

Job crisis hammers urban poor

Poorer respondents saw a bigger income drop during covid, and are less hopeful about future, the latest YouGov-Mint-CPR Millennial Survey shows



Many digital platforms that employ young people, such as Swiggy, Zomato, Ola, Uber and Airbnb, laid off staff as revenues crashed.

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MUMBAI/NEW DELHI

Over the past few months, several high-frequency indicators have suggested a pick-up in economic activity across the country. But data from the latest round of the YouGov-Mint-CPR Millennial Survey conducted online in October and November suggests that the job market is yet to recover from the pandemic shock.

The survey shows that young workers were hit hardest by the spate of layoffs that occurred in the wake of the pandemic-induced lockdown. But older workers who lost their jobs may find it more difficult to find their way back into the job market, and expressed greatest despondency about job prospects in the economy.



PANDEMIC & MILLENNIALS

17% of millennials and post-millennials have lost their jobs since the coronavirus outbreak. Among the older lot of pre-millennials, this share is a little less than 15%.

Millennials refer to those who attained adulthood in the early 21st century, when the world increasingly became digitally connected. In this analysis, the term is used for those born between 1981 and 1996 (aged 24-39 now). Those born after 1996 (aged 18-23) are referred to as the post-millennials or Gen Z, and the rest as pre-millennials. Together, millennials and post-millennials account for roughly half of India's adult population.

Even when jobs remained intact, incomes plunged. But it was the older cohorts who suffered bigger losses. A significant number of pre-millennials (55%) reported a loss in their income, largely due to salary cuts or declines in business profits. For millennials and post-millennials, the share of those who lost earnings was around 46% (see charts 1 and 2).

Many companies implemented graded pay cuts this year, and younger employees in lower pay brackets who

retained their jobs may have suffered less of a loss. Compared with the younger workers, fewer among the older cohorts switched to better-paying jobs, another possible reason for the greater loss in earnings.

The YouGov-Mint-CPR Millennial Survey covered 9,839 respondents across 203 cities. As many as 4,807 of them were millennials, 2,051 pre-millennials, and 2,981 post-millennials. The survey was conducted jointly by the Indian arm of the global market research firm YouGov, Mint, and the Delhi-based think tank Centre for Policy Research (CPR). The survey is the fifth of a series of bi-annual surveys aimed at examining the aspirations, anxieties and attitudes of India's digital natives.

Throughout the pandemic, there have been anecdotal reports on devastating job losses for young urban workers. Many digital platforms that employ young people, such as Swiggy, Zomato, Ola, Uber and Airbnb, had laid off staff as revenues crashed.

The latest survey provides firm evidence about the magnitude of such lay-offs. The survey shows that e-commerce (and digital) services were among the worst-hit by lay-offs, with 23% of such workers losing their jobs during the lockdown.

Nine in 10 of the laid-off workers were below 40. The tourism industry was also hard-hit, with 22% of workers laid off. While the economy has improved since then, the recovery has been uneven. 37% of respondents said that most people they knew had seen a recovery in incomes since the lockdown.

But a larger share of respondents (46%) said that most people they knew hadn't yet seen a recovery in incomes. Only a small minority said that most people they knew saw incomes rise since March (see chart 3).

More than a quarter (26%) of respondents felt it was "extremely difficult" to find jobs these days.

In the previous round of the survey, held in October-November 2019, this share was smaller, at 22%. There is a clear age divide here. A vast majority among the older cohorts remain overwhelmingly pessimistic about job prospects. Among millennial respondents, two-thirds said it was difficult to find a job these days. Among pre-millennials, three-fourths said the same (see chart 4).

The urban poor faced the brunt of job losses during the pandemic and saw their incomes plunge the most. Those without a professional degree fared the worst. Among those who earn less than ₹20,000 a month, 11% of those without a professional university degree reported losing their jobs. In the same income bracket, only 5% of those with professional university degrees lost their jobs, the data shows (see chart 5).

The survey corroborates data from other sources that point to the unequal impact of the pandemic. As these pages have shown earlier, smaller firms in India have cut their wage bill drastically this year even as large firms have largely managed to retain staff.

A majority of respondents believe that their incomes will increase a year from now but those in lower income groups are less optimistic than the rest (see chart 6).

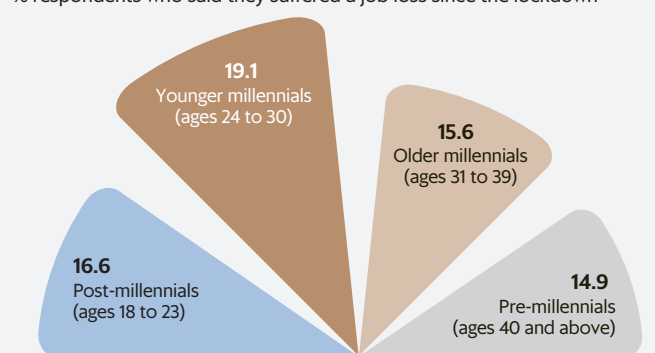
More than half the respondents (58%) said they expect their income to increase in a year's time. Last year, 55% respondents had said they expected their income to increase by this year. However, the two figures are not strictly comparable since incomes of many respondents are lower than the year-ago period because of wage cuts this year.

Those who are most optimistic about growing their incomes are likely to be in the highest income brackets. Those who are most worried about a decline in their incomes are likely to be in the lowest income brackets. The richer you are, the more hopeful you are likely to be about the New Year, the survey suggests.

This is the first of a five-part data journalism series on how the pandemic has impacted India's digital natives. nikita.k@livemint.com

Chart 1 Job losses during the pandemic have hurt younger Indians the most...

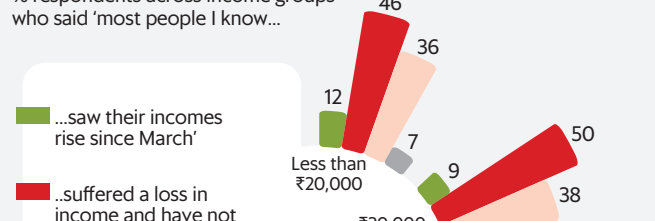
% respondents who said they suffered a job loss since the lockdown



Considers responses of only those who are active in the job market (responses of students, retired individuals and homemakers have been excluded). Findings based on a sub-sample of 6,599 responses.

Chart 2 ...but the older cohorts suffered more income losses

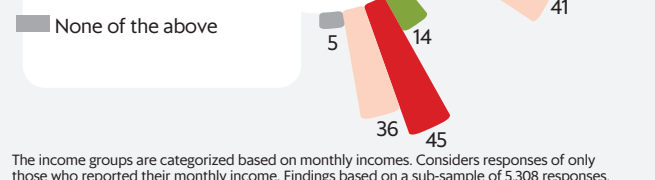
% respondents who said their monthly income has...



Considers responses of only those who are active in the job market (responses of students, retired individuals and homemakers have been excluded). Findings based on a sub-sample of 5,951 responses.

Chart 3 Many Indians haven't seen a recovery in incomes yet

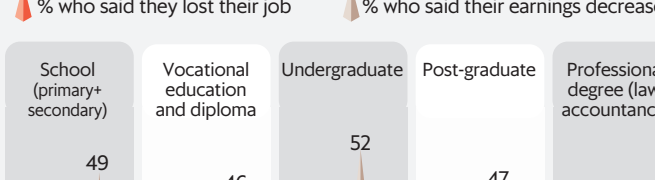
% respondents across income groups who said 'most people I know...



The income groups are categorized based on monthly incomes. Considers responses of only those who reported their monthly income. Findings based on a sub-sample of 5,308 responses. Some percentages may not add up to 100 due to rounding off errors.

Chart 4 The oldest in the job market are finding it tougher to find work now

% respondents who said finding a job nowadays is...



Considers responses of only those who are active in the job market (responses of students, retired individuals and homemakers have been excluded). Latest round findings are based on a sub-sample of 6,455 responses, and the previous round on 6,136 responses.

Chart 5 Those holding professional degrees were less hit by the job crisis

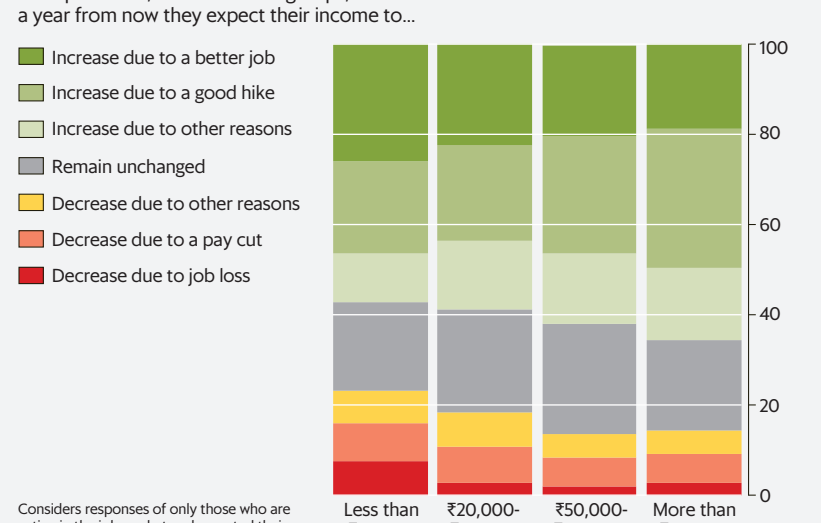
% respondents with different educational qualifications who lost job/income



Considers responses of only those who are active in the job market (responses of students, retired individuals and homemakers have been excluded). Findings on job hit and income hit are based on a sub-sample of 3,335 and 3,212 responses, respectively.

Chart 6 Majority expect their income to rise in a year from now

% respondents, across income groups, who said a year from now they expect their income to...



Considers responses of only those who are active in the job market and reported their monthly income. 'Can't say' or 'don't know' responses have also been excluded. Findings based on a sub-sample of 4,969 responses.

Sources: YouGov-Mint-CPR Millennial Survey (Oct-Nov 2020), YouGov-Mint Millennial Survey (Oct-Nov 2019)

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