Long Social Distancing

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Abstract

More than 10% of Americans who worked in 2019 say they will continue social distancing after the COVID-19 pandemic ends, and another 45% will engage in limited forms of social distancing. We uncover this Long Social Distancing phenomenon in our monthly Survey of Working Arrangements and Attitudes (SWAA). Long Social Distancing is more prevalent among women, older persons, the less educated, and those with lower earnings. Persons who will continue social distancing have lower labor force participation than those who plan a complete return to pre-COVID activities – unconditionally and conditional on demographics and industry of the current or most recent job. By our estimates, Long Social Distancing lowers force participation by about 2.5 percentage points as of early 2022. This drag on labor force participation shows no sign of abating over the past year, suggesting it could depress labor force size for a long time.

Survey Methodology

Long Social Distancing

Labor Force Participation

Background on survey methodology

- **Target population:** US residents aged 20 to 64 who earned $20k or more in 2019. Between April and September 2021 we gradually added persons who earned $10k to $20k in 2019. Between January and March 2022 we transitioned to selection on prior-year earnings.
  - Each survey wave goes to field on the 2nd or 3rd Tuesday of the month, and data collection typically takes 10 to 12 days.
  - Survey waves typically collect 2,500 or 5,000 responses.
    - April 2021 and later waves collect 5,000 responses.
    - Prior to April 2021 most waves collected 2,500 responses, but August 2020, December 2020, and January 2021 collected 5,000.
    - We drop respondents who “speed” through the survey (take less than the estimated minimum) or fail our attention checks (see back-up slides). Altogether, we drop about 25% to 30% of respondents in the January to March 2022 waves for speeding or failing attention checks.
- **Representativeness:** Commercial providers field the survey on our behalf, drawing from a variety of sources for potential respondents.
  - We reweight the raw survey data (after dropping speeders) to match the share of workers in {age x sex x education x earnings} cells in Current Population Survey data from 2019 to 2019. See Figure 2 in Barrero, Bloom, and Davis (2021).
  - Unless noted, all statistics and charts use reweighted data.

The key survey question

Once the COVID-19 pandemic has ended, which of the following would best fit your views on social distancing?

- ○ Complete return to pre-COVID activities
- ○ Substantial return to pre-COVID activities, but I would still be wary of things like riding the subway or getting into a crowded elevator
- ○ Partial return to pre-COVID activities, but I would be wary of many activities like eating out or using ride-share taxis
- ○ No return to pre-COVID activities, as I will continue to social distance

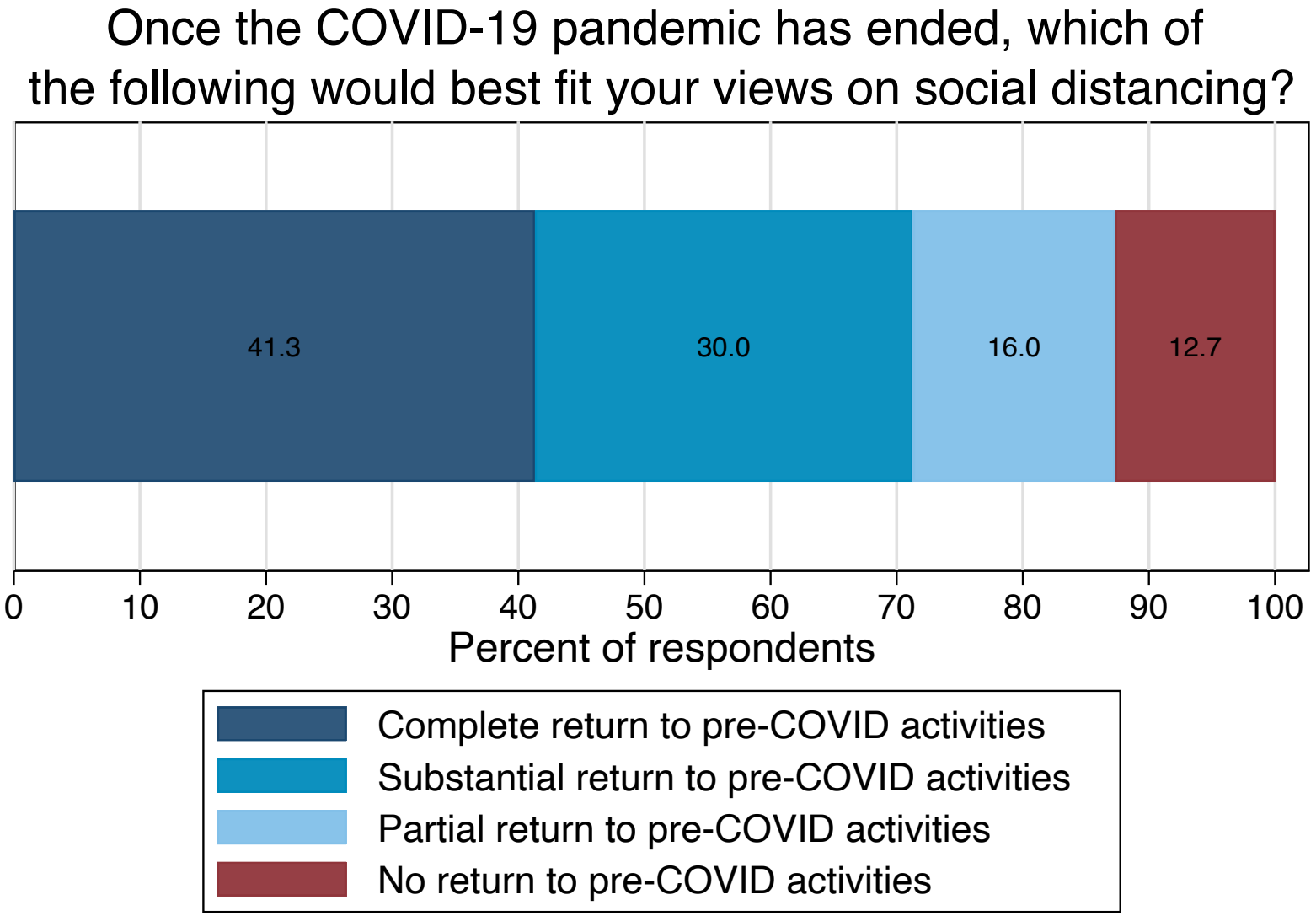
Continue

Survey Methodology

Long Social Distancing

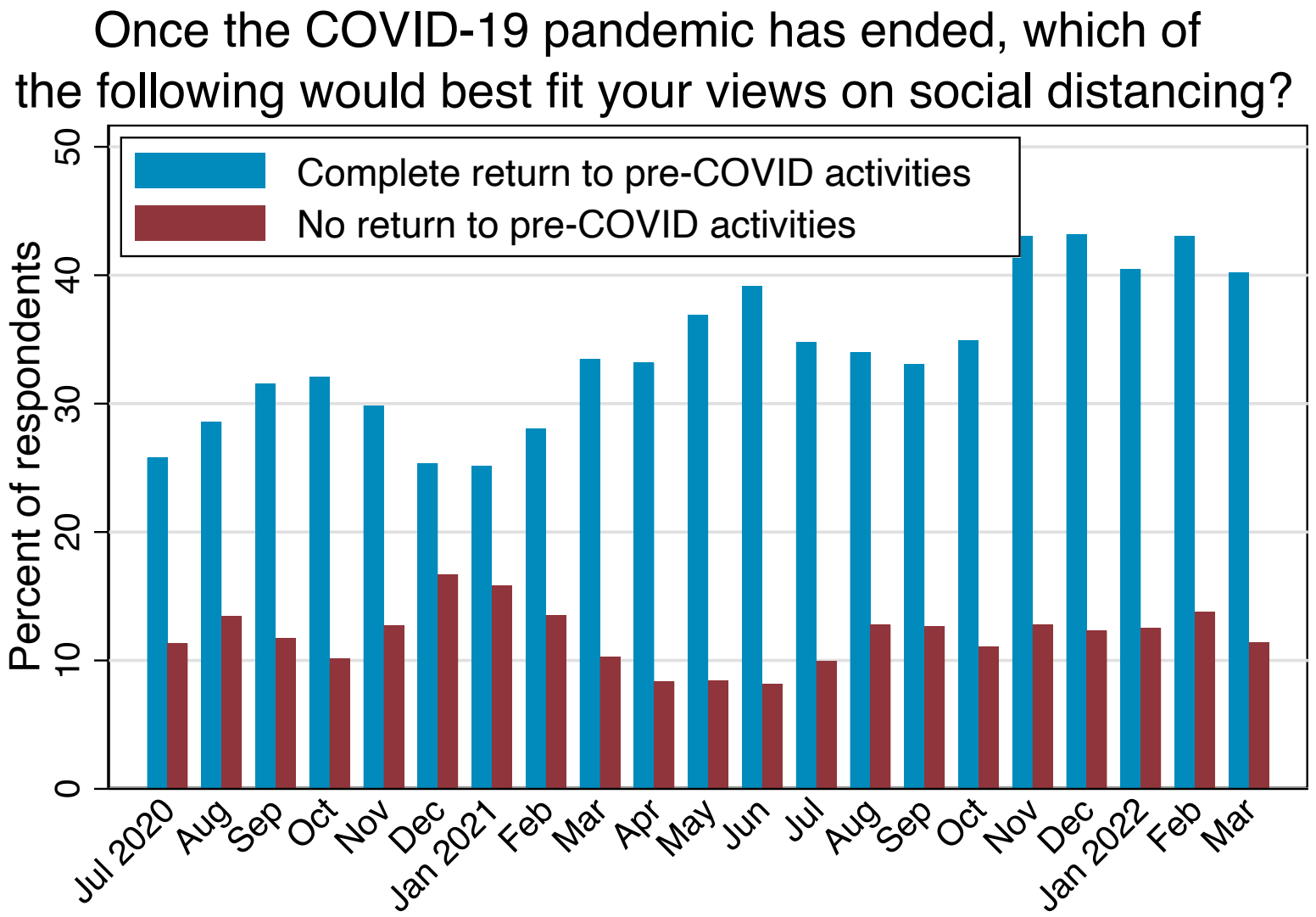
Labor Force Participation

Long Social Distancing: 13% of respondents plan no return to pre-COVID activities after the pandemic ends, and another 46% plan only a partial return.



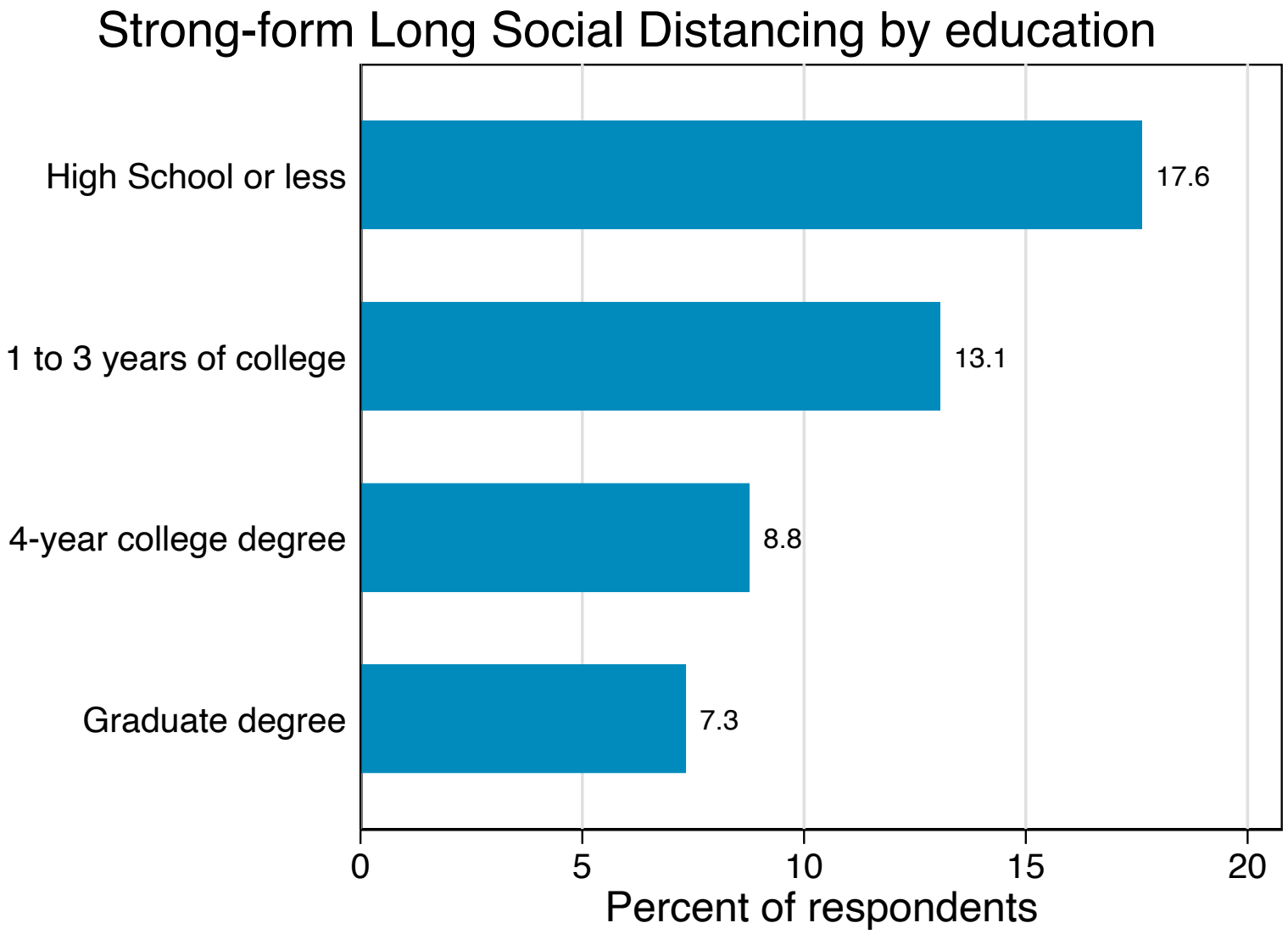
Notes: The title of the chart shows the latest version of the survey question underlying the data. The sample includes respondents from the January 2022 to March 2022 SWAA waves. The SWAA samples US residents aged 20 to 64 who earned $10,000 or more in 2019 or 2021 (we randomly assign the reference year for these waves).
N = 12,896.

Strong-form Long Social Distancing – defined as having no plans to return to pre-COVID activities – has remained above 10% since July 2021



Notes: The title of the chart shows the latest version of the survey question underlying the data. In 2020 we initally asked respondents about the possibilities of vaccine discovery, then vaccine approval and wide availability, and then in 2021 to a scenario when most of the population would be vaccinated. The sample includes respondents from the July 2020 to January 2022 waves of the SWAA. The SWAA samples US residents aged 20 to 64 who earned $10,000 or more in 2019 or 2021. (Starting in January 2022, we transitioned to a prior-year earnings requirement). **N = 74,674.**

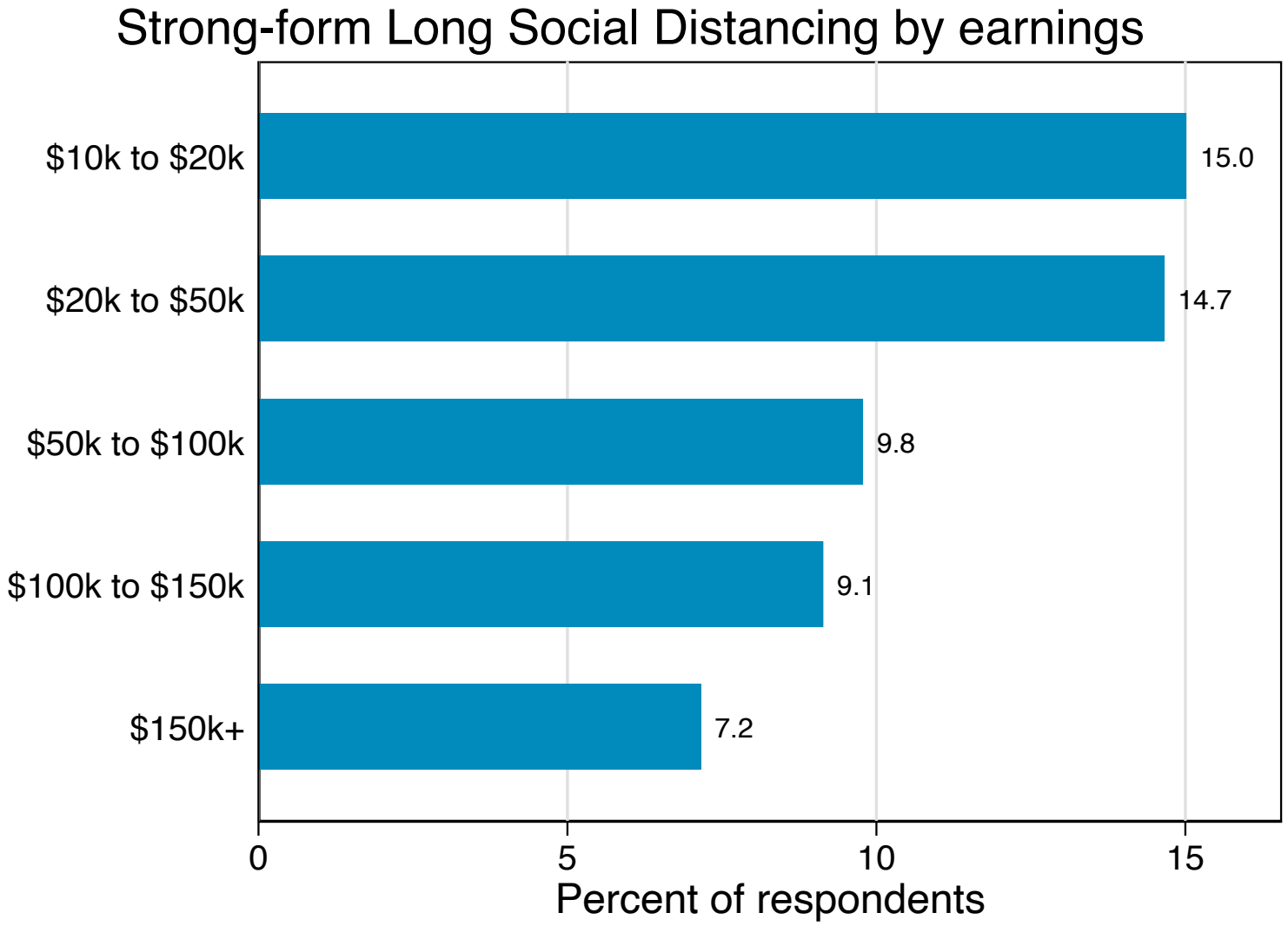
Strong-form Long Social Distancing falls with education



Notes: The sample includes respondents from the January to March 2022 survey waves. The SWAA samples US residents aged 20 to 64 who earned $10,000 or more.

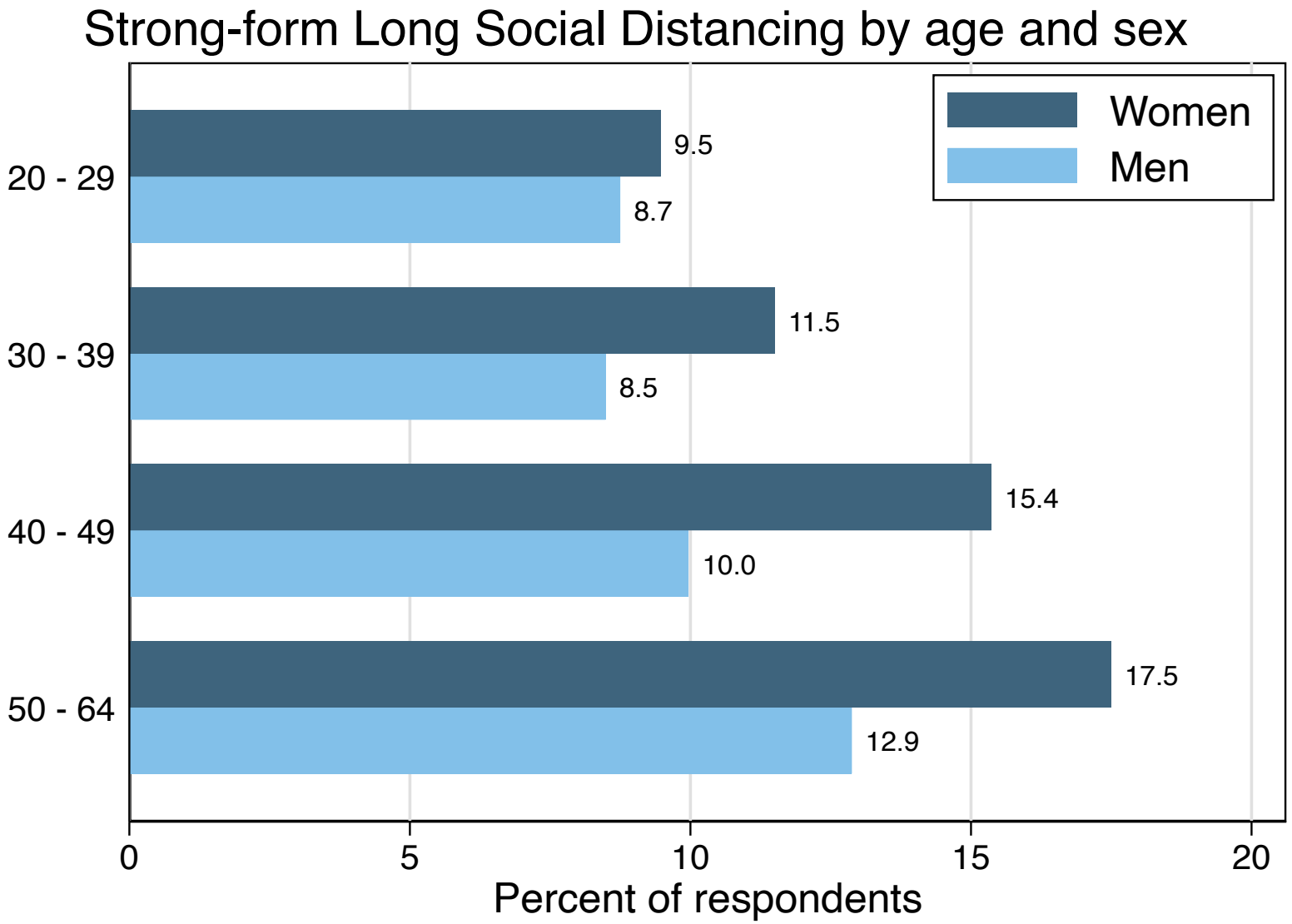
N = 12,896

Strong-form Long Social Distancing falls with earnings



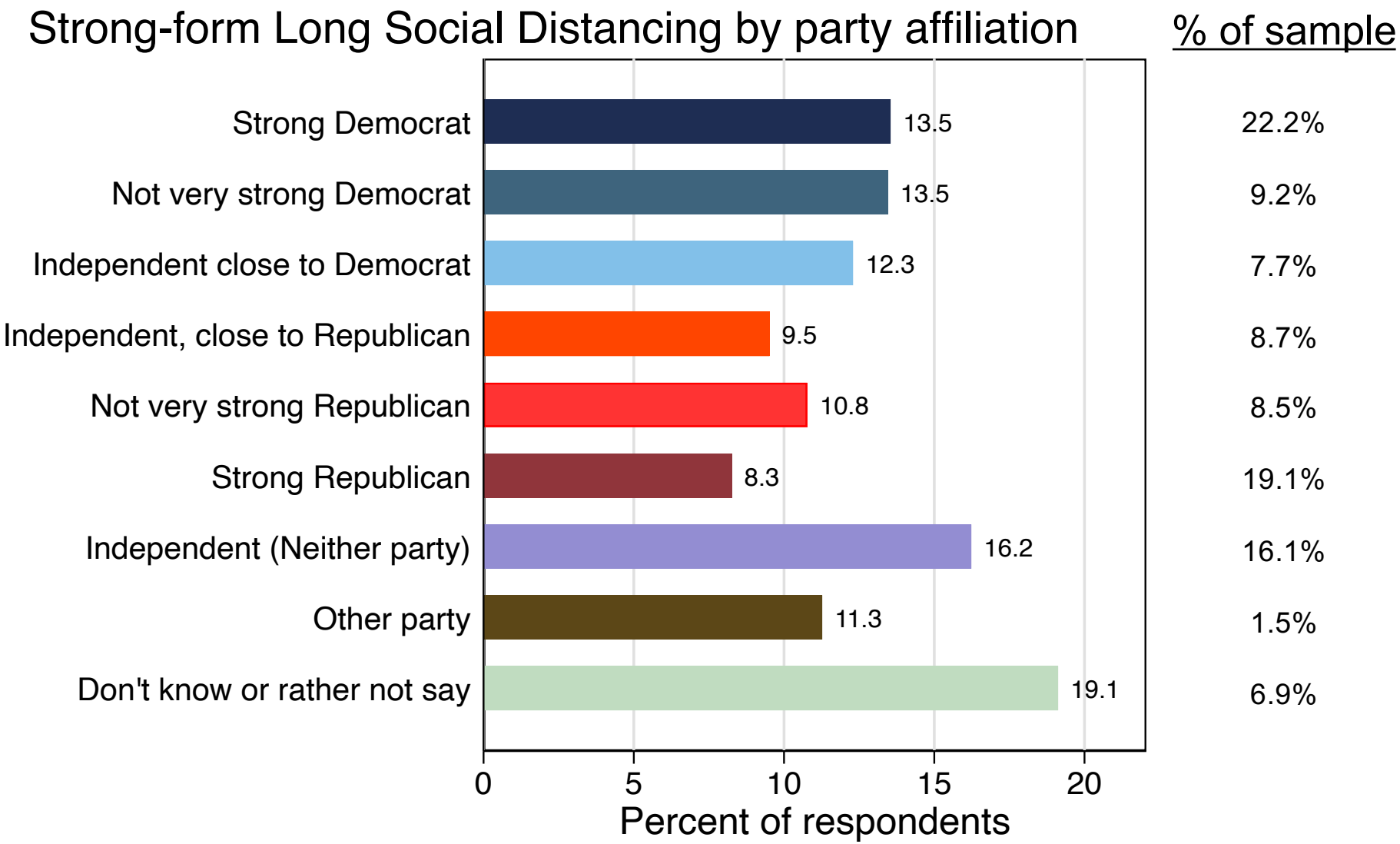
Notes: The sample includes respondents from the January to Match 2022 survey waves. The SWAA samples US residents aged 20 to 64 who earned $10,000 or more using 2019 or 2021 earnings.
N = 12,896

Strong-form long social distancing rises with age, particularly for women



Notes: The sample includes respondents from the January to March 2022 waves of the SWAA. The SWAA samples US residents aged 20 to 64 who earned $10,000 or more.
N = 12,896

Strong-form long social distancing is less common among Republicans



Notes: The sample includes respondents from the January to March 2022 survey waves. The SWAA samples US residents aged 20 to 64 who earned $10,000 or more.
N = 12,358

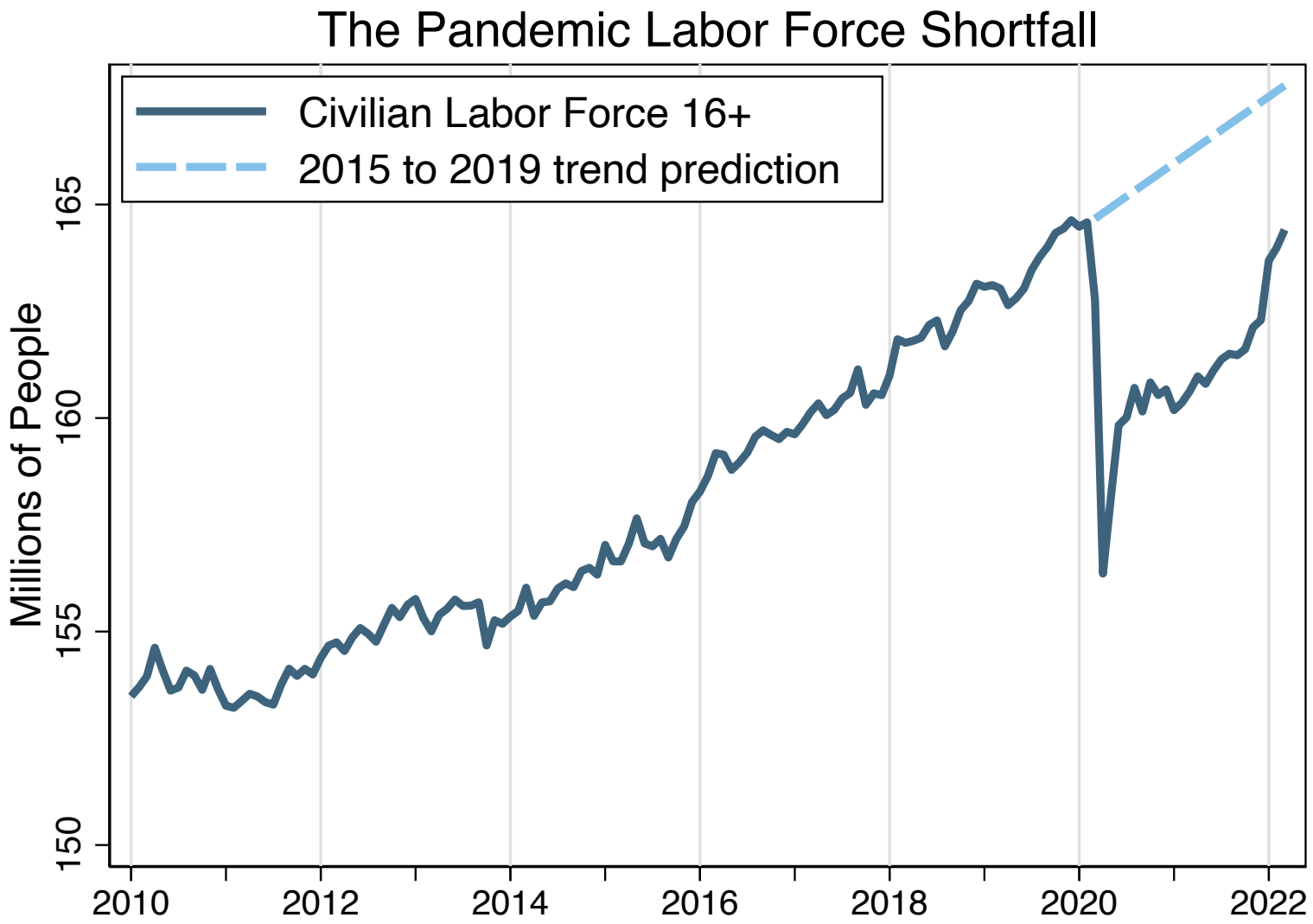
See Allcott et al. (2020) and Pennycook et al. (2021) for other evidence that COVID-related risk perceptions and *current* risk-avoidance behaviors vary by partisan leanings.

Survey Methodology

Long Social Distancing

Labor Force Participation

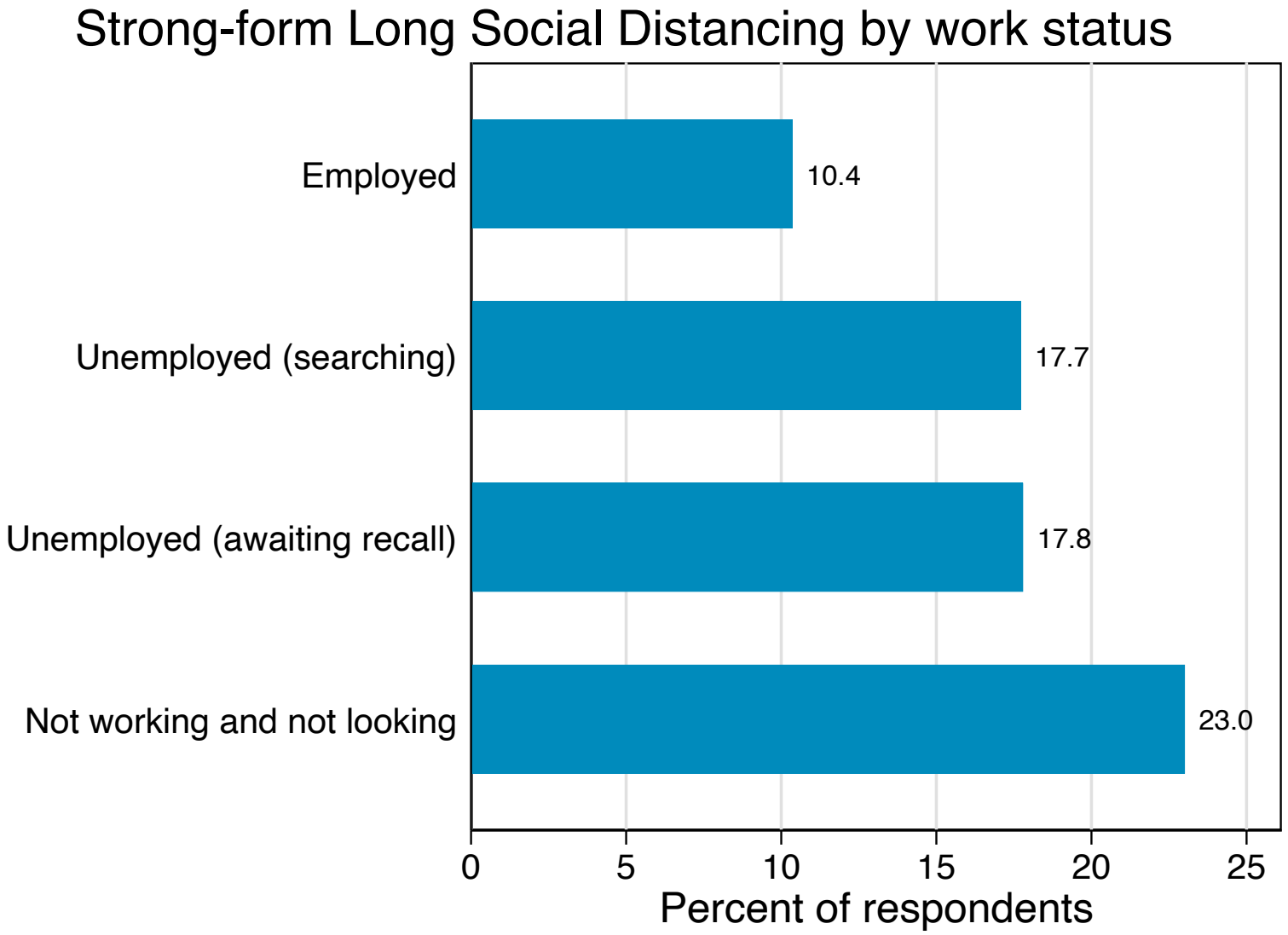
As of early 2022, the US labor force is short about 3.5 million workers, relative to the pre-pandemic trend



Notes: Data are the Civilian Labor Force Level (persons 16 and over) published monthly by the Bureau of Labor Statistics and extracted from FRED. The sample period for this series covers January 2010 to March 2021. We obtain the 2015 to 2019 trend prediction by estimating a linear trend from January 2015 to December 2019 and fitting the trend to March 2020 and later months.

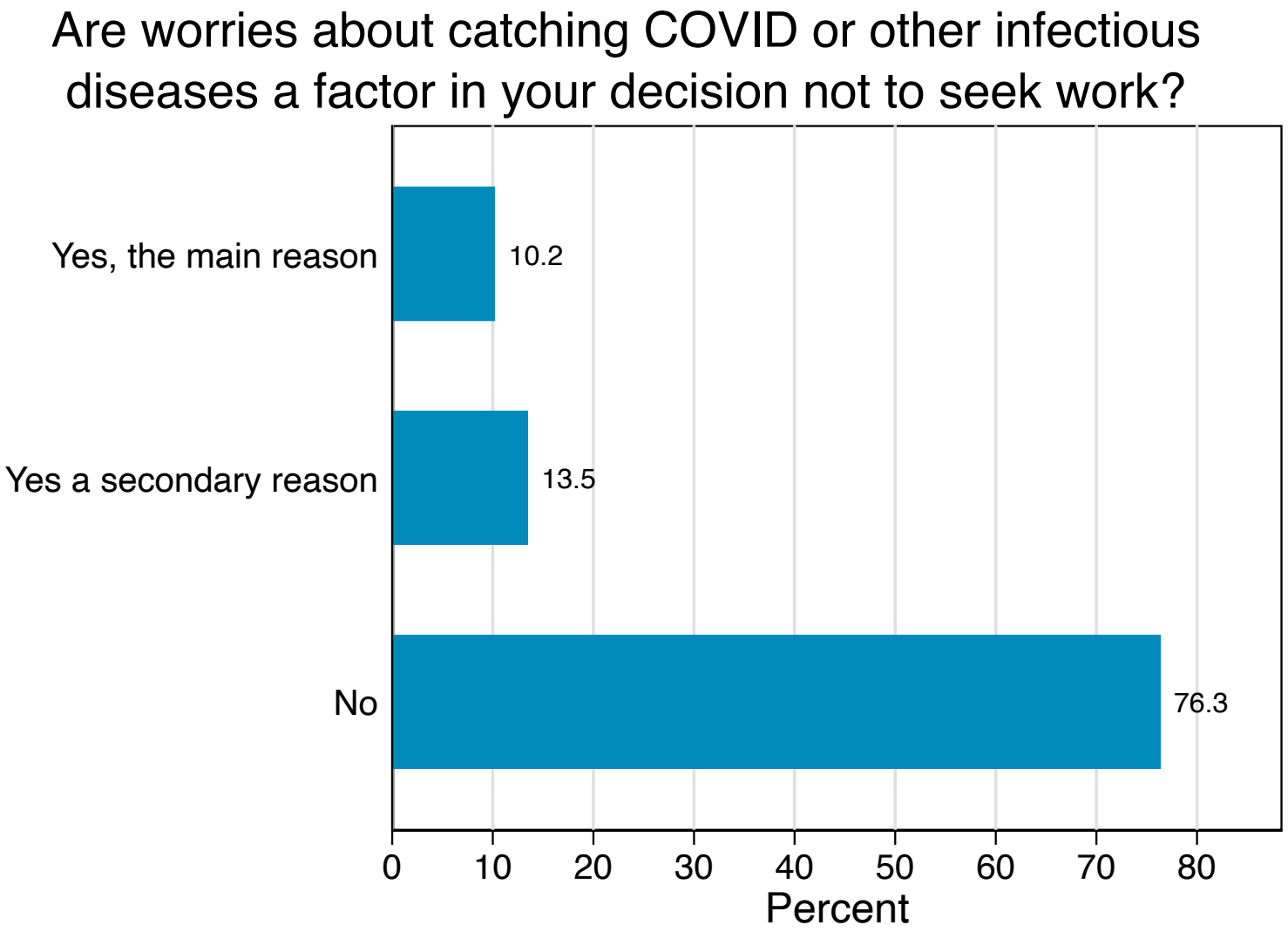
Pre-pandemic CBO projections in 2019 imply a smaller labor force shortfall as of 2022. See CBO (2019).

Strong-form long social distancing is more common among the non-employed, so maybe it's a factor in accounting for the missing workers



Notes: The sample includes respondents from the January to March 2022 survey waves. The SWAA samples US residents aged 20 to 64 who earned $10,000 or more in 2019.
N = 12,896

In fact, 24% of sampled persons who are neither working nor seeking work cite infection concerns as a reason



Notes: The sample includes respondents to the February and March 2022 SWAA who passed the attention check questions and indicated their working status in the week prior to the survey was “Not working, and not looking for work”. The SWAA samples US residents aged 20 to 64 who earned $10,000 or more in 2019. In February and March 2022, 11.1% of all respondents were not working and not seeking work.

N = 934.

Our methodology to investigate the relationship between Long Social Distancing and Labor Force Participation

(1) Regress LF non-participation status (not working and not looking for work = 1) on responses to question about social distancing plans. We control for age, sex, education, and industry (of the current or most recent job).

(2) Evaluate size and statistical significance of coefficients on social-distancing plans.

(3) Counterfactual: Use the coefficients on substantial, partial and no return to pre-COVID activities and the shares in each response category for social distancing plans to compute the implied LF non-participation excess relative to a world with no long social distancing (in which everyone returns to pre-COVID activities completely).

This counterfactual implies that long social distancing has depressed labor force participation rates by 1 to 2 percentage points since spring 2021.

The long social distancing drag on LF participation shows no signs of abating with the passage of time.

Long Social Distancing depresses labor force participation by about 2.5 percentage points from January-March 2022

Question: *Once the COVID-19 pandemic has ended, which of the following would best fit your views on social distancing?*

Dependent variable: 100 x 1(Not working and not looking for work)		**Percent of sample**	**Implied Drag on LF Participation Rate (ppts)**
Complete return to pre-COVID activities (baseline)	-	41.5	-
Substantial return to pre-COVID activities (e.g. avoid subway, crowded elevators)	3.1***	30.3	0.9
	(0.8)		
Partial return to pre-COVID activities (e.g. avoid eating out, taxi/ride-share)	4.0***	16.0	0.6
	(1.0)		
No return to pre-COVID activities	7.7***	12.2	0.9
	(1.4)		
FE for: survey wave, age category (e.g. 20 to 29), sex, education, and industry of current or most recent job			
		Total drag =	**2.5**
Observations	12,646		
R-squared	0.09		

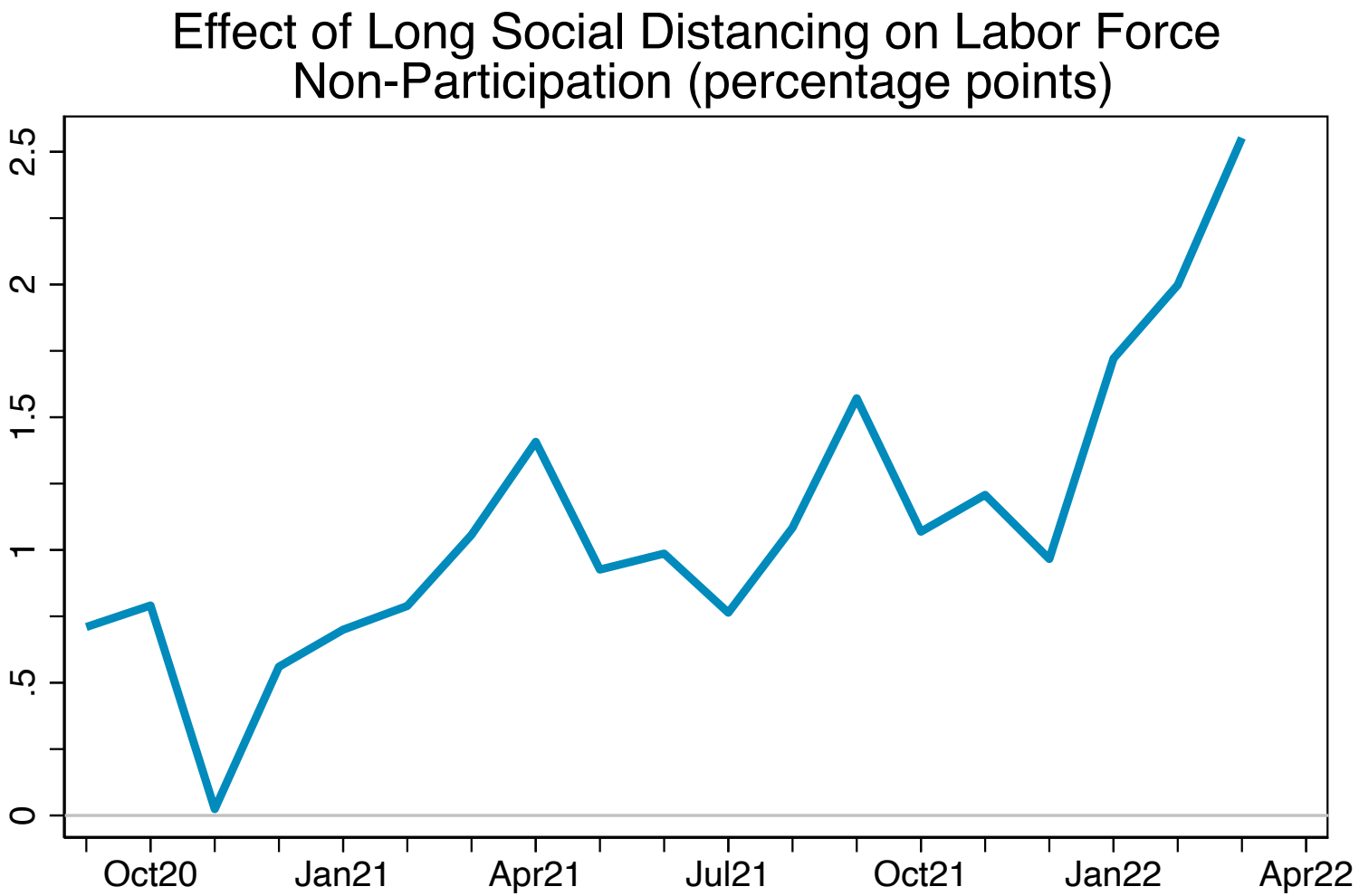
Notes: We report robust standard errors in parentheses with *** p<0.01, ** p<0.05, * p<0.1. The second column shows the percent of respondents that chose each response to the social distancing question in the first column. The final column computes the implied drag of continued social distancing on labor force -participation by multiplying the coefficient from the first column with the percent/100 from the second column. Data are from the January to March 2022 SWAA waves.

Long Social Distancing depresses labor force participation by about 2.5 percentage points with/without demographic and industry controls

	(1)	(2)	(3)	(4)	(5)	(6)
	100 x 1(Not working and not looking for work)					
Complete return to pre-COVID activities (baseline)	-	-	-	-	-	-
Substantial return to pre-COVID activities (e.g. avoid subway, crowded elevators)	1.4	1.3	2.4***	2.2**	2.7***	3.1***
	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.8)
Partial return to pre-COVID activities (e.g. avoid eating out, taxi/ride-share)	4.3***	4.3***	4.3***	3.9***	3.8***	4.0***
	(1.2)	(1.2)	(1.1)	(1.1)	(1.1)	(1.0)
No return to pre-COVID activities	13.1***	13.2***	11.9***	11.5***	10.2***	7.7***
	(1.6)	(1.5)	(1.5)	(1.5)	(1.5)	(1.4)
FE for:						
Survey wave		Y	Y	Y	Y	Y
Age category (e.g. 20 to 29, 30 to 39, …)			Y	Y	Y	Y
Sex				Y	Y	Y
Educational attainment					Y	Y
Industry of current/most recent job						Y
Effect of incomplete return on non-participation	2.4	2.4	2.9	2.7	2.7	2.5
Observations	12,896	12,896	12,896	12,896	12,896	12,646
R-squared	0.02	0.02	0.08	0.09	0.10	0.09

Notes: Columns 1 to 6 run regressions with 100 x (Not working and not looking for work) as the dependent variable against responses to the question "Once the COVID-19 pandemic has ended, which of the following would best fit your views on social distancing?" and various fixed effects. We report robust standard errors in parentheses in columns 1 to 7 with *** p<0.01, ** p<0.05, * p<0.1. The row for "Effect of incomplete return on non participation" reports the "dot product" of the vector of coefficients for social distancing and the vector with the share of respondents corresponding to each coefficient (see page 7 for the latter). Data are from the January to March 2022 SWAA waves.

The Long Social Distancing Drag on Labor Force Participation Is Not Diminishing Over Time



Note: Each monthly estimate is based on 3 months of data up to that month.

Notes: In month *t* we pool data for *t-2* to *t* and regress an indicator for whether a respondent is out of the labor force (not working and not looking for work) on their responses to the question *"After the COVID-19 pandemic has ended, which of the following would best fit your views on social distancing?"* with *"Full return to pre-COVID activities"* as the baseline level, and controls for survey wave, education and age categories, industry of the current (most recent) job and occupation. We multiply the coefficients for each type of (incomplete) return to pre-COVID activities by the corresponding share of respondents and add the results to obtain the total effect of social distancing on labor force non-participation. Data are from the July 2020 to March 2022 waves of the SWAA.

N = 74,675

Long Social Distancing Effect on Potential Output

On an earnings-weighted basis, we estimate that long social distancing lowers LF participation by 2 percentage points (rather than 2.5 percentage points).

Thus, using a production function with labor input elasticity of (2/3), Long Social Distancing depresses potential output by roughly

$$1 - (0.98)^{2/3} = 1.4 \text{ percent}$$

This level effect on potential output will diminish if, and as, (a) desires for Long Social Distancing dissipate and (b) people find ways to accommodate their desires for social distancing, e.g., via remote work.

References

Allcott, Hunt, Levi Boxell, Jacob Conway, Matthew Gentzkow, Michael Thaler, and David Yang, 2020. "Polarization and public health: Partisan differences in social distancing during the coronavirus pandemic," *Journal of Public Economics,* 191 (November), 104254.

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Pennycook, Gordon, Jonathon McPhetres, Bago Bence, and David G. Rand, 2021. "Beliefs about COVID-19 in Canada, the United Kingdom, and the United States: A Novel Test of Political Polarization and Motivated Reasoning," *Personality and Social Psychology,* https://doi.org/10.1177/01461672211023652.

U.S. Congressional Budget Office, 2019. "An Update to the Budget and Economic Outlook: 2019 to 2029," August. https://www.cbo.gov/system/files/2019-08/55551-CBO-outlook-update_0.pdf.

Appendix Slides

Long Social Distancing depresses labor force participation by about 2.5 percentage points from January-March 2022: Calculation Detail

	(1)	(2)	(3)	(4)	(5)	(6)	(8)	(9)
	100 x 1(Not working and not looking for work)						Percent of respondents	Effect of incomplete return on non-participation (p.p)
Complete return to pre-COVID activities (baseline)	-	-	-	-	-	-	41.5	-
Substantial return to pre-COVID activities (e.g. avoid subway, crowded elevators)	1.4	1.3	2.4***	2.2**	2.7***	3.1***	30.3	0.9
	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.8)		
Partial return to pre-COVID activities (e.g. avoid eating out, taxi/ride-share)	4.3***	4.3***	4.3***	3.9***	3.8***	4.0***	16.0	0.6
	(1.2)	(1.2)	(1.1)	(1.1)	(1.1)	(1.0)		
No return to pre-COVID activities	13.1***	13.2***	11.9***	11.5***	10.2***	7.7***	12.2	0.9
	(1.6)	(1.5)	(1.5)	(1.5)	(1.5)	(1.4)		
								Total effect
FE for:								2.5
Survey wave		Y	Y	Y	Y	Y		
Age category (e.g. 20 to 29, 30 to 39, …)			Y	Y	Y	Y		
Sex				Y	Y	Y		
Educational attainment					Y	Y		
Industry of current/most recent job						Y		
Observations	12,896	12,896	12,896	12,896	12,896	12,646	12,646	
R-squared	0.02	0.02	0.08	0.09	0.10	0.09		

Notes: Columns 1 to 6 run regressions with 100 x (Not working and not looking for work) as the dependent variable against responses to the question "Once the COVID-19 pandemic has ended, which of the following would best fit your views on social distancing?" and various fixed effects. **We report** robust standard errors in parentheses in columns 1 to 7 with *** p<0.01, ** p<0.05, * p<0.1. Column 8 shows the percent of respondents that chose each response to the social distancing question in column 7. Column 9 computes the effect of continued social distancing on labor force non-participation by interacting the coefficient from column 7 with the percent/100 from column 8. Data are from the January to March 2022 SWAA waves.

Regression results on the full sample

	(1)	(2)	(3)	(4)	(5)	(6)	(8)	(9)
	100 x 1(Not working and not looking for work)						**Percent of respondents**	**Effect of incomplete return on non-participation (p.p)**
Complete return to pre-COVID activities (baseline)	-	-	-	-	-	-	34.7	-
Substantial return to pre-COVID activities (e.g. avoid subway, crowded elevators)	-0.4	-0.0	0.4	0.1	0.6*	0.7**	34.1	0.2
	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)		
Partial return to pre-COVID activities (e.g. avoid eating out, taxi/ride-share)	2.3***	2.8***	2.5***	2.1***	2.2***	2.2***	19.4	0.4
	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)		
No return to pre-COVID activities	9.0***	9.2***	8.0***	7.5***	6.6***	5.8***	11.8	0.7
	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)		
								Total effect
FE for:								1.3
Survey wave		Y	Y	Y	Y	Y		
Age category (e.g. 20 to 29, 30 to 39, …)			Y	Y	Y	Y		
Sex				Y	Y	Y		
Educational attainment					Y	Y		
Industry of current/most recent job						Y		
Occupation								
Observations	74,675	74,675	74,675	74,675	74,675	74,270	74,270	
R-squared	0.01	0.02	0.06	0.07	0.08	0.07		

Notes: Columns 1 to 7 run regressions with 100 x (Not working and not looking for work) as the dependent variable against responses to the question "Once the COVID-19 pandemic has ended, which of the following would best fit your views on social distancing?" and various fixed effects. **We report** robust standard errors in parentheses in columns 1 to 7 with *** p<0.01, ** p<0.05, * p<0.1. Column 8 shows the percent of respondents that chose each response to the social distancing question in column 7. Column 9 computes the effect of continued social distancing on labor force non-participation by interacting the coefficient from column 7 with the percent/100 from column 8. Data are from the July 2020 to March 2022 waves of the SWAA.

The link between labor force non-participation and Long Social Distancing is strongest for workers with no college

Dependent Variable	(1)	(2)	(3)	(4)	(5)
	100 x 1(Not working and not looking for work)				
Sample	**All respondents**	**No college**	**1 to 3 years of college**	**4-year college degree**	**Graduate degree**
Complete return to pre-COVID activities (baseline)	-	-	-	-	-
Substantial return to pre-COVID activities (e.g. avoid subway, crowded elevators)	3.1***	7.9***	0.7	1.0	2.0
	(0.8)	(2.1)	(1.4)	(1.3)	(1.7)
Partial return to pre-COVID activities (e.g. avoid eating out, taxi/ride-share)	4.0***	4.9**	3.2*	3.2*	3.9
	(1.0)	(2.2)	(1.8)	(1.8)	(2.6)
No return to pre-COVID activities	7.7***	11.4***	5.0**	5.4**	4.4
	(1.4)	(2.4)	(2.1)	(2.7)	(3.8)
FE for: survey wave, age category (e.g. 20 to 29), sex, and industry of current or most recent job	Y	Y	Y	Y	Y
Effect of incomplete return on non-participation	2.55	4.67	1.43	1.32	1.61
Observations	12,646	2,986	3,429	3,629	2,602
R-squared	0.1	0.1	0.1	0.1	0.1

Notes: We regress 100 x (Not working and not looking for work) as the dependent variable against responses to the question "Once the COVID-19 pandemic has ended, which of the following would best fit your views on social distancing?" and various fixed effects. Columns 2 to 6 split the sample by education groups. We report robust standard errors in parentheses with *** p<0.01, ** p<0.05, * p<0.1. The row for "Effect of incomplete return on non participation" reports the "dot product" of the vector of coefficients for social distancing and the vector with the share of respondents corresponding to each coefficient. Data are from the January to March 2022 SWAA waves.

Labor force participation question (current version – since Nov. 2020)

Last week what was your work status?

- ○ Working for pay, whether on business premises or working from home
- ○ Still employed and paid, but not working
- ○ Unemployed, looking for work
- ○ Unemployed, awaiting recall to my old job
- ○ Not working, and not looking for work

Continue

Attention check question #1

In how many big cities with more than 500.000 inhabitants have you lived?

Please note that **this question only serves the purpose to check your attention.**

Irrespective of your answer, please insert the number 33.

Continue

Attention check question #2

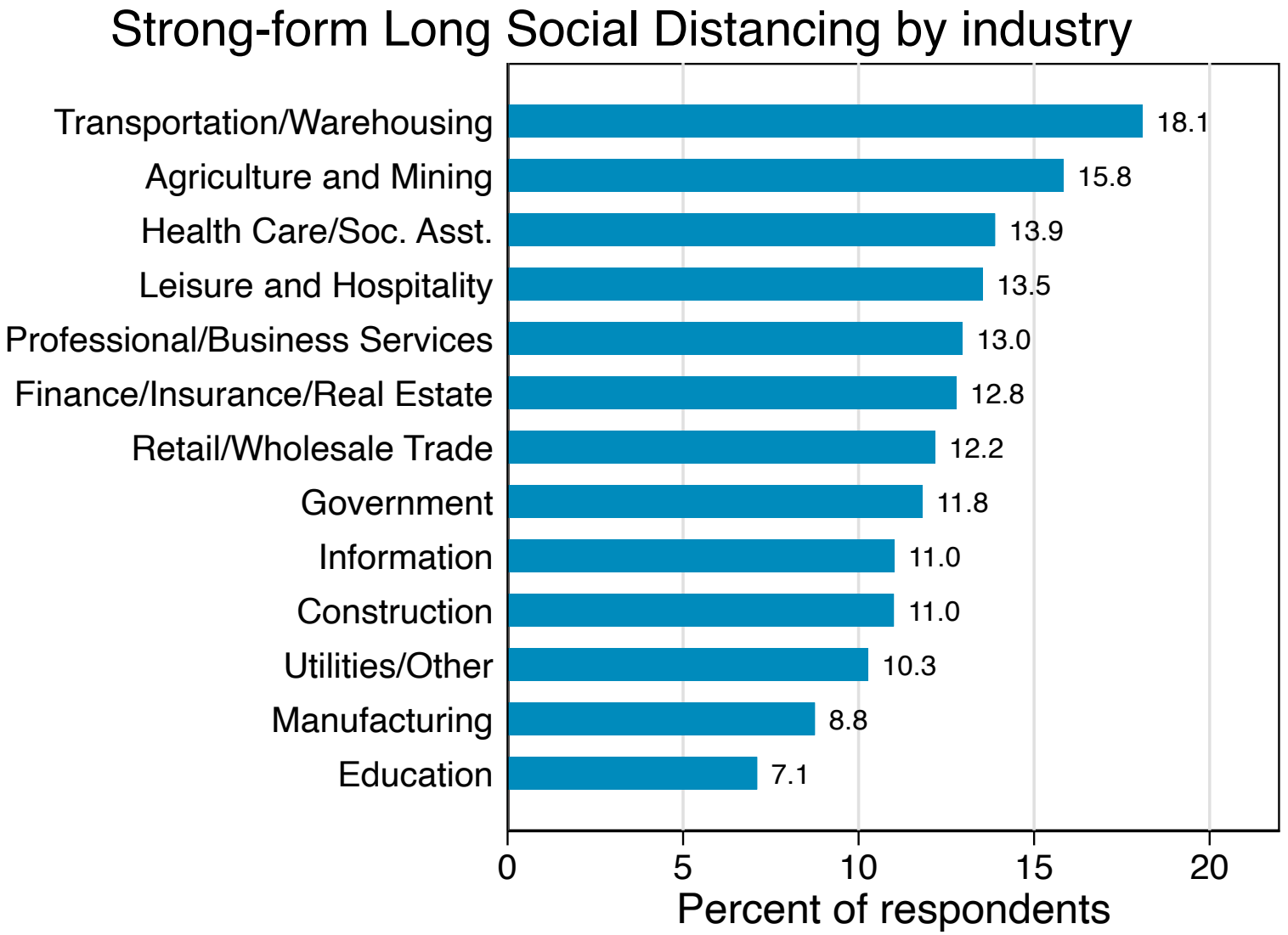
What color is grass?

The fresh, uncut grass, not leaves or hay. Make sure that you select purple as an answer so we know you are paying attention.

- ○ Magenta
- ○ Green
- ○ Purple
- ○ Brown
- ○ Black
- ○ White
- ○ Blue

Continue

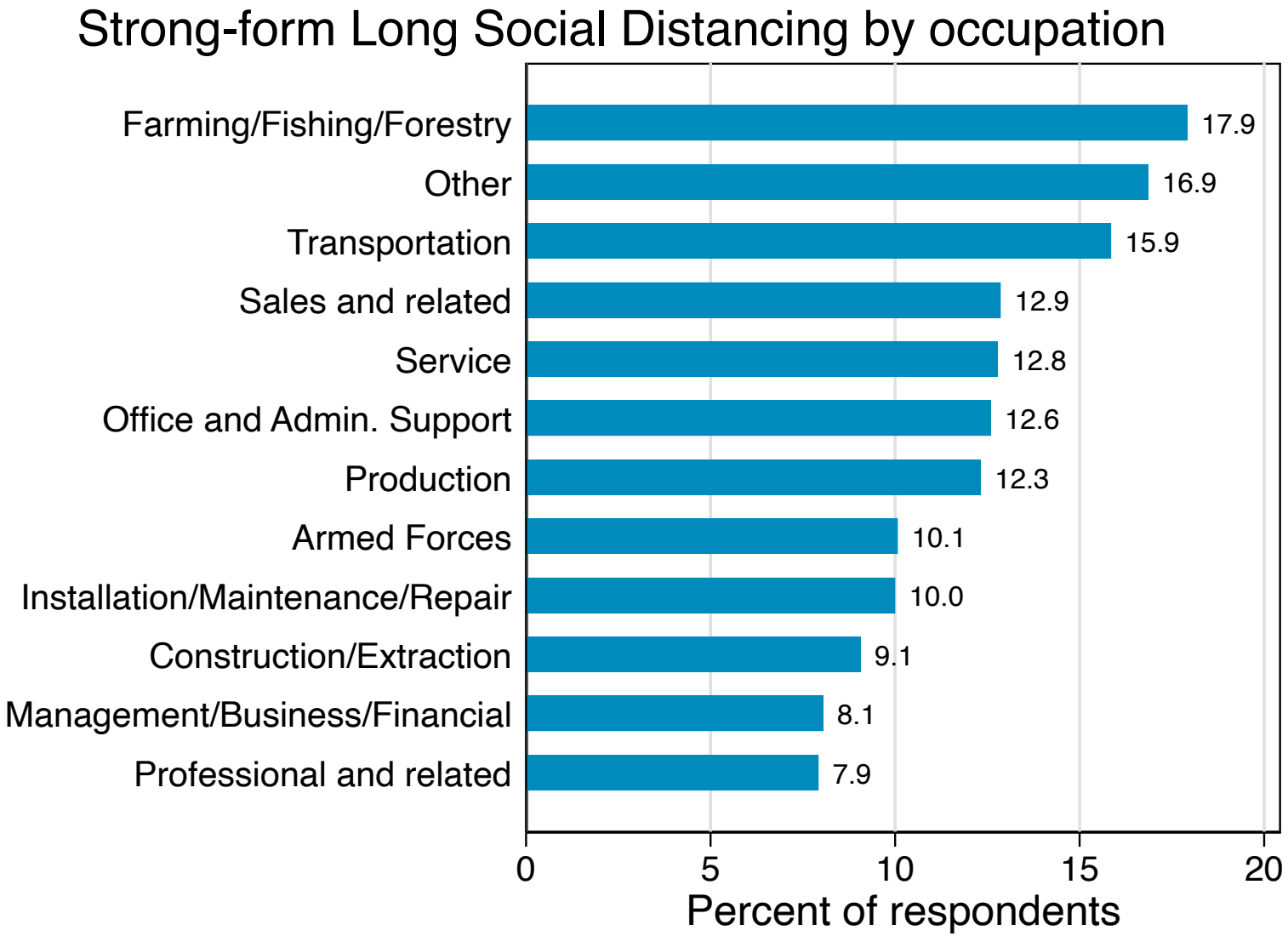
Strong-form Long Social Distancing is lowest among workers in education and highest in transportation and warehousing



Notes: The sample includes respondents from the January to Match 2022 survey waves. The SWAA samples US residents aged 20 to 64 who earned $10,000 or more using 2019 or 2021 earnings.

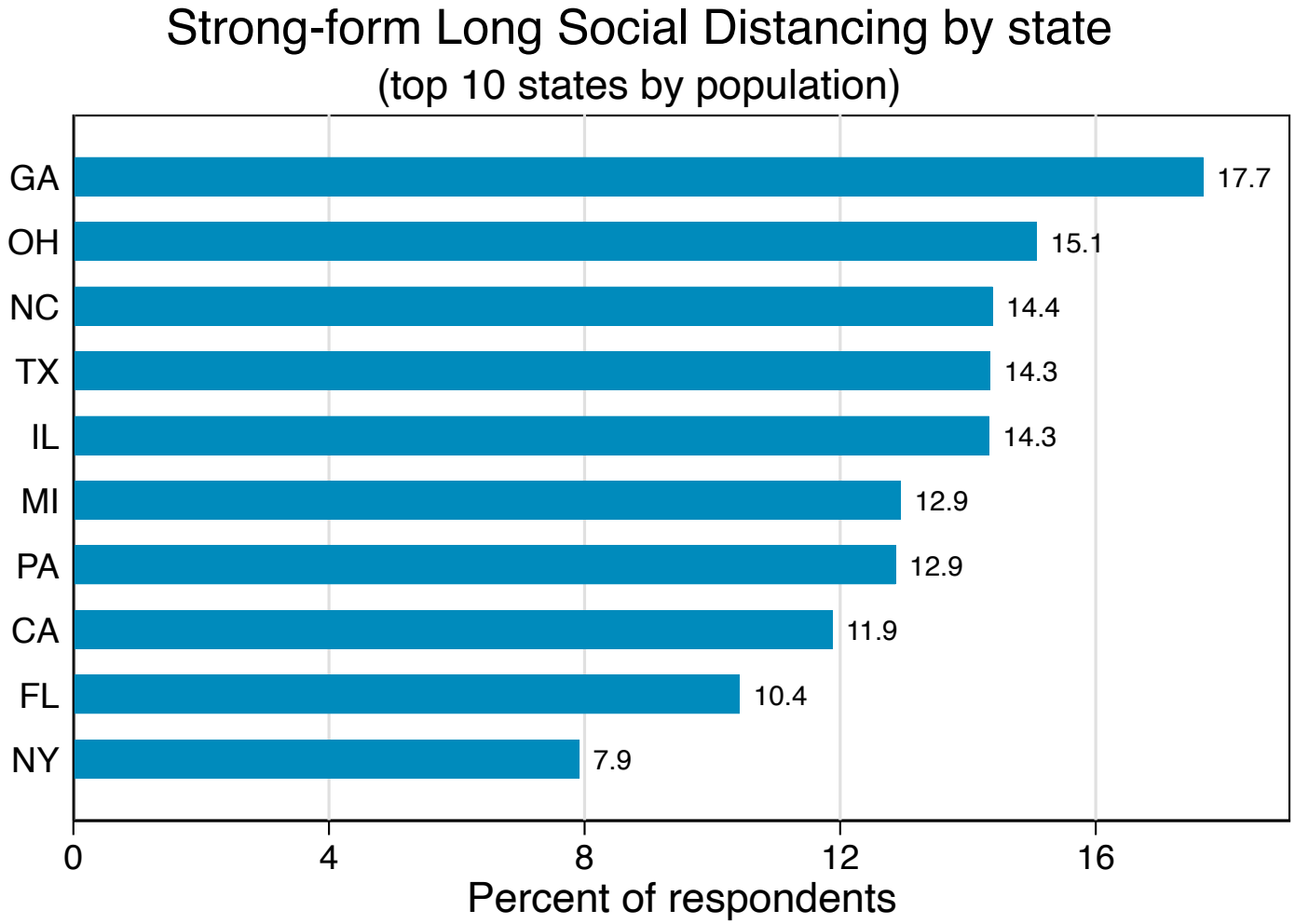
N = 12,646

Strong-form Long Social Distancing is highest among workers in farming, fishing, and forestry occupations and lowest among those in professional and related occupations



Notes: The sample includes respondents from the January to Match 2022 survey waves. The SWAA samples US residents aged 20 to 64 who earned $10,000 or more using 2019 or 2021 earnings.
N = 12,896

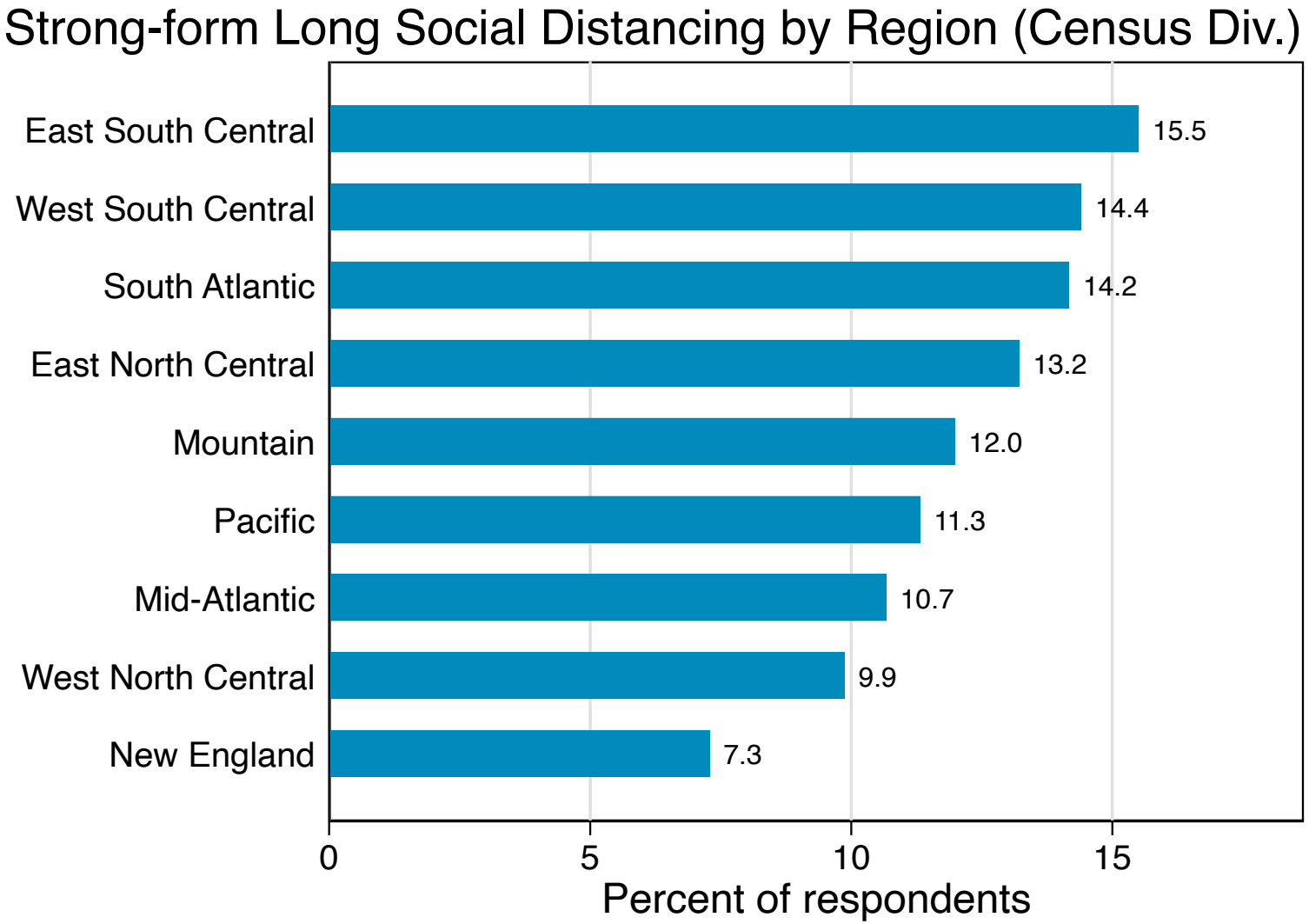
Among the 10 largest states by population, Strong-form Long Social Distancing is most common in Georgia and Ohio and least common in Florida and New York



Notes: The sample includes respondents from the January to Match 2022 survey waves. The SWAA samples US residents aged 20 to 64 who earned $10,000 or more using 2019 or 2021 earnings.

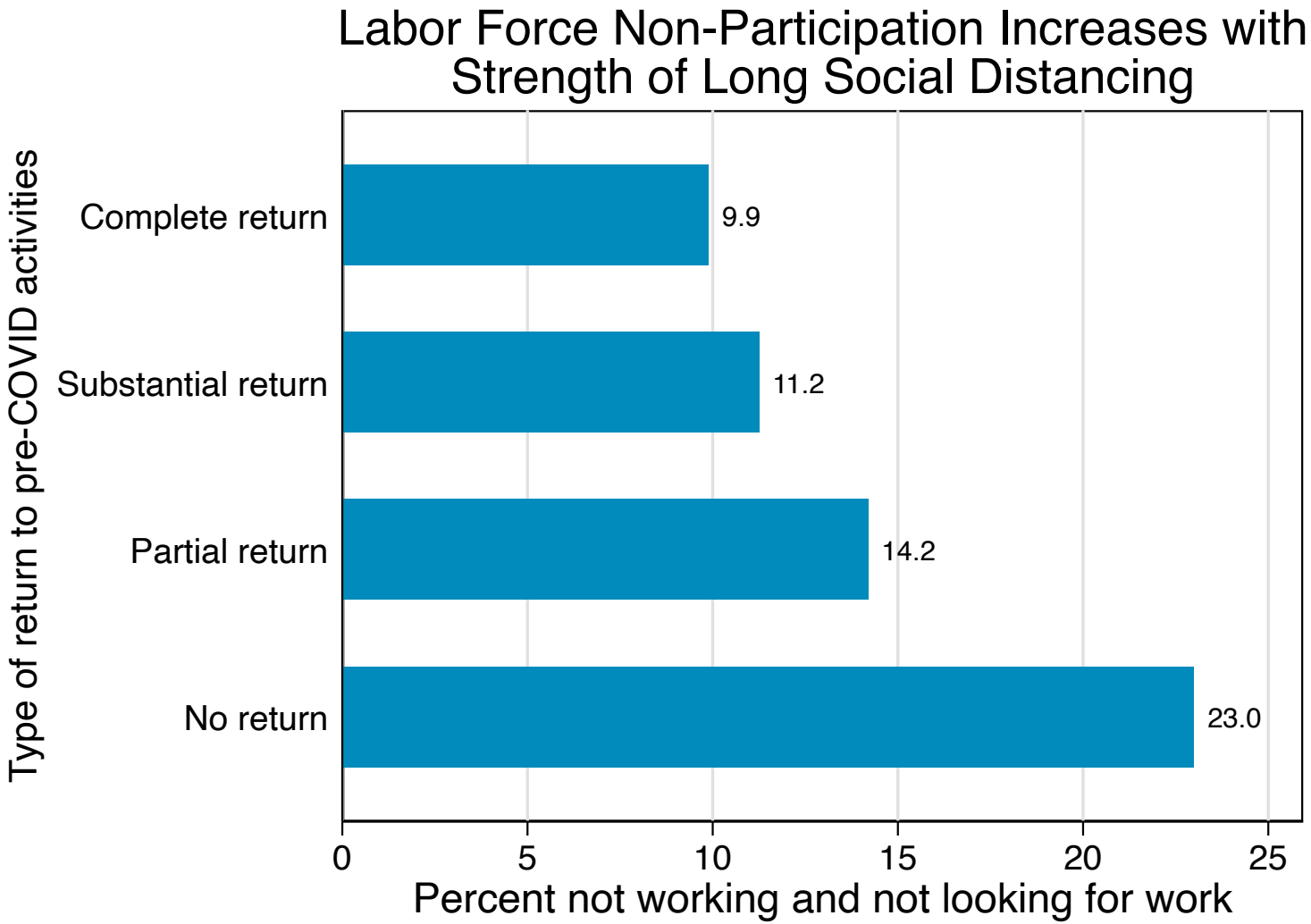
N = 12,896

Strong form Long-Social Distancing is most common in the South and least comon in the Great Plains and New England



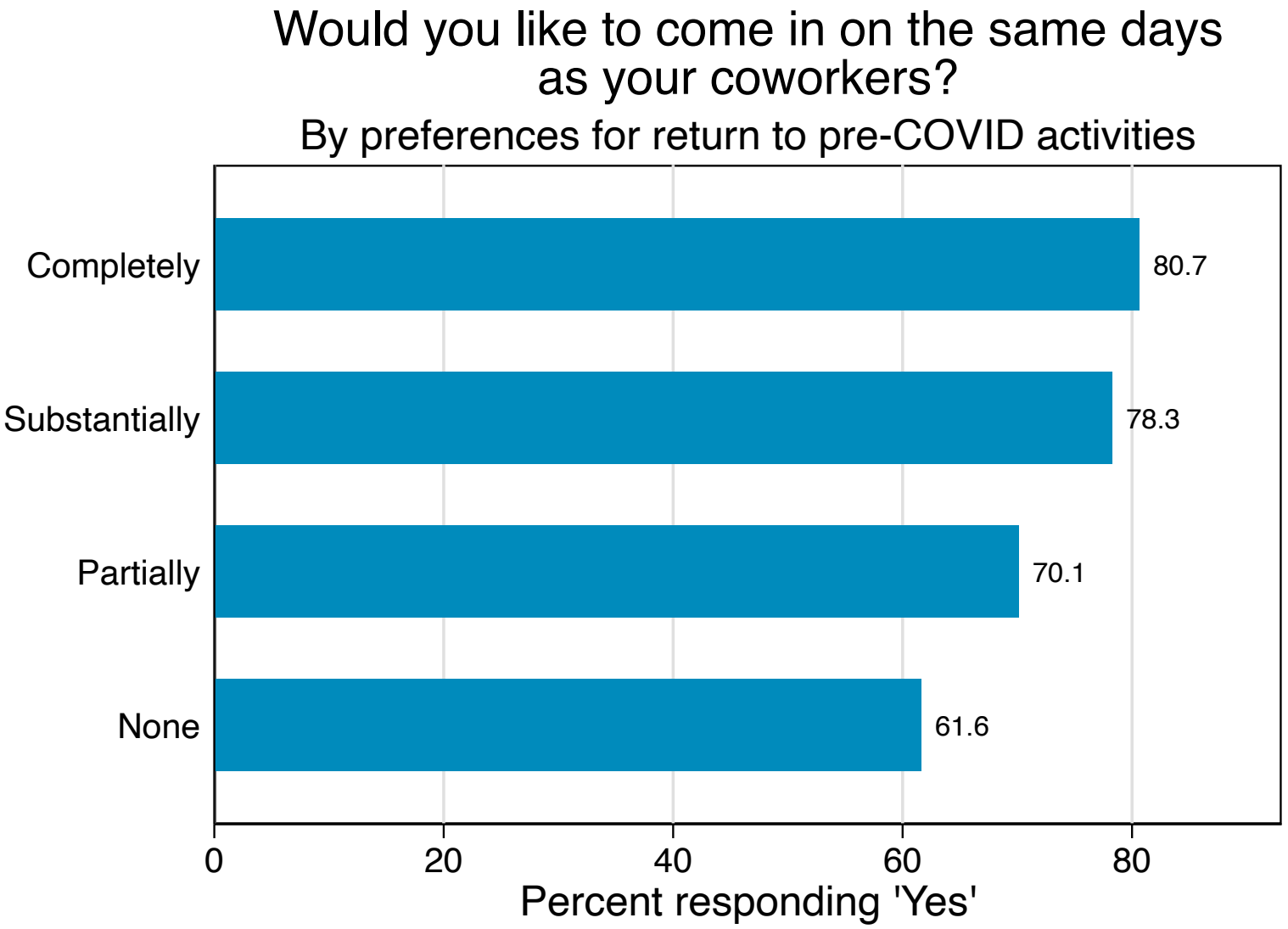
Notes: The sample includes respondents from the January to Match 2022 survey waves. The SWAA samples US residents aged 20 to 64 who earned $10,000 or more using 2019 or 2021 earnings.
N = 12,896

Respondents are especially likely to be out of the labor force when they report Strong-form Long Social Distancing



Notes: The sample includes respondents from the January to March 2022 survey waves. The SWAA samples US residents aged 20 to 64 who earned $10,000 or more using 2019 or 2021 earnings.
N = 12,896

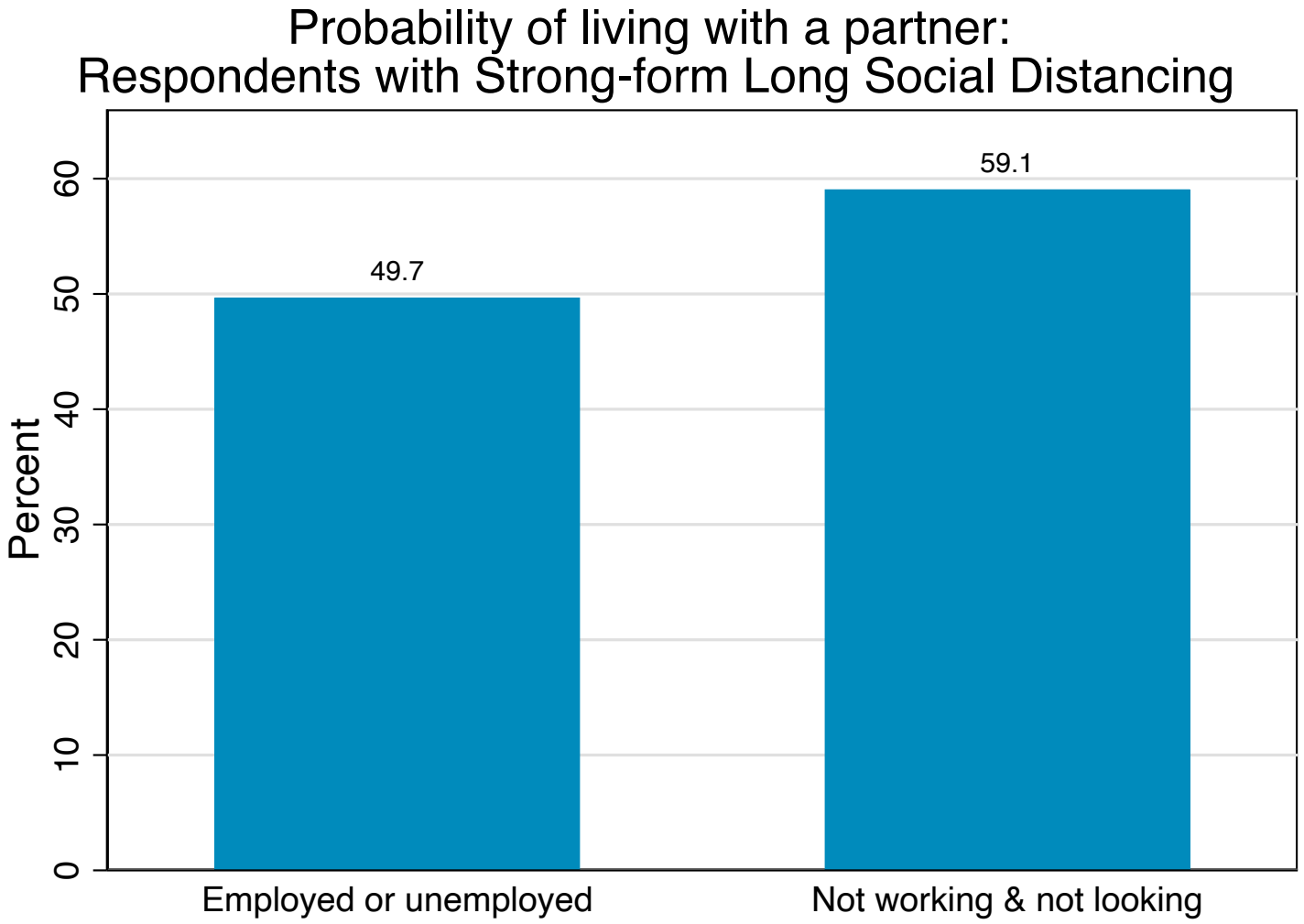
Long Social Distancing could make hybrid work more difficult



Notes: The sample includes respondents from the February and March 2022 survey waves. The SWAA samples US residents aged 20 to 64 who earned $10,000 or more using 2019 or 2021 earnings.

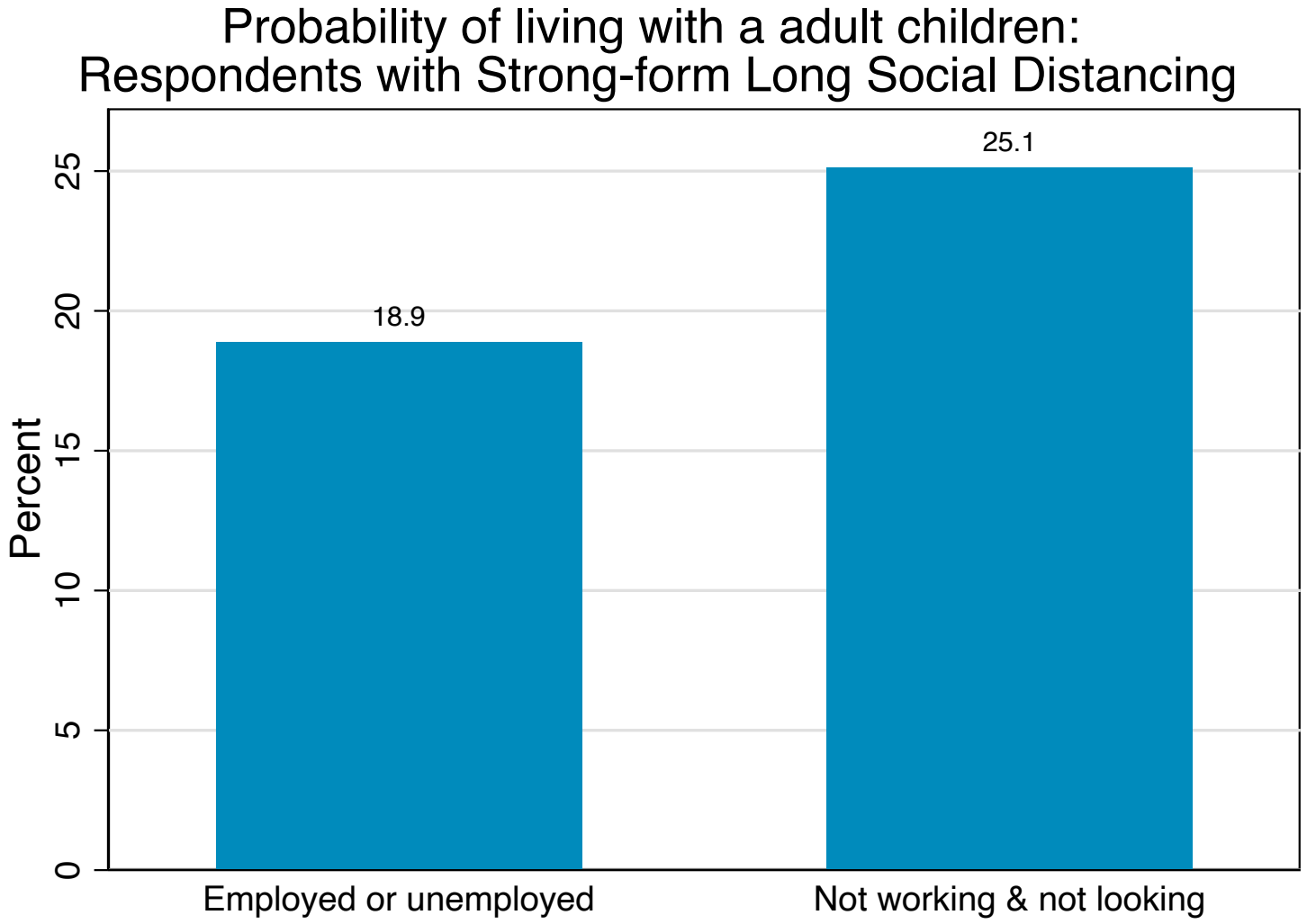
N = 3,413

Respondents reporting strong-form Long Social Distancing who are not working and not looking for work are *more likely* than others to live with a partner



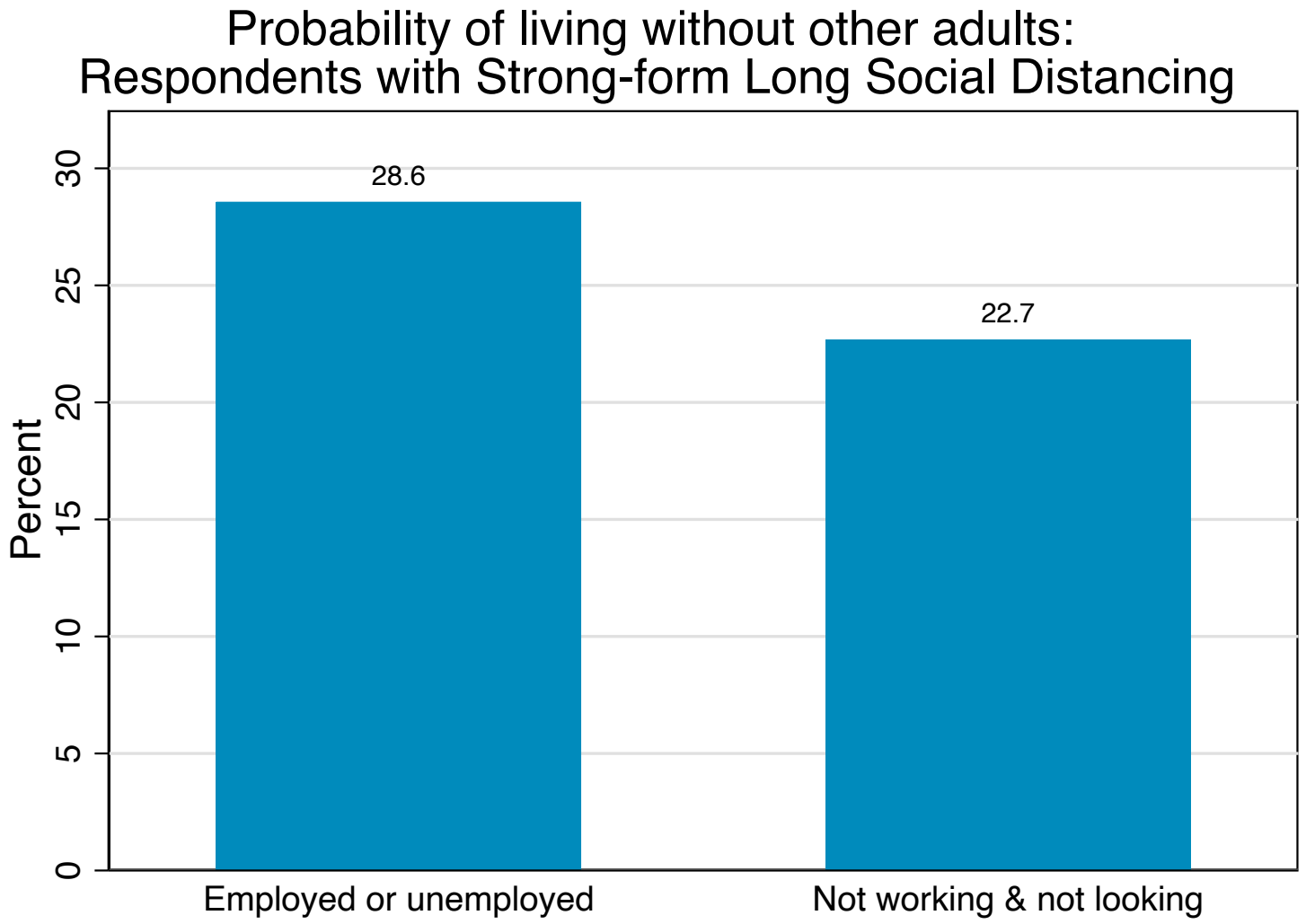
Notes: The sample includes respondents from the January to March 2022 survey waves who report strong-form Long Social Distancing. The SWAA samples US residents aged 20 to 64 who earned $10,000 or more using 2019 or 2021 earnings.
N = 1,387

Respondents reporting strong-form Long Social Distancing who are not working and not looking for work are *more likely* than others to live with one or more adult children



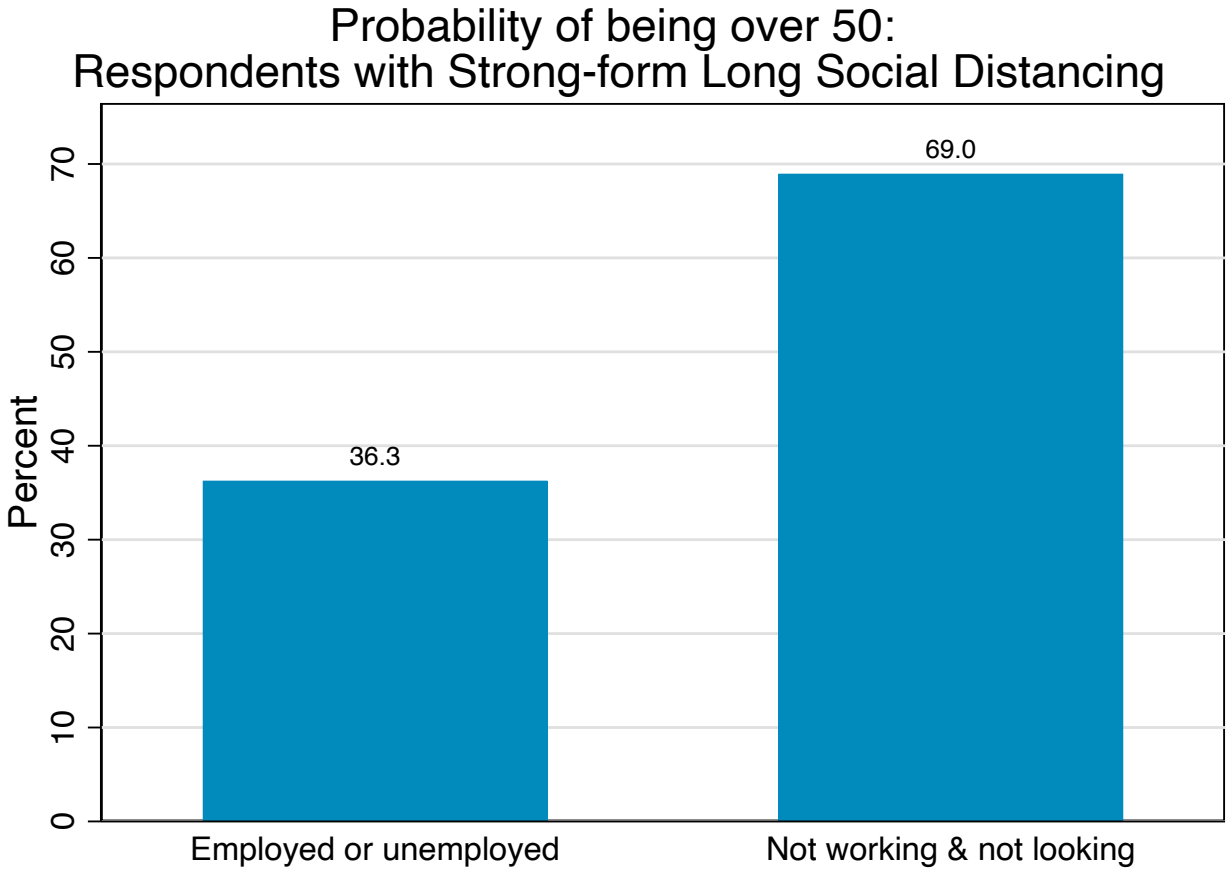
Notes: The sample includes respondents from the January to March 2022 survey waves who report strong-form Long Social Distancing. The SWAA samples US residents aged 20 to 64 who earned $10,000 or more using 2019 or 2021 earnings.
N = 1,387

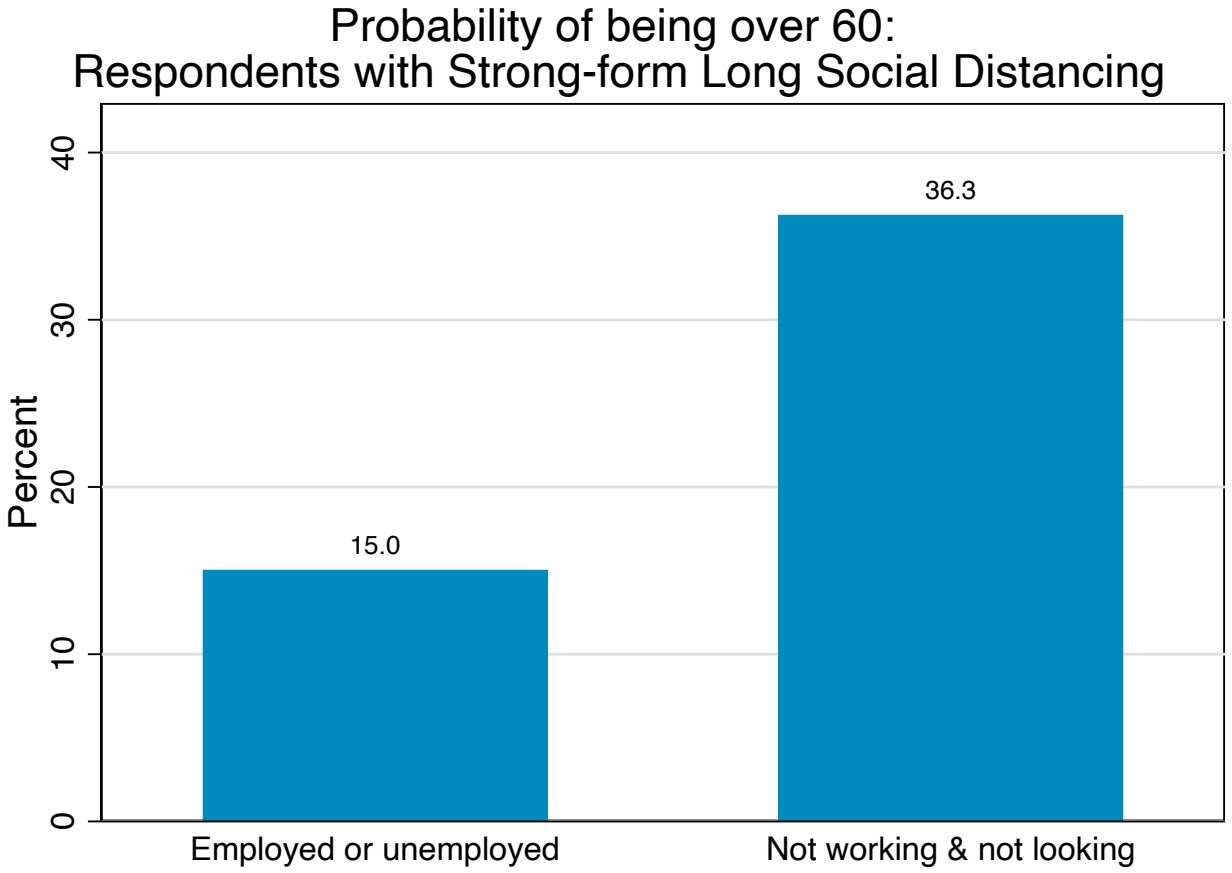
Respondents reporting strong-form Long Social Distancing who are not working and not looking for work are *less likely* than others to live without other adults



Notes: The sample includes respondents from the January to March 2022 survey waves who report strong-form Long Social Distancing. The SWAA samples US residents aged 20 to 64 who earned $10,000 or more using 2019 or 2021 earnings.
N = 1,387

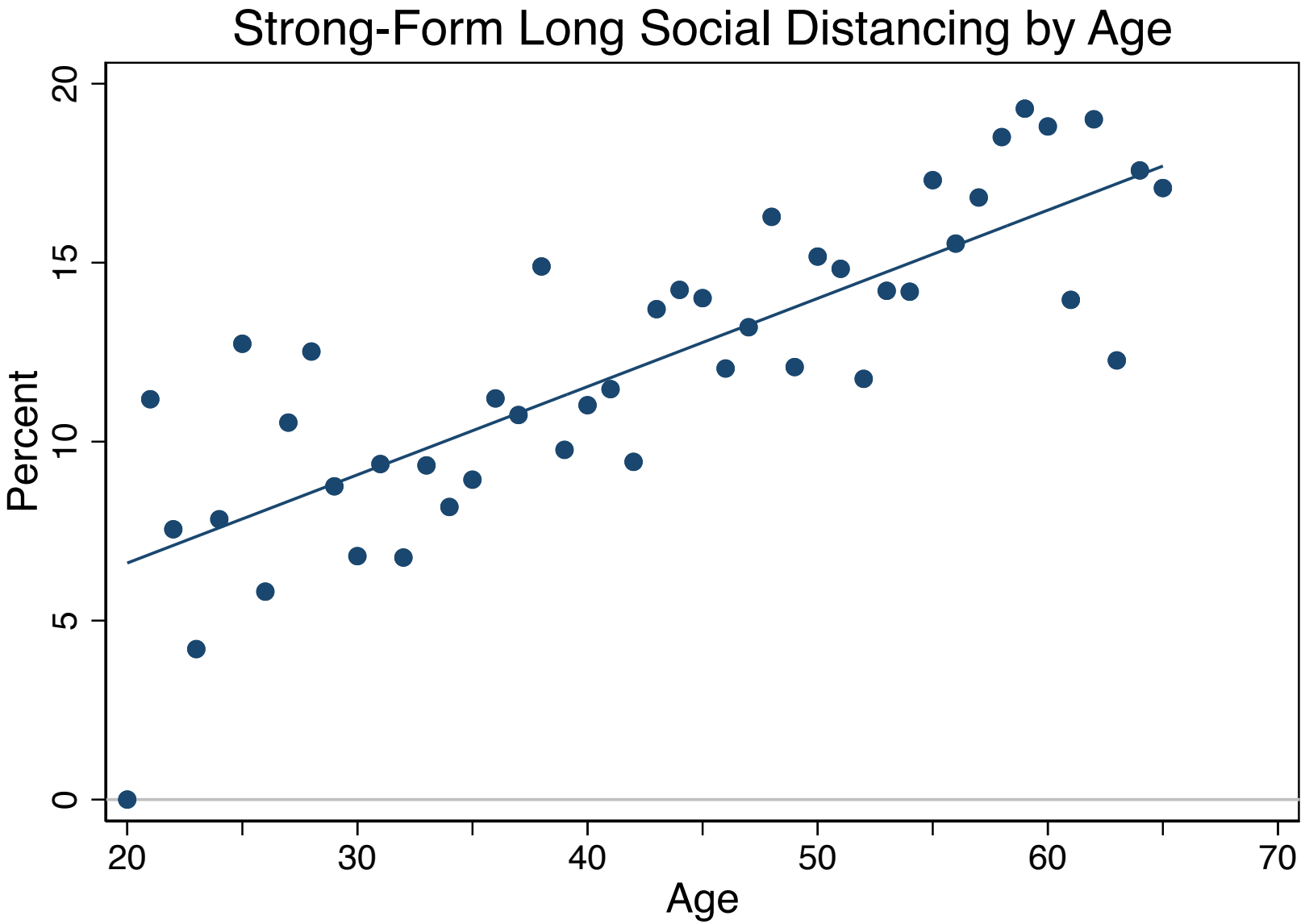
Respondents reporting strong-form Long Social Distancing who are not working and not looking for work are *more likely* than others to be over 50 or over 60





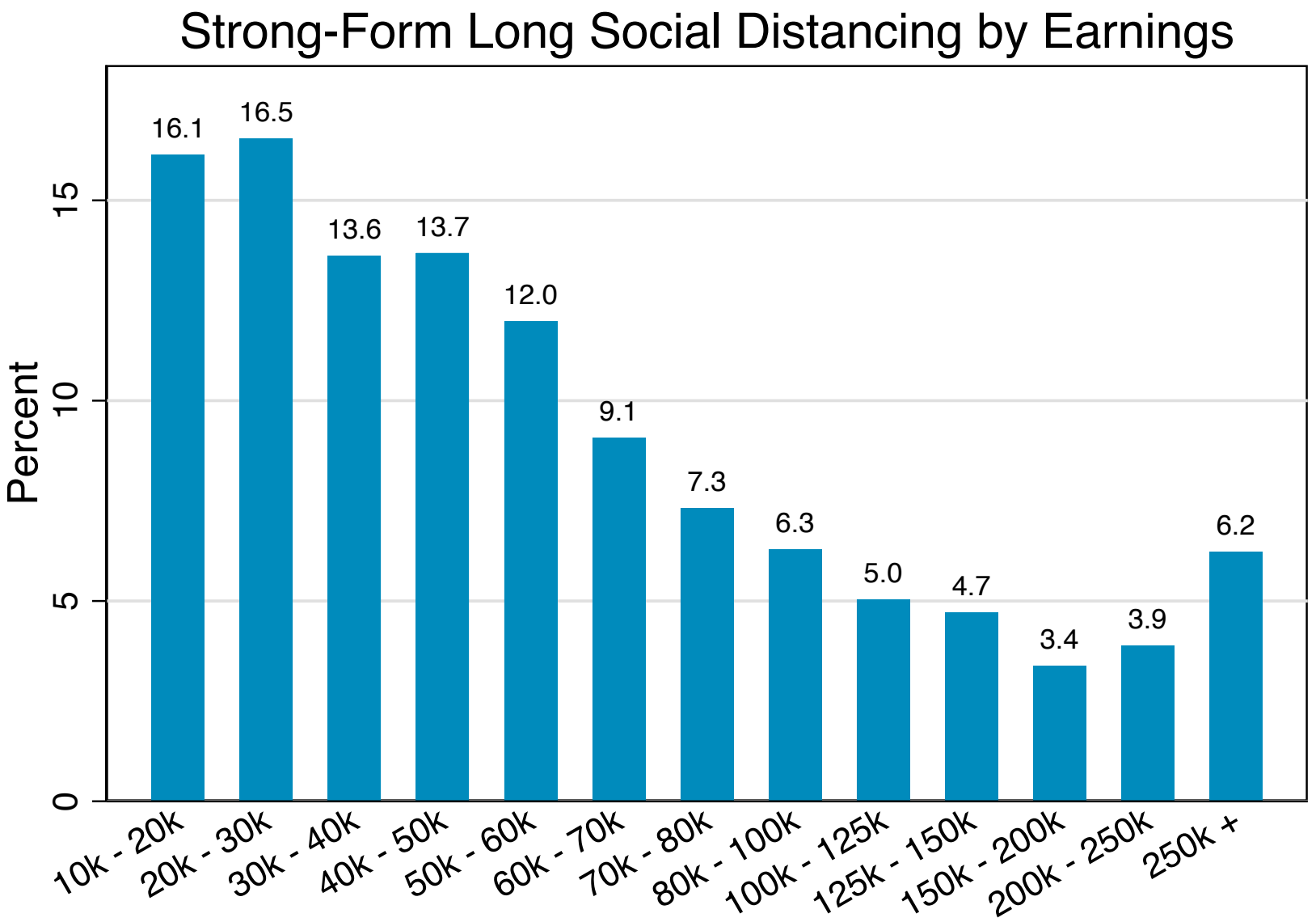
Notes: The sample includes respondents from the January to March 2022 survey waves who report strong-form Long Social Distancing. The SWAA samples US residents aged 20 to 64 who earned $10,000 or more using 2019 or 2021 earnings. **N = 1,387**

Strong-Form Long Social Distancing rises with age



Notes: The figure pluts the percent of respondents with a given age (e.g., 25 or 49) that report strong-form long social distancing and the line of best fit through the data. The sample includes respondents from the October 2021 to March 2022 survey waves. The SWAA samples US residents aged 20 to 64 who earned $10,000 or more using 2019 or 2021 earnings.
N = 24,411

Strong-Form Long Social Distancing declines with Earnings



Notes: The sample includes respondents from the October 2021 to March 2022 survey waves. The SWAA samples US residents aged 20 to 64 who earned $10,000 or more using 2019 or 2021 earnings. We don't use weights when computing the mean for each earnings bucket in this figure.

N = 12,945