



# Paychecks and the Pandemic:

## Perceptions by Income level

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The Coronavirus pandemic impacted individuals across all demographics. This report summarizes the perceptions of Americans about job security, career trajectory, and career optimism, distinguishable by income level.

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# Executive Summary

The Coronavirus pandemic impacted individuals across all demographics. This paper summarizes perceptions American individuals have towards their job and/or career due to the impact of the recent coronavirus pandemic and the Great Lockdown of 2020. This paper offers a summary of perceptions from American households distinguishable by income level.

With a barrage of recent studies measuring the impact of the pandemic on the American workforce, evidence supports the concerns that American workers and their families are reeling from changes in their professional and personal lives and will continue to do so for some time. More American workers are living paycheck-to-paycheck than pre-pandemic times across all income levels. More Americans are feeling overwhelmed by debt than pre-pandemic times across all income levels. While across all income levels concerns are echoed about job security, it is loudest from those reporting household incomes less than \$50,000/year. This includes apprehension about being replaced at one's job, fear and doubt that one will move forward in a career, and absence of opportunity to resources are all felt higher as income levels drop.

This data also indicates that those same individuals believe that with access to convenient, career-related educational opportunities, such as networking, training, and enhancing job skills, an increase in career optimism, career trajectory, and ultimately income can occur for American workers post-pandemic.

## Essential and Frontline Workers

During the coronavirus pandemic, *essential* and *frontline* became popularized terms, referring to individuals that continued to serve during the Great Lockdown of 2020. A large and varied group of the American workforce, *essential* workers are vital for societal and economic core functions (Blau, Koebe, & Meyerhofer, 2020). Approximately 60% of these workers make up a subcategory called *frontline* workers, with less than 30% of this group working remotely, but most physically at the *frontline*. Healthcare workers, protective service workers (police and EMTs, for example), production and food processing workers, janitors and maintenance workers, agricultural workers, cashiers in grocery and general merchandise stores, and truck drivers comprise many frontline workers (Blau, Koebe, & Meyerhofer, 2020). Essential and frontline workers are more likely to be less educated, receive lower wages, and represent a higher percentage of minorities (Blau, Koebe, & Meyerhofer, 2020).

In a study by the Edelman Data x Intelligence Research Group (2021), for the Career Institute for the University of Phoenix, data confirmed that the lower the income of an individual, the more likely that person was a *frontline* worker. This data also supported the

likelihood that the lower the household income, the less likely one could work from home or remotely. Those with lower income are more likely to be subjected to commuting by mass transit and/or working in closer proximity to others, increasing exposure to the very cause of the global pandemic (Tirachini & Cats, 2020).

## Paycheck-to-Paycheck

Edelman's research of 11,000+ participants showed that one year into the pandemic and 43% of Americans admitted living *paycheck-to-paycheck*. People living *paycheck-to-paycheck* are less likely to be saving money, paying off debt, and become increasingly unable to pay monthly bills and thereby, feel less likely to *get ahead*. Once referred to as the working poor, the Edelman study showed that due to the pandemic, living paycheck-to-paycheck increased across all household income levels but did more so as income levels decreased. Women, minorities, and those without a college degree are more likely to be living paycheck-to-paycheck and to reach poverty levels (Iacurci & Nova, 2020). Living *paycheck-to-paycheck* is unlikely to provide more opportunity to increasing one's income but rather less without intervention.

## Career Outlook

The Edelman study explored multiple aspects of career outlook, including: career stress/anxiety, feelings of being replaced, feelings about losing one's job, perceptions that one's career track was derailed, and having the tools and/or resources to achieve career goals.

Since 2 out of every 3 Americans feel that their career is a part of their identity and/or self-worth (Morgan, 2021), it is no wonder that stress and anxiety increased due to changes and challenges that arose due to the pandemic (Edelman, 2021). While 1 in every 4 Americans felt stressed about their careers, the percentage of study participants whose household income was higher than \$150,000 was 18% while percentages reached 29% for those with household incomes less than \$50,000 a year.

While 42% of those with household incomes over \$150,000/year felt easily replaced at their job, this percentage rose to 62% of those with incomes under \$50,000/year that felt easily replaced. While 30% of those with household incomes over \$150,000/year worried about losing their jobs, this percentage rose to 55% of those with household incomes under \$50,000/year that worried.

While 1 in 3 Americans felt that their career was derailed or off-track from what they had expected due to the pandemic, 42% of those with household incomes less than \$50,000 a year felt their career was derailed as opposed to only 25% of study participants that reported income higher than \$150,000 (Edelman, 2021).



These perceptions reverberate time and time again when one asks, *based on income level*, who feels easily replaced at their job? Who worries about losing their job? Who cannot see a clear path for advancing their career? Who feels they lack tools and resources to advance? Every time, the percentage of respondents who answered, “me” increased as income decreased (Edelmen, 2021). Therefore, it can be deduced that individuals with lower income are more fearful, more doubtful, less confident, feel less valued, and feel less prepared for advancing themselves in career and income level.

## Skills and Resources

Fortunately, the majority of Americans (78%) that completed the Edelman study reported feeling *hope* about the future of their careers, that as individuals they were resilient, could adapt, and were prepared to look for a better job. The percentages of those who believed in hope decreased as income level decreased. While 56% of the respondents reported that the right skillset is what is needed to successfully change careers, almost half of the study respondents reported that they didn’t know how to enhance their skillset. A third of respondents felt they did not have access to the opportunities to advance their skillset. A third to a half of participants believed that gathering new skills as well as engaging in training and educational programs were avenues to career change.

The University of Phoenix Career Optimism Index proclaims people want support and access to more tools and resources to better their skillsets. Among these the most prevalent requests were for networking, including mentor connections and support; programs that train or educate; and improved job skills including help for with resumes, job posts, and interviews.



For individuals within the lower household income levels, there also existed a request for resources that could help with stress (Edelman, 2021).

## Conclusion

Without intervention, living *paycheck-to-paycheck* is unlikely to provide more opportunity to increasing one's income, but rather less. Providing opportunities to resources and tools, including mentoring (network building), programs (educational/training) and job skills (resume, job posts, interview) are what is needed to connect hope and desire with action and advancement.

Therefore, institutes that offer educational training in-person, online, traditional as well as innovative micro-credentialling while providing support services through access to mentors, networking, and opportunities to further develop job-acquiring skills, will have the greatest impact on helping the American workforce continue upward and onward. This may especially benefit those whose household incomes are under \$50,000/year, many of those being the frontline workers who we depended on to get us all through the recent Coronavirus pandemic.

## About the Author

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