

The impact of the epidemic on the economy -- an analysis from the perspective of unemployment rate and household consumption

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Keywords: COVID-19; Unemployment; Household Consumption.

1. Introduction

The outbreak of a large-scale epidemic has had a huge and far-reaching impact on the whole social economy. In order to win the war of epidemic prevention and control, the closed management mode has led to changes in people's consumption patterns and consumption structures [1]. Being unable to go out freely may make people feel depressed and depressed, and even lead to intensified family conflict [2]; These internal psychological factors may have a great impact on consumer spending. In addition, the outbreak of a large-scale epidemic has pushed online consumption to a more in-depth development stage, and e-commerce platforms have increased service items to ensure the basic life of residents [3]. The consumption structure of residents can reflect the consumption level and quality of local residents [4]. The global employment markets have been significantly impacted by the COVID-19 outbreak. Urban registered unemployment rate and urban surveyed unemployment rate are the two primary categories in China's unemployment statistics[5-6]. The response and economic response of different countries to the epidemic vary greatly. In some countries, the scale of the epidemic has been well controlled, the economic losses are small, and the unemployment rate has only increased slightly [7]. Under the influence of such a serious epidemic, the main reasons for the stable employment situation in China are the government's employment protection policies, corporate social responsibility, and the successful response to the epidemic [8]. In short, COVID-19 has had a profound impact on China's employment situation.

The sharp decline in consumption during the epidemic and the failure to recover consumption in time after the epidemic cannot be simply regarded as the short-term result of the influence of the quarantine policy, but from a medium-term perspective, the number of employment in the labor market has declined and the quality of employment is insufficient. Therefore, it is necessary to analyze the impact of the epidemic on the economy from the perspective of the unemployment rate and household consumption.

This paper is divided into five parts. The first part introduces the research direction of this paper. The second part reviews the literature on the unemployment rate of novel coronavirus. It is found that the factors affecting the unemployment rate are foreign direct investment, exchange rate fluctuations, and industrial development, and the factors affecting household consumption are price, CPI index, and disposable income. The third part introduces the research methods and did model. The fourth part shows and analyzes the results of did model. When control variables are not added, covid-19 has a positive impact on the unemployment rate in 2019, which is significant at the level of 1%, indicating that covid-19 increases the unemployment rate. The second column shows that covid-19 has a positive impact on the unemployment rate when adding control variables, which is significant at the level of 1%, indicating that covid-19 is still positively correlated with the unemployment rate even if adding control variables. The fifth chapter is the analysis content and policy significance of the conclusion. The research conclusion of this paper has a certain reference value for China to formulate sustainable policies to stabilize employment and promote consumption.

2. Literature review

2.1 Factors affecting employment

Zheng Xiaofei's empirical study found that foreign direct investment FDI into the host country directly creates employment opportunities, but also indirectly creates employment opportunities through forwarding and backward correlation effects[9]. Zhao Li examined the connection between FDI and China's job development using pertinent theories and data spanning the years 2015 to 2020. According to the study, there is a long-term equilibrium link between the increase in employment in China and foreign direct investment. China's employment will grow by 0.3% for every 1% increase in foreign investment, demonstrating the importance of foreign direct investment in determining employment in an area[10].

Huang Yan believes that the tertiary industry has maintained a strong ability to absorb labor and is the main industry for future employment growth[11]. Li Yanchao proposed that urban employment growth will mainly depend on the tertiary industry, especially the social service industry, and employment through other channels. The output value of the tertiary industry in developed countries accounts for 50-60% of GDP, and the absorption of the social labor force is 50-80%, while the output value of China's tertiary industry accounted for only 33.6% of GDP in 2001, and the absorption of the social labor force is only 27.7%, which shows that there is a lot of room for the development of China's tertiary industry[12].

The research of domestic and foreign scholars is mainly carried out from two perspectives: the rise and fall of the exchange rate and the volatility of the exchange rate: on the one hand, most studies believe that the depreciation of the local currency is conducive to expanding domestic employment. Zhang shengyong found that there is a negative correlation between employment and the volatility of the exchange rate. The higher the volatility of the exchange rate, the lower the demand for labor in the labor market. On the other hand, it is believed that the more severe the exchange rate fluctuation is, the more unfavorable it is to increase employment[16]. David shows that the impact of exchange rate fluctuations on employment through trade is negligible[13]. Yang Hao believed that promoting trade liberalization will inevitably reduce the protection of domestic enterprises and the demand for domestic products, which is not conducive to the improvement of employment. To avoid this phenomenon, we must implement a moderate depreciation of the RMB to promote employment[14].

2.2 Influencing factors of consumption

Ji Jie in the article "analysis of the correlation between the current consumption level of residents and price changes", according to this perspective, the pattern and cycle of price fluctuations and the variation in residents' consumption demand are essentially constant. With the slow growth of household consumption expenditure, the price level will also fall; On the contrary, prices must be higher in the year of a significant rise in household consumption expenditures. It is noted that the

rates of growth for consumer spending and the consumer price index are comparable. Analysis reveals a strong association between price increases and inhabitants' consumption levels[15].

Wang Fengyun "empirical analysis of the impact of CPI index fluctuation on Residents' consumption level" Take Heilongjiang Province as an example to analyze the impact of CPI index fluctuation on Residents' consumption level. It is found that although the CPI index of Heilongjiang Province has decreased, residents still feel that prices are too high. Using relevant data to make an empirical analysis of this contradictory phenomenon, it is concluded that the impact of CPI index fluctuation on Residents' consumption level is limited. To improve residents' consumption level, it is still necessary to improve the income of residents in Heilongjiang Province[16].

A treatise on money by John Maynard Keynes, in his general theory of money, Keynes proposed the absolute income hypothesis. His primary theoretical tenet is that people's consumption expenditures are influenced by their available disposable income. The quantity utilized for consumption will rise as people's disposable income rises, but less of the growth in income will go toward consuming. When a result, as income rises, the proportion of consumption to income declines and the proportion of savings to income rises[17].

Income, savings, and consumption theory behavior by James Duesenberry The relative income consumption hypothesis was proposed by American economist Duesenberry. According to this idea, consumers' consumption would be influenced by their prior consumption patterns and the consumption levels of their surroundings. He thinks that the relationship between consumption and income will remain stable for a very long time, but that in the short term, during economic ups and downs, low-income people's consumption will eventually catch up to that of high-income people as their income rises, with relatively little reduction in consumption when their income falls. The fundamental tenet of Duesenberry is that consumers find it simple to increase consumption as income rises but difficult to decrease consumption when income falls. It is known as the "leaf * wheel effect." Contrarily, the so-called "demonstration effect"[18] causes consumers' purchasing behavior to be influenced by the amount of consumption of those around them.

2.3 The impact of Covid-19

The global economy has suffered significantly since the outbreak of COVID-19. Many countries have implemented varying degrees of home isolation measures in response to the need for epidemic prevention. Although these measures have been shown to be effective in preventing the virus's spread, they come at the expense of certain economic development. People's primary source of income is employment. Many people have lost their jobs as a result of the suspension of economic and social activities.

According to Ksinan Jiskova Gabriela, in order to deal with the impact of the epidemic on employment, countries have issued a series of policies and measures to ensure employment [1]. Public health emergencies, particularly outbreaks of infectious diseases, frequently have a more obvious impact on employment. According to Liu Xiangli's research, the impact of COVID-19 on unemployment is much greater and may last longer than the impact on the economy. It may manifest in the short term as a reduction in stocks and in the long term as an increase in employment[19]. In terms of specific industries, Xiaojing discovered that COVID-19, as an infectious disease, has a limited impact on primary and secondary industry unemployment but a significant impact on the tertiary industry's ability to absorb labor[20]. Xiangquan focused on the most vulnerable unemployment groups and discovered that the coronal pneumonia epidemic exacerbated the employment paradox[21]. According to Edward Kong and others, COVID-19 has created significant difficulties for college graduates and rural migrant workers, with poor employment channels and chaotic patterns[22]. Serdar birinci also mentioned reemployment of the laid-off and unemployed and urged attention to the "hidden employment" groups, which are primarily concentrated in the severely damaged tertiary industry, informal employment, and small enterprises, with insufficient social security and greater vulnerability, and bear the brunt of the epidemic's impact[23].

COVID-19 wields considerable power, and the tide of unemployment will be accompanied by the difficult situation or bankruptcy of businesses. Zuriyuan et al. studied publicly traded companies in the United States and more than 80 other countries and discovered that, with the global spread of COVID-19 in the first quarter of 2020, the company was not only concerned about basic operations but also considered closing the company and reducing employee benefits. According to the research findings of Ren shexuan, financial vulnerability forces small businesses to significantly cut spending, incur additional debt, or declare bankruptcy, resulting in a large number of job losses[24].

Furthermore, the consumer market has been severely impacted by the spread of COVID-19 both at home and abroad. The mechanism of the epidemic's impact on consumption has become a topic of particular interest in political and theoretical circles. As a result, many domestic scholars have begun a series of studies. Specifically, three factors:

The first aspect is a comparison study of COVID-19 and previous epidemics such as shimpo MISA. Based on previous epidemics, they believe that the impact of the current epidemic will be larger and wider in the short term, affecting the major consumer sectors in China. The long-term impact duration is unknown, but consumption levels will eventually be gradually restored[25].

The second point to consider is the micro-level of consumers themselves. Price Matthew [26], for example, developed a logit model to investigate the impact of the epidemic on residents' consumption behavior. The study discovered that residents' consumption willingness decreased, their motivation for preventive savings increased, and their consumption became more cautious and rational. According to Yin Bibo, the epidemic has two effects on consumption. On the one hand, it has a partially negative impact on consumption habits and behaviors, but on the other hand, it has resulted in the rapid development of online consumption patterns[27].

The third factor comes from the macroeconomic factors of total supply and total demand. Chang Liu begins by summarizing the impact of the epidemic on the demand and supply sides of the consumer market, analyzes the trend changes in the consumer market after the epidemic in combination with changes in consumer behavior and market supply, and proposes policy recommendations to promote consumption to form a strong market according to the new consumption requirements on the market[28]. According to Yongyong Zeng, the epidemic continued to have an impact on total supply and demand, causing damage to many enterprises in consumption-related industries, particularly many service industries. It did, however, hasten the upgrading of consumer industries and promote the development of a new consumer economy[29].

3. Research methods and data description

3.1 Documentary method

This paper uses search engines, school libraries, electronic databases, and other relevant literature to understand and analyze the research status of the impact of the epidemic on the economy, so as to ensure that this study has a scientific theoretical basis.

3.2 Statistical analysis method

The research data of this study are from the statistical yearbook, and the relevant results are obtained through the statistical analysis of the data using the software. By establishing the corresponding model for the obtained data, we can more intuitively evaluate the numerical value of the calculation results and draw conclusions. Therefore, this paper uses the research method of quantitative analysis to test the data effectively and scientifically, so as to make the results more convincing.

This article mainly uses the difference in difference model to analyze the impact of the epidemic on the youth (16-25) and middle-aged unemployment rate (after the age of 25), and also studies the impact on the overall unemployment rate. Introduce what is the did DID model.

Formula (describe different variables)

Unemployment rate: September 2018 August 2019 (control group); September 2019 August 2020 (experimental group)

Model: did model (4 regression results)

Dependent variables: urban survey unemployment rate (%) of the population aged 16-24, national urban survey unemployment rate (%) of the population aged 25-59, and urban unemployment rate data.

Independent variable: post, 120 after February 2020 and 0 before February 202; Treat, the experimental group is set to 1, and the control group is set to 0.

3.3 Data description

In this study, the National Bureau of statistics from 2018 to 2020 was used to analyze the research data obtained by using spss The software carries out statistical analysis on the data to obtain the corresponding results. Using did method to carry out the quantitative calculation and establish the corresponding model, the numerical value of the calculated results can be studied more intuitively, and the conclusion can be drawn through this. Therefore, this paper adopts the research method of quantitative analysis to analyze the data effectively and scientifically, so as to make the conclusion more convincing.

Consumer demand, investment demand, and net export demand have all decreased as a result of the new crown outbreak, which combined have caused a downturn in the entire economy. Consumer demand has decreased dramatically as a result of the new crown pandemic, which has greatly contributed to the economic downturn. Consumer demand, which includes government and household consumption spending, is referred to as final consumption expenditure in the GDP by expenditure approach. Residents of the country will spend less money on cash consumption per person in 2020—a fall of 12.5% in real terms and 8.2% in nominal terms. (Figure 1 below)

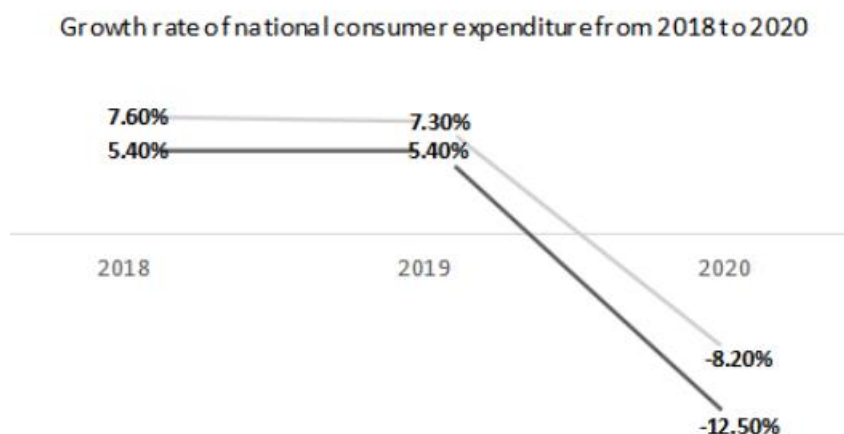


Figure 1 2018-2020 National Household Consumption Expenditure Growth Rate

However, generally speaking, citizens' consumption levels have been growing initially and subsequently rising in different provinces and cities around the nation. Residents' overall consumption level has decreased, particularly since the epidemic's start in 2019, but by 2020, it had started to rise again. The primary factor may be the broader geographic reach of internet consumption. The growth of e-commerce in my country's cities and rural areas is still subpar, despite the fact that with the advancement of Internet science and technology, online consumption has become a standard consumption technique and inhabitants have become accustomed to online buying. The gap is caused by a variety of factors. For instance, the income disparity between urban and rural regions, the consumption environment gap between urban and rural areas, the consumption idea gap, and the logistical level gap. Residents of both urban and rural areas have been unable to move freely or engage in other activities due to the epidemic, which has directly contributed to an increase in the number of

online consumers in rural areas, as well as an increase in consumption levels and a wider distribution of online consumption (see Figures 2 and 3).

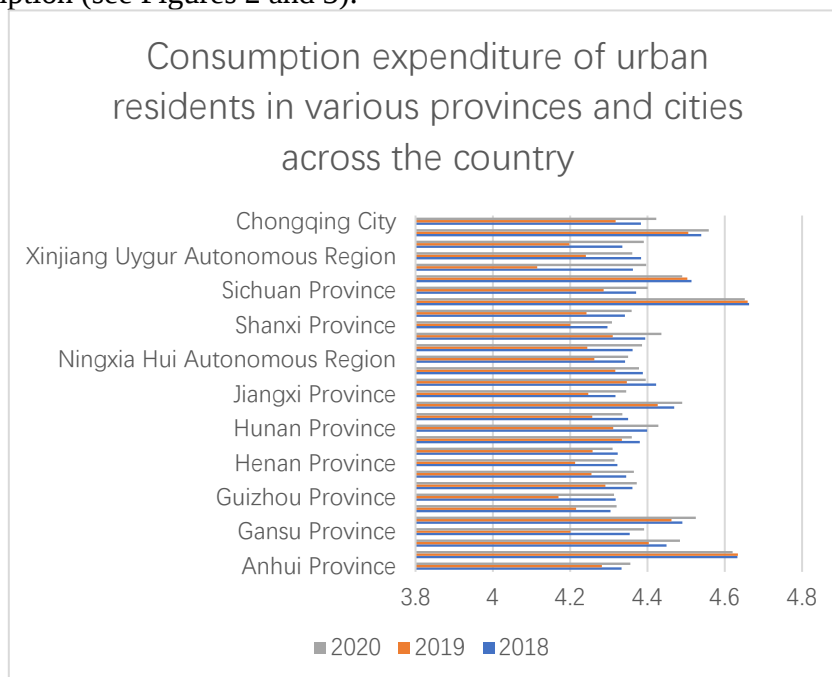


Figure 2 Consumption expenditure of urban residents in various provinces and cities across the country

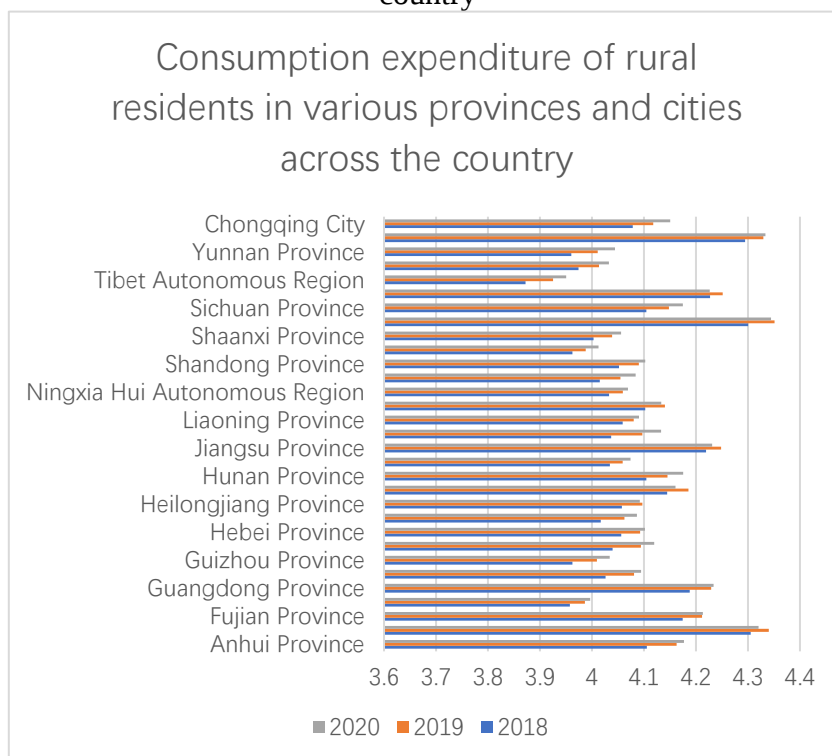


Figure 3 Consumption expenditure of rural residents in various provinces and cities across the country

Other categories of consumer spending all displayed a negative trend, with the exception of the per capita consumption expenditure for food, cigarettes, and alcohol and the per capita consumption expenditure for housing, all of which showed a minor gain of 2.1 percent. This demonstrates the sharp decline in household consumer spending in the GDP measured by expenditures. National general public budget expenditures increased by 5.7% (see Figure 5). Due to the government's increased spending on epidemic prevention and control, expenditures on general public services, national

defense, public security, education, and health care-related to government consumption expenditures only slightly increased year on year. decline. As a result, government consumption expenditure in 2020 is slightly higher than in 2019 (see Figure 4). The performance of household consumption expenditure and government consumption expenditure led to a significant year-on-year decline in consumer demand. Consumer demand will contribute -64.1 percent to economic growth in 2020, causing the economy to contract by 4.4 percentage points. However, the consumer price index (CPI) increased by 4.9 percent year over year in the first quarter of 2020, up 3.1 percentage points from the same period in 2019. The CPI increased more noticeably as a result of the new crown outbreak, the largest increase since 2018. The CPI increased by 4.3 percent year-over-year in March 2020, down 0.9 percentage points from February and 1.2 percent from the month before. The CPI increased by 3.3 percent year over year, 0.9 percent month over month, and 1.0 percentage points less than it did in March in April 2020. The CPI rise year over year showed a tendency of narrowing. Rising food costs were the major cause of the CPI increase in the first quarter of 2020. The food supply system has been impacted by the COVID-19 pandemic. Some locals frightened when the COVID-19 pandemic first started. Food costs increased by 20.3 percent as a result in the first quarter of 2020. Among these, the cost of fresh vegetables increased by 9.0 percent while the cost of pork increased by 122.5 percent. Only 1.1 percent more was spent on non-food items. With the return to work and manufacturing, the supply of food and non-food goods became more steady in March 2020, and price rises both decreased to 18.3% and 0.7 percent, and further decreased to 14.3 percent in April. 0.8 and 0.4 percent respectively. In terms of categories, seven out of the eight consumer pricing categories increased in the first quarter of 2020. Food, cigarette, and alcohol prices among them all increased by 14.9%, a pretty noticeable rise. The six others had less significant improvements. Among them, the cost of medical treatment increased by 2.2 percent, but the growth was stable mostly because the government's efficient control methods prevented a potential severe increase in the cost of medical supplies. Additionally, because of travel limitations during the COVID-19 epidemic, internet consumption is on the rise. The retail sales of physical items online rose by 5.9% in March 2020, accounting for 23.6% of all retail sales of consumer goods in society as a whole, a rise of 5.4 percentage points over the same month in 2019.

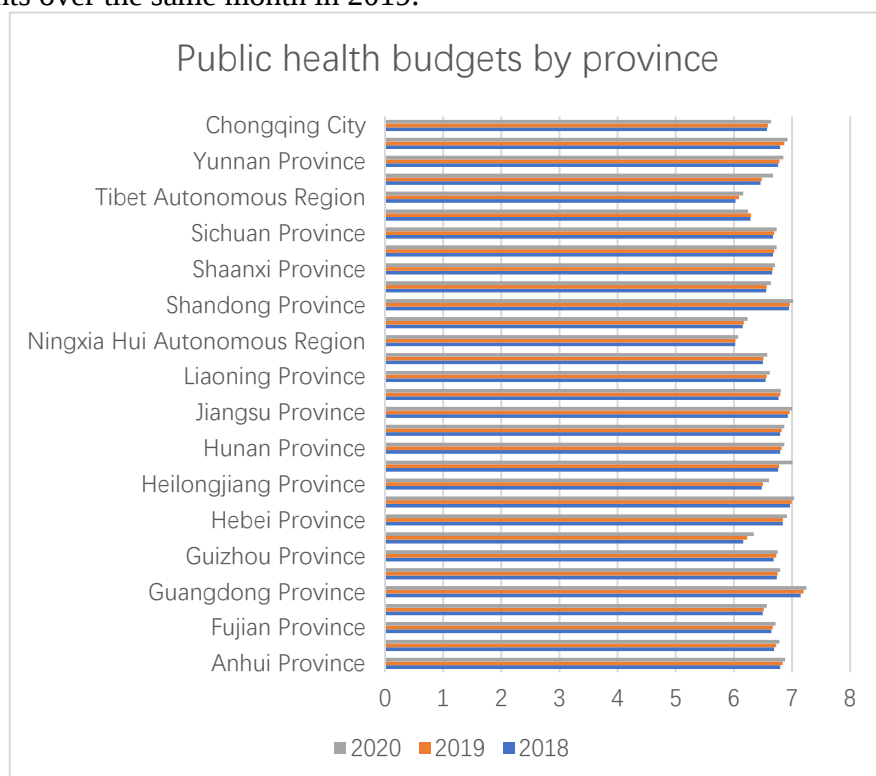


Figure 4 Public health budgets by province

The growth of online buying and sharing platforms has accelerated the development of new consumption patterns, new Internet-related forms of consumption, and an increasingly wide range of Internet-related applications. Online sales and unmanned delivery are being aggressively developed by more conventional supermarkets, restaurants, and shopping malls, and more customers are growing acclimated to the online consumption paradigm. Although consumption was suppressed to a certain extent due to the impact of the epidemic in the first quarter, with the gradual restoration of production and living order, the previously suppressed consumer demand is expected to be released in the second quarter and beyond. Recently, a lot of consumption stimulus policies have been introduced in various places, and the consumption potential in the second quarter will be stimulated. With the normalization of the prevention and control of the new crown epidemic and the enhancement of people's awareness of epidemic prevention and control, the new consumption model will be accepted by more and more people, which may release huge economic growth momentum. We should take the opportunity brought by the new crown epidemic to cultivate and expand new consumption patterns.

Regarding employment, the per capita disposable income of country residents will rise by 0.8 percent in nominal terms in 2020, and the growth rate will be 7.9 percentage points lower than that of the same period in 2019. After taking into account price factors, it will actually decrease by 3.9 percent, and the growth rate will be lower than that of 2019. Over the same time period, it decreased by 10.7 percentage points. Urban inhabitants' per capita disposable income actually declined by 3.9 percent, and the growth rate was 11.8 percentage points slower than that of the same time in 2019. This is true for both urban and rural regions. Rural inhabitants' per capita disposable income actually fell by 4.7 percent, and the growth rate was slower than it was for the same time period in 2019. 11 and six percent. From the standpoint of income sources, the key factor causing the real drop in per capita disposable income of country citizens is the decline in operational revenue. The COVID-19 pandemic had a significant negative impact on production and operation in the first quarter of 2020, delaying the start of business operations and resulting in a 7.3% year-over-year decline in net operating income. The impact of the COVID-19 outbreak on inhabitants' per capita disposable income was somewhat mitigated by wage income, which remained mostly unchanged. Wage income will grow by 1.2 percent annually in 2020. The rise in government transfers has raised citizens' net transfer income and essentially ensured the subsistence of low-income groups. Residents' net transfer income climbed by 6.8% year over year in the first quarter of 2020, which is a rather rapid growth rate. The nominal growth rate of per capita disposable income of citizens countrywide has generally decreased considerably compared to the same period in 2019 as a result of the new crown pandemic, and the actual growth rate has changed from positive to negative. Due to the effects of the new crown pandemic, there is a considerable amount of strain on employment from a situational standpoint. The month-over-month rise was 0.1 percentage points due to the Spring Festival. Additionally, businesses have typically ceased working and producing as a result of the new crown outbreak, and the unemployment rate has increased dramatically. Urban regions across the country had an unemployment rate of 6.2 percent, up 0.9 percentage points from the previous month. With the return to work and production in full swing around March 2020, the nation's cities and towns reported a 5.9 percent unemployment rate, a decrease of 0.3 percentage points from the prior month. The surveyed unemployment rate in metropolitan areas nationally for the entire year of 2020 was 6.0 percent, up 0.1 percentage points from the previous month, showing that the need for employment is still rather high across the nation (see Figure 5).

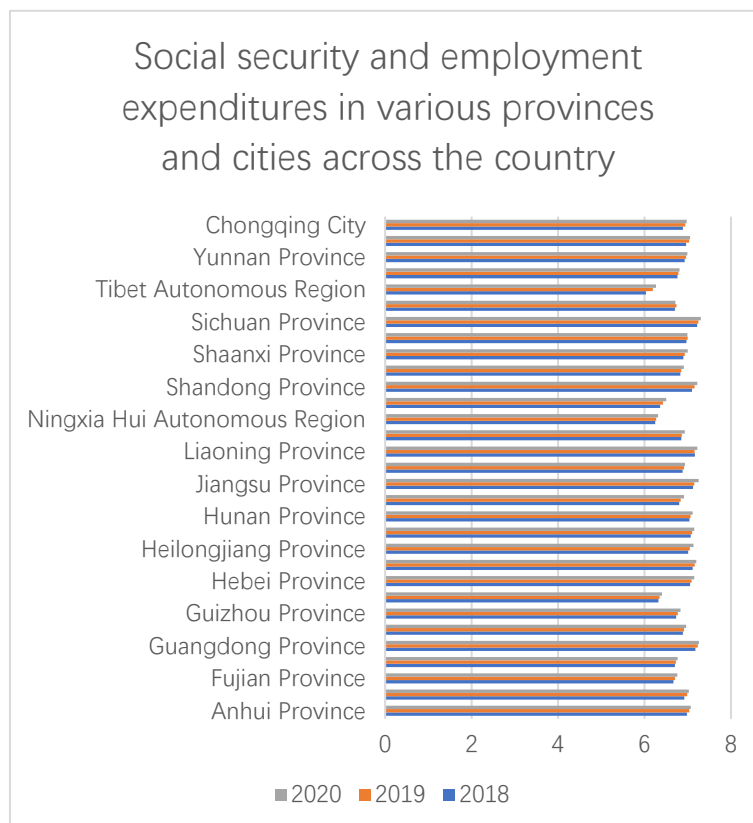


Figure 5 Social security and employment expenditures in various provinces and cities across the country

3.2.1 Impact of Unemployment

Short-term increases in unemployment brought about by economic shocks can lead to underemployment and thus affect wages. Although this epidemic lasted for a short time in China. However, it still has a certain impact on the Chinese economy. We will conduct an empirical analysis of the underemployment phenomenon brought about by different periods before and after the outbreak of the 2018-2020 epidemic. Obviously, unemployment can significantly increase the probability of individual underemployment. When the unemployment rate increases and the labor market competition is fierce, in order to increase their own employment competitiveness, individuals may tend to choose lower positions to increase the degree of employment security, which may lead to the problem of labor market resource mismatch of individual underemployment. Therefore, the unemployment rate will increase the pressure of employment competition and increase underemployment. And underemployed individuals are subject to wage penalties. However, although underemployment has a negative impact on individual wage income, its economic significance and statistical significance are greatly reduced, indicating that during the epidemic period, not only is underemployment more likely to occur, but the wage cost of underemployment is also more prominent. (See Figure 6).

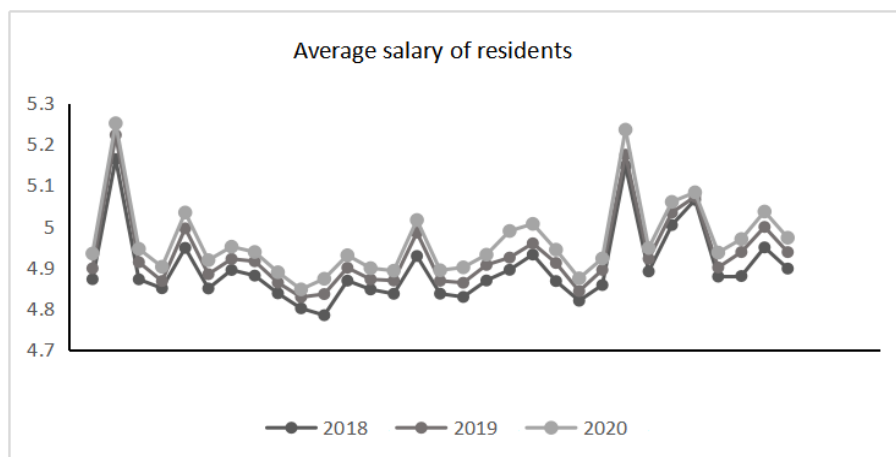


Figure 6 Average salary of residents

3.2.2 Impact on consumption

Due to travel restrictions resulting from the COVID-19 pandemic, online consumption has flourished, new Internet-related forms of consumption have performed well, Internet use has expanded significantly, and new consumption patterns represented by online marketplaces and sharing platforms have emerged quickly. Online sales and unmanned delivery are being aggressively developed by more conventional supermarkets, restaurants, and shopping malls, and more customers are growing acclimated to the online consumption model. Although consumption was suppressed to a certain extent due to the impact of the epidemic in the first quarter, with the gradual restoration of production and living order, the previously suppressed consumer demand is expected to be released in the second quarter and beyond. Recently, a lot of consumption stimulus policies have been introduced in various places, and the consumption potential in the second quarter will be stimulated. With the normalization of the prevention and control of the new crown epidemic and the enhancement of people's awareness of epidemic prevention and control, the new consumption model will be accepted by more and more people, which may release huge economic growth momentum. We should take the opportunity brought by the new crown epidemic to cultivate and expand new consumption patterns.

4. Results

4.1 impact on unemployment

4.1.1 Parallel trend test

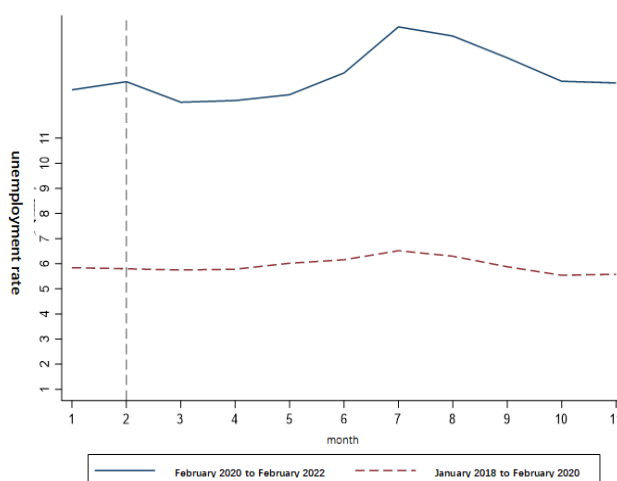


Figure 7 Parallel trend test of 16-25 year old data

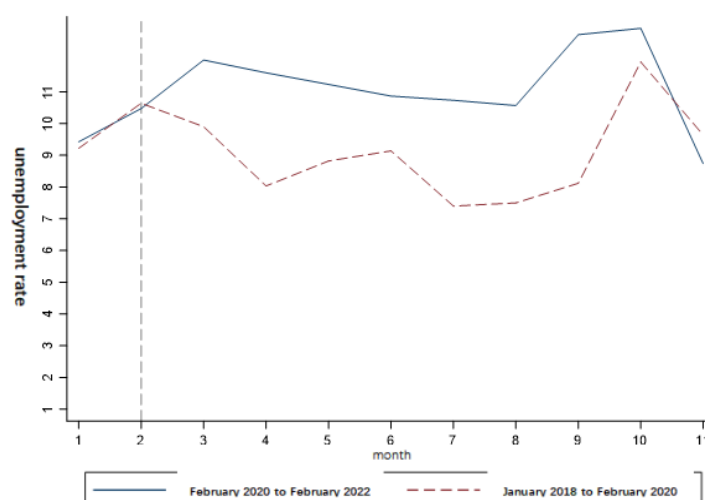


Figure 8 Parallel trend test of 25-59 year old data

From the time trend chart of the unemployment rate of people aged 16-25 and 25-59, it can be seen that before the epidemic year (2020), the unemployment rate of people aged 16-25 was relatively stable, but the unemployment rate of people aged 25-59 had obvious fluctuations. However, after the outbreak of the epidemic in 2020, the unemployment rate of people aged 16-25 increased significantly, while the unemployment rate of people aged 25-59 changed slightly compared with that before the outbreak.

4.1.2 descriptive statistics of variables

Table 1 Descriptive statistics of variables for data aged 16-25

Variable	Obs	Mean	Std.Dev.	Min	Max
shiyelv	92	8.798	4.405	4.2	16.8
house	92	8.917	7.986	-16.3	38.3

Table 2 Descriptive statistics of variables for data aged 26-59

Variable	Obs	Mean	Std.Dev.	Min	Max
shiyelv	92	9.825	4.64	5.3	17.8
house	92	8.452	7.979	-16.7	37.9

It can be seen from the descriptive statistical data of the variables that the variables fluctuate greatly due to the impact of the epidemic situation.

4.1.3 regression analysis results

Table 3 Expression analysis results of 16-25 year old data

VARIABLES	(1) a1 shiyelv	(2) a2 shiyelv
pt	7.804*** (0.71)	7.919*** (0.66)
house		-0.059*** (0.02)
Constant	7.414*** (0.41)	7.938*** (0.42)
Observations	92	92
R-squared	0.665	0.709

Number of code	9	9
Year	YES	YES
Code	YES	YES
Standard errors in parentheses		
*** p<0.01, ** p<0.05, * p<0.1		
Table 4 Expression analysis results of 25-59 year old data		
	(1)	(2)
	a1	a2
VARIABLES	shiyelv	shiyelv
pt	-4.475*	-4.491*
	(2.47)	(2.55)
house		-0.002
		(0.06)
Constant	10.661***	10.676***
	(1.43)	(1.52)
Observations	92	92
R-squared	0.120	0.120
Number of code	9	9
Year	YES	YES
Code	YES	YES

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

PT is an interactive term, and the house is a control variable. (1) column 1 shows that when the control variable is not added, the new crown epidemic has a positive impact on the unemployment rate and is significant at the level of 1%, which indicates that COVID-19 increases the unemployment rate. (2) column 2 shows that when the control variable is added, the new crown epidemic has a positive impact on the unemployment rate and is significant at the level of 1%, which indicates that even when the control variable is added, the COVID-19 still has a positive correlation with the unemployment rate. At the same time, the control variable house in column (2) has a direct negative correlation with the unemployment rate, which is significant at the level of 1%, indicating that the increase of houses reduces the unemployment rate.

5. Conclusion

The key economic indicators have steadily improved, the domestic new crown epidemic prevention and control effort in China has produced significant results in phases, and work and production have mostly resumed. The epidemic's turning point has not yet materialized, though. The global economy is under intense downward pressure, and growth-related worries are rising. A number of issues and concerns still affect the Chinese economy. The new crown epidemic has moved into the stage of routine prevention and control; management constraints cannot be completely eased quickly, and certain constraints are placed on economic activity. The disposable income of residents has dropped, and certain low-income groups have little discretionary cash. The number of residents going on excursions is still lower than it was before the current crown pandemic. The associated costs for food and entertainment, clothes, and footwear have decreased in step with this, but resident consumer demand is still insufficient. complete recovery It is challenging for the investment demand to develop fast in a short period of time, and the investment has a certain delay because the production of firms is still subject to some limits on routine prevention and control. However, neither the foundations of my country's economy nor those underlying China's long-term economic development has been

harmful by the current crown outbreak. There are still plenty of fresh chances under the prevention and management of the new crown outbreak. New consumption patterns continue to boost consuming potential under the influence of the new crown pandemic, and the trend of transformation and upgrading is positive. The new economy and new kinetic energy have risen against the trend and continued to expand. Future infrastructure building will support industrial transformation and lay the groundwork for additional industrial upgrading with regard to hardware and software. The benefits of a large market are clear, and domestic demand has a sizable market. The increase in the consumer market will surely result from the rise of effective investment. At the same time, the Chinese market's consumption upgrading is on the rise, and there is significant consumption potential. Demographic dividends and human capital still exist, and there is significant potential growth momentum. Additionally, a simple increase in unemployment will simply serve as a trigger for the misallocation of labor market resources brought on by increasing household income insecurity and worsening employment quality. Among these, the labor market's resource mismatch issue will have a long-term effect. The current pandemic of crown pneumonia typically has a negative effect on employment, and the short-term result is a decline in employment.

Covid-19 has caused a serious impact on the world economy. Through the literature method and statistical analysis method, this paper constructs a did model to analyze the impact of covid-19 on the unemployment rate and household consumption. The results show that when the control variables are added, covid-19 has a positive impact on the unemployment rate, which is significant at the 1% level, indicating that even if the control variables are added, covid-19 is still positively correlated with the unemployment rate in 2019. At the same time, the control variable house is directly and negatively correlated with the unemployment rate, which is significant at the level of 1%, indicating that the increase of houses reduces the unemployment rate. Based on this, the author believes that to improve the effect and accuracy of fiscal policy, the investment of fiscal funds must focus on the goal of the medium-term perspective of the decline in the number of jobs in the labor market, and at the same time, block the negative transmission from the unemployment rate to the quality of employment, so as to strengthen the income security and consumption demand of the majority of employees.

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