during the early weeks of the pandemic, were unprecedented, and from a research perspective there is so much to uncover," said Ahu Yildirmaz, co-head of the ADP Research Institute. "When we first launched this event, we wanted to establish a premier forum to share labor market trends based on ADP's anonymized and de-identified data. Since then numerous studies were conducted, including the most recent resulting paper that uncovered the evolution of the U.S. labor market during the beginning of the pandemic."

"We understand the value of sharing our unique labor market data assets for the public good and therefore collaborate with key policy makers and labor economists on various papers based on ADP's data," said Matthew Levin, chief strategy officer of ADP. "Through our work with these scholars and this forum, we continue to discover reliable and economic indicators and unearth crucial findings that bring greater awareness to the economy at large."

### **The State of the Labor Market Summit 2020**

Now in its fourth year, the Summit was held virtually and included scholars who shared findings related to the impact of COVID-19 on labor markets. Specifically, research from ADP Research Institute, Massachusetts Institute of Technology, Princeton University, University of Chicago and others discussed at the Summit included:

- A paper titled, "[U.S. Labor Market during the beginning of the Pandemic Recession](#)" that used ADP's weekly, anonymized administrative payroll data to uncover the evolution of the U.S. labor market during the first three months of the COVID-19 pandemic, and that employment losses have been concentrated disproportionately among lower wage workers.
- An assessment of how the Paycheck Protection Program (PPP) impacted the probability that workers remained employed with their pre-COVID-19 employers during and after the pandemic, as well as the probability that those employers remained solvent and operational during and after the pandemic.
- An evaluation of employment and income effects of expansions in overtime coverage for salaried workers by analyzing state and federal changes using detailed, anonymized administrative payroll data. The study found that companies responded by bunching workers' earnings at the new exemption threshold.
- The impact of lockdown policies and how mandated business closures and shifts in consumer demand could potentially affect the composition of jobs and the productive capacity of the U.S.

### **Highlights from the State of the Labor Market Panel Discussion**

During the State of the U.S. Labor Market panel discussion moderated by anchor of CNBC's "Closing Bell" Sara Eisen, panelists shared their perspectives on how globalization may be impacted by the pandemic, and how trade, immigration and foreign investment that were already threatened could continue to experience risk with the lack of travel, impacted industries and unemployment.

Despite the challenging labor market, the panel highlighted bright spots, including the effectiveness of additional incentives made available to help elevate the economic impact of COVID-19. The panel discussion also touched on how poverty fell during the pandemic, that the PPP caused a rebound in employment in smaller firms and how credit problems, mortgage defaults and credit card delinquencies were also more muted than feared.

For additional information on ADP Research Institute, and to view a recording of the panel discussion on The

State of the U.S. Labor Market, visit [here](#).

**ABOUT ADP RESEARCH INSTITUTE:**

The mission of the ADP Research Institute is to generate data-driven discoveries about the world of work, and to derive reliable economic indicators from these insights. We offer these findings to the world at large as our unique contribution to making the world of work better and more productive, and to bring greater awareness to the economy at large.

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