



Source: Board of Governors of the Federal Reserve System, Survey of Household Economics and Decisionmaking

MBA's Chart of the Week [three weeks ago \(May 8\)](#) focused on the U.S. Bureau of Labor Statistics' (BLS) bleak April report on employment conditions. We examined which industries and sectors have been hardest hit by the COVID-19 pandemic.

This week, we continue our examination of the labor market using new survey data released by the Federal Reserve Board, and examine, by education level, how many people were able to work from home as the crisis deepened in early April.

Since 2013, the Fed's Division of Consumer and Community Affairs has run the annual Survey of Household Economics and Decisionmaking (SHED) to understand the financial challenges and opportunities facing families in the U.S. The 2019 SHED was administered in October 2019. Prior to releasing the [SHED report](#) in mid-May, the Fed fielded a supplemental survey to obtain an updated perspective on financial conditions and well-being.

The COVID-19 pandemic has hit different sectors of the economy more harshly than others. For example, MBA's latest [Weekly Forbearance and Call Volume Survey](#) shows that as of May 17, 11.60% of Ginnie Mae loans were in forbearance versus 8.36% for all loans. Research by the [Joint Center for Housing Studies of Harvard University](#) has also shown that lower-income renters are more likely to be employed in "at-risk" jobs.

In the COVID-19 labor market fallout, education level has been a divider. The unemployment rate in April was 8.4% for individuals ages 25+ with a bachelor's degree or higher. However, it was 2.5-times higher, at 21.2%, for those with no high school certificate and was 17.3% for high school grads. One of the reasons for this divide is the ability to work remotely.

The above chart, replicated from the SHED report, shows that people with at least 4 years of higher education (who worked in early April) were two-to-three times more likely to be working remotely, and only one-quarter of individuals with a bachelor's degree did not work remotely – as opposed to two-thirds of those who did not graduate from high school.

The ability for most 4-year college graduates to work remotely (full-time or part of the time) means that, for many of them, their income has not been adversely affected. This has likely been a driving factor in the recovery in home purchase applications over the past six weeks, as purchase activity that was delayed by the pandemic has returned in many parts of the country.

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