

Alliance COVID-19 financial impact on jobs

As travel for international exchange programs were being suspended in response to the COVID-19 pandemic, the Alliance surveyed members to understand the immediate and projected financial impact on their organizations and companies. Overall, the results revealed that the international exchange community and its financially dependent economic sectors could face \$1.2 billion in projected financial fallout.

The survey was conducted between March 20 and 26, at the very beginning of the travel suspensions. Forty-four percent of Alliance members completed the survey. EurekaFacts provided analysis and estimates based on the Alliance's membership. The methods statement details statistical analyses used by EurekaFacts to calculate the results.

COVID-19 financial impact on jobs and compensation within the international exchange community

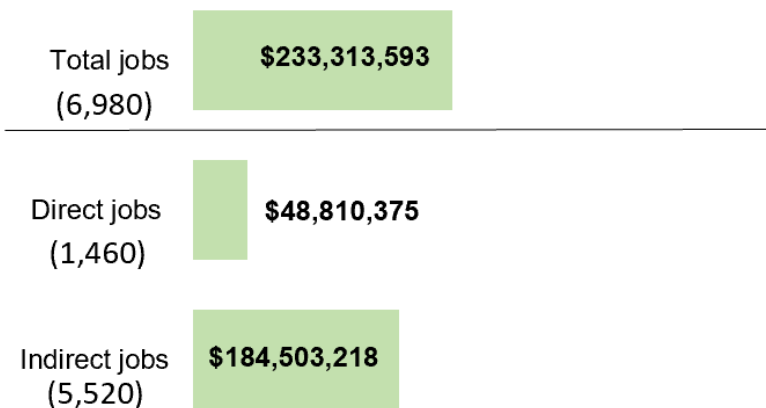
The travel and other restrictions resulting from the pandemic led to dramatic and immediate losses for exchange sponsors. Alliance members were asked a range of questions on how these issues were impacting their organizations financially. One question focused on projecting losses for the future if travel and other restrictions were not immediately lifted.

The results show that job losses for the international exchange community attributable to the COVID-19 pandemic are substantial. The financial impact of job losses linked to the coronavirus – both realized and forecasted – are an estimated \$233,313,593 and 6,980 jobs. That total is derived from direct and indirect job losses projected from the restrictions associated with the pandemic.

The direct jobs – mainly in the form of sponsor organization staff – account for 21% of these lost wages and benefits (\$48,810,375 in compensation and 1,460 in forecasted layoffs).

The estimated indirect jobs and compensation account for the remaining 79% of COVID-19 job and wage losses connected to the international exchange community: \$184,503,218 in compensation and 5,520 jobs.

Figure 2: Estimated job losses for the international exchange community attributable to the COVID-19 pandemic



Source: Alliance for International Exchange Economic Survey of Member Programs, conducted March 20-26, 2020.

Methods Statement

The results of this analysis are based on a survey of Alliance for International Exchange cultural exchange sponsor organizations conducted March 20-26, 2020. A total of 23 sponsor organizations responded to the survey out of 63 who were sampled, for a response rate of 44%. The Alliance for International Exchange membership serves approximately 80% of the total international exchange program participants each year. To understand the greater communitywide impact of COVID-19 on program cancelations, program staff, and program finances, many of the findings in this report are extrapolated to the entire Alliance membership, a proxy for the complete community.

Estimates of the COVID-19 impact on direct and indirect jobs on the state of the community were extrapolated to the community. First, changes to direct jobs (in the form of reports on expected layoffs and lost compensation) were extrapolated from the survey results using the process described above. The measurement of indirect jobs impacted included an estimation of supplier jobs (materials and capital services positions) and induced jobs (created by the economic impact of those working and receiving income in direct jobs, supplier jobs and public-sector positions supported by taxation). To estimate these figures a standard multiplier was applied from the major industry group of the cultural exchange sector. The employment multiplier effect for every lost direct job from the community is equal to 3.78 total indirect jobs.¹

¹ Based on analysis of the U.S. Bureau of Labor Statistics (BLS) and U.S. Bureau of Economic Analysis (BEA) data on current employment statistics and GDP by industry metrics. Accessed online April 15, 2020 at <https://www.bls.gov/emp/data/emp-requirements.htm>, https://apps.bea.gov/iTable/index_industry_gdpIndy.cfm.