Title: Heterogeneous Vulnerability to the COVID-19 Crisis in Japan

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Abstract: We study how the COVID-19 crisis could affect earnings inequality across heterogeneous individuals in Japan. We use the Employment Structure Basic Survey by Statistics Bureau of Japan to identify groups of workers who are more susceptible to the shocks, which likely affect particular industries and occupations harder, and assess the impact using various data and early evidence including consumption expenditures data from the JCB Consumption NOW during the first weeks of the pandemic. Our study finds significant heterogeneity in vulnerability to shocks across workers of different age, gender, education, industry, occupations, and employment type (regular vs contingent). We find that the crisis will hit harder low-income groups and could significantly exacerbate inequality, calling for immediate and large-scale assistance to affected individuals and for medium-term stimulus towards damaged industries.

Data description:
Employment Structure Basic Survey by Statistics Bureau of Japan
JCB Consumption NOW by Nowcast, Inc.

JEL codes: E10, E2, J21

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