

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 experienced \$1.23 billion in financial fallout in 2020.

The original survey was conducted between March 20 and 26, and an update survey followed August 25 – September 16, 2020. Forty-four percent of Alliance members completed the original survey and fifty-six percent completed the update survey. EurekaFacts provided analysis and estimates based on the Alliance’s membership. See below for a summary of the survey by issue area, followed by more specific breakdowns of the financial impact on the international exchange community. Finally, 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

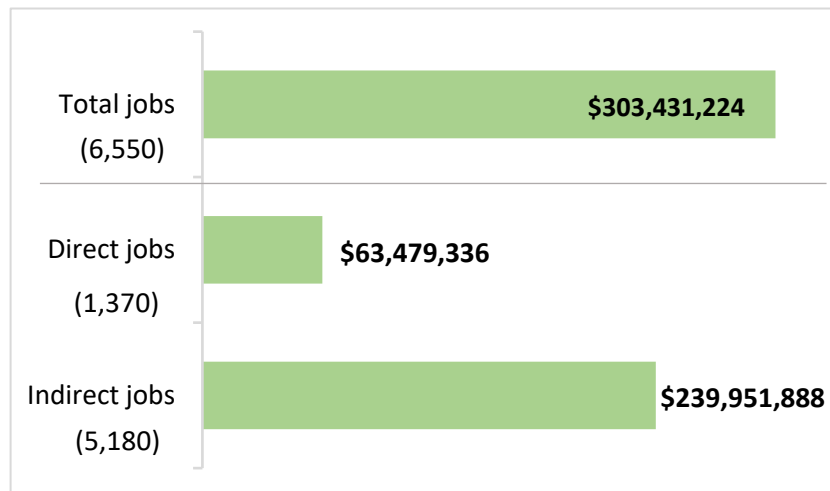
There is an additional financial toll on the international exchange community through the loss of jobs and compensation for those directly employed within the community and the indirect jobs that the community supports. Job losses for the international exchange community attributable to the COVID-19 pandemic are substantial.

The financial impact of job losses linked to the coronavirus – both realized and forecasted – are an estimated \$303,431,224 and 6,550 jobs.

The direct jobs – mainly in the form of sponsor organization staff – account for 21% of these lost wages and benefits (\$63,479,336 in compensation and 1,370 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: \$239,951,888 in compensation and 5,180 jobs.

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 August 25 – September 16, 2020.

Methods Statement

The results of this analysis are based on a survey of Alliance for International Exchange cultural exchange sponsor organizations conducted August 25 – September 16, 2020. A total of 35 sponsor organizations responded to the survey out of 63 who were sampled, for a response rate of 56%. 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.

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