Press Release

New Shoresh Institution study by Prof. Ayal Kimhi

Covid-19’s adverse economic impact on higher education students

Summary of findings

Many students work to finance their studies and livelihoods. A new study by Prof. Ayal Kimhi, vice president of the Shoresh Institution for Socioeconomic Research, finds that the Covid-19 crisis has had a disproportionately negative effect on students’ employment and income, potentially affecting their ability to graduate as planned. In addition, the subsequent student cohort will find it more difficult to support themselves in a situation of high unemployment and increased competition for the few suitable jobs for students.

Main findings

Prof. Ayal Kimhi, vice president of the Shoresh Institution for Socioeconomic Research, finds that the economic crisis accompanying the corona plague has had a disproportionately negative affect on the young population.

1. The new Shoresh Institution study finds that work hours among employees who are students are substantially lower than those of non-student employees (Figure 1). The gap is particularly pronounced in the youngest age group, narrowing with age.

![Monthly work hours of employees in relevant age groups](source: Ayal Kimhi, Shoresh Institution and Hebrew University, Data: Israel's Central Bureau of Statistics)
2. Monthly wages of salaried students are lower than those of non-students (Figure 2), but the wage differences between the two groups are lower than the differences in work hours, especially in the youngest age group. According to Prof. Kimhi, the combination of the small difference in monthly wages and the large difference in hours implies that students’ hourly wages are higher than those of non-students.

3. The Shoresh Institution study divides the economic branches and occupations into two groups: those in which the rate of Covid-19-related absenteeism from their work is no higher than 25%, and those branches and occupations with absenteeism rates greater than 25%.

- Figure 3 compares the share of students and non-students ages 18-34 working as employees in those economic branches and occupations with the highest absentee share from the Covid-19 crisis.
A greater share of students than non-students are employed in those economic branches and occupations that were the hardest hit by the Covid-19 crisis. Prof. Ayal Kimhi points out that the adverse economic impact on students was more severe than it was on their non-student peers.

The Shoresh Institution for Socioeconomic Research, headed by Professor Dan Ben-David, is an independent, non-partisan policy research center providing evidence-based analyses of Israel’s economy and civil society. The Shoresh Institution informs Israel’s leading policymakers and the general public, both inside and outside the country, through briefings and accessible publications on the source, nature and scope of core issues facing the country, providing policy options that ensure and improve the well-being of all segments of Israeli society and create more equitable opportunities for its citizens.

For details, or to arrange an interview, please contact the study’s author, Professor Ayal Kimhi (054-8820430)