

The Chilean economy grew by 11.7 percent in 2021, recovering from a significant contraction of 6.0 percent in 2020, fueled by a robust fiscal response. However, by the end of the year, the job market had not yet fully recovered to pre-pandemic levels.

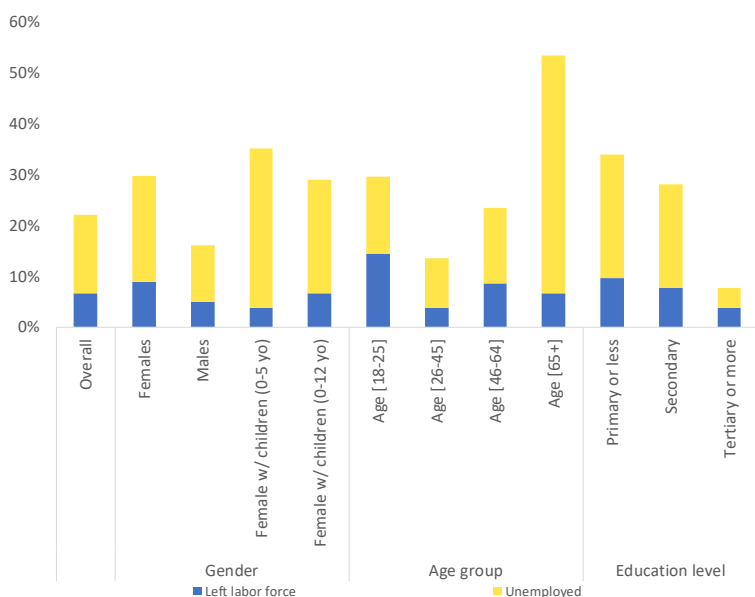
According to High-Frequency Phone Survey data collected in 2021, Chile experienced one of the region’s fastest job recovery between mid-2021 and the end of the year (8.9 percentage points decrease in the job loss rate), and the share of the pre-pandemic inactive population that joined the labor force increased from 39.3 to 43.7 percent during the same period. Still, one in five pre-pandemic workers were unemployed or inactive by the end of 2021, and the employment rate was below its pre-pandemic level. Moreover, the job loss rate continued to be higher among the most vulnerable, especially the elderly (53.3 percent), women with children aged 0-5 years old (35.1 percent), and low-skilled workers (33.8 percent). The job loss recovery and new entries to the labor force contributed to improving employment levels but resulted in changes in the labor market composition, with overall job quality deteriorating as employment rates got closer to pre-pandemic levels. Informality reached 33.0 percent by the end of 2021; an increase of 5.5 percentage points compared to mid-2021. While it was well below the regional average of 62.2 percent, the incidence was higher among the elderly (83.2 percent) and the less educated (47.9 percent) compared to the national average.

In mid-2021, the government introduced Chile’s most extensive and generous cash transfer (Ingreso Familiar de Emergencia (IFE) Universal), which was received by around 80 percent of households. Nonetheless, household income dynamics reflected the sluggish and uneven recovery of the labor market. By year-end, 18.8 percent of households reported a reduction in their income compared to mid-2021, and 8.5 percent of households ran out of food in the 30 days preceding the survey. Although food insecurity was well below the Latin America and Caribbean (LAC) average of 23.9 percent, the prevalence among poor households (15.4 percent), households with less-educated heads (12.3 percent), and households with children aged 0-17 years old (10.0 percent) was higher than the national average.

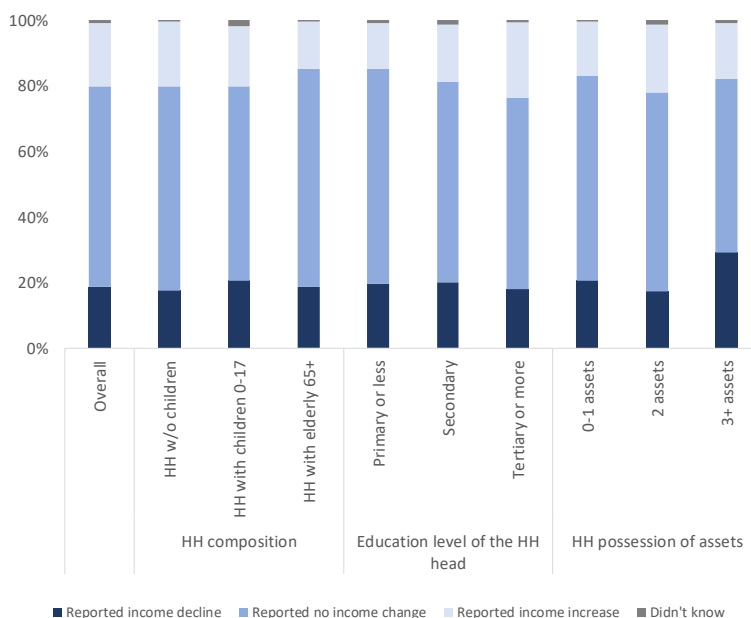
Moreover, 42.2 percent of households reported not having enough resources to cover basic needs. Almost two-thirds resorted to at least one coping mechanism to reduce the financial strain during 2021, including using savings to cover basic needs and halting rent payments or debt installments. This was particularly true for households with children 0-17 years and a head with secondary education: 71.4 and 69.5 percent, respectively.

By the end of 2021, the percentage of school-age children attending school, either in person or virtually, remained the highest in the region (97.3 percent). Also, 93.4 percent of those attending school engaged in learning activities supported by a teacher. However, more than half of parents perceived their children were learning less. In addition, women continued to be more likely than men to report an increase in the time spent supporting children’s education (54.6 versus 34.6 percent, respectively). On the other hand, access to health services was almost restored by the end of 2021. Nevertheless, more than half of the population (52.0 percent) reported experiencing mental health-related problems, a figure above the LAC average of 47.6 percent. Notably, the prevalence was much higher among women (61.5 percent) than men (42.1 percent).

JOB LOSS (% OF PRE-PANDEMIC WORKERS)



CHANGES IN TOTAL INCOME (%HH) SINCE MID-2021



Source: World Bank and UNDP LAC High Frequency Phone Surveys, Phase II, Wave 2.

KEY INDICATORS: INDIVIDUALS (18+ years old)

Distribution among groups	Labor				Childcare responsibilities	Health
	% of employed population (pre-pandemic) who lost their pre-pandemic job	% of inactive population (pre-pandemic) who became active (employed or unemployed)	% of employed population who is in informal employment		% of population who spent more time accompanying children's education than pre-pandemic	% of population who reported mental health problems
			Pre-pandemic	End-2021		
Overall	22.0%	43.7%	27.5%	33.0%	46.7%	52.0%
Females	29.6%	39.2%	38.3%	42.2%	54.6%	61.5%
Males	16.0%	53.6%	19.0%	26.1%	34.6%	42.1%
18 to 25 years old	29.4%	56.6%	35.7%	44.4%	39.2%	52.5%
26 to 45 years old	13.4%	68.7%	20.9%	24.9%	56.5%	55.7%
46 to 64 years old	23.4%	38.1%	25.3%	31.1%	37.9%	51.8%
65 and older	53.3%	15.5%	62.9%	83.2%	25.8%	41.6%
Education: Primary or less	33.8%	28.2%	46.3%	47.9%	46.4%	42.4%
Education: Secondary	28.1%	47.0%	29.1%	37.3%	40.7%	55.5%
Education: Tertiary or more	7.6%	58.5%	13.3%	21.3%	57.0%	55.6%

Source: World Bank and UNDP LAC High Frequency Phone Surveys, Phase II, Wave 2.

Note: National level results are compared against the regional LAC average: **Green** indicates that the country performs better than the LAC average in terms of preferred outcome, e.g. less informality, while **red** indicates that the country performs worse than the LAC average.

KEY INDICATORS: HOUSEHOLDS AND CHILDREN

Distribution among groups	Income & Coping		Food Insecurity		Education (6-17 yo)		
	% HH without enough resources to cover basic needs (self-reported)	% HH that resorted to at least one coping mechanism	% HHs that ran out of food		% of children in school age who attended school (in person or virtually)		% of children in school age who interacted with teacher in person (incl. hybrid teaching modes)
			Pre-pandemic	End-2021 (Last 30 days)	Pre-pandemic	End-2021	
Overall	42.2%	62.7%	9.4%	8.5%	95.8%	97.3%	93.4%
HH w/o children (0-17)	36.7%	56.2%	7.6%	7.4%	-	-	-
HH with children (0-17)	49.5%	71.4%	11.7%	10.0%	95.8%	97.3%	93.4%
HH with elderly (65+)	48.4%	61.4%	6.7%	6.2%	97.2%	99.0%	97.3%
0-1 assets	57.9%	65.0%	14.4%	15.4%	90.9%	94.5%	89.9%
2 assets	36.5%	61.7%	7.3%	5.3%	97.2%	98.0%	94.6%
3+ assets	23.8%	61.9%	6.2%	9.2%	93.7%	97.9%	89.1%
HH Head Edu: Primary or less	53.7%	65.7%	12.9%	12.3%	88.0%	97.9%	89.9%
HH Head Edu: Secondary	52.4%	69.5%	12.5%	11.2%	95.8%	96.2%	93.3%
HH Head Edu: Tertiary or more	29.1%	56.1%	5.3%	4.8%	99.2%	98.1%	95.2%

Source: World Bank and UNDP LAC High Frequency Phone Surveys, Phase II, Wave 2.

Note: National level results are compared against the regional LAC average: **Green** indicates that the country performs better than the LAC average in terms of preferred outcome, e.g. fewer households running out of food, while **red** indicates that the country performs worse than the LAC average.

HIGH FREQUENCY PHONE SURVEY

The World Bank and UNDP conducted a multi-wave High-Frequency Phone Survey (HFPS) in 2021 to assess the impact of the coronavirus pandemic on the welfare of Latin American and Caribbean households. The first wave was collected between May and July 2021, and the data is nationally representative for 24 countries: Antigua & Barbuda, Argentina, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Saint Lucia and Uruguay. The data for Brazil was collected between July 26 and October 1. Data for the second wave was collected between October 2021 and January 2022 and included all countries except for Antigua & Barbuda and Brazil. The HFPS provides information on the welfare impacts that households experienced with respect to food insecurity, changes in employment, income changes, access to health and education services, and coping mechanisms. Key indicators on socioeconomic effects are available at the [COVID-19 monitoring global dashboard](#), which provides harmonized indicators across all world regions. Further information on the LAC HFPS II can be found [here](#).