Consistent with a robust economic recovery in 2021 (GDP growth rate was 12.5 percent), employment levels improved in Honduras throughout the year. By the end of the year, the employment to population ratio (60.8 percent) was close to pre-pandemic levels (61.5 percent), up from what was observed in mid-2021 (56.8 percent). The proportion of individuals that lost their pre-pandemic job and were still out of work declined from 32.1 percent in mid-2021 to 25.9 percent by the end of the year, with most of them leaving the labor force (16.6 percent). The gender gap of those who had lost their pre-pandemic job reached 23.5 percentage points (39.9 percent of females versus 16.4 percent of men). Also, while many exited the labor market, many others who had previously been inactive entered it: 45.7 percent of the inactive population before the pandemic was active by the end of 2021.
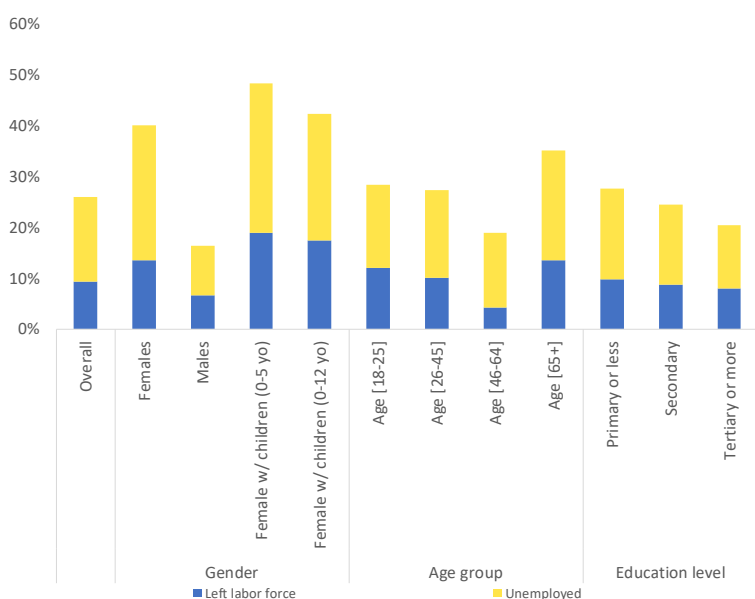
Nonetheless, during the second semester of 2021 the quality of employment continued to deteriorate. While 70.8 percent of the employed population had an informal job before the pandemic, by the end of 2021 this percentage reached 77.2 percent. Moreover, by the end of 2021, 24.3 percent of pre-pandemic formal workers had transited to informality, up from 12.9 percent in mid-2021. In fact, self-employment represented 20.0 percent of the employed population, 5.0 percentage points higher than in mid-2021.

The frail recovery of the labor market during the second half of 2021 is reflected in the evolution of households' income. By the end of 2021, 26.0 percent of households reported a reduction in household income compared to mid-2021 (2pp below the regional average), only 11.8 percent reported an increase, and the large majority (61.4 percent) reported no change. This situation led to 3 out of 4 households in Honduras (74.7 percent) resorting to at least one coping mechanism to reduce financial stress, and this was more common among households with children under 17 years old (78.4 percent) and those with one or no assets (78.0 percent).
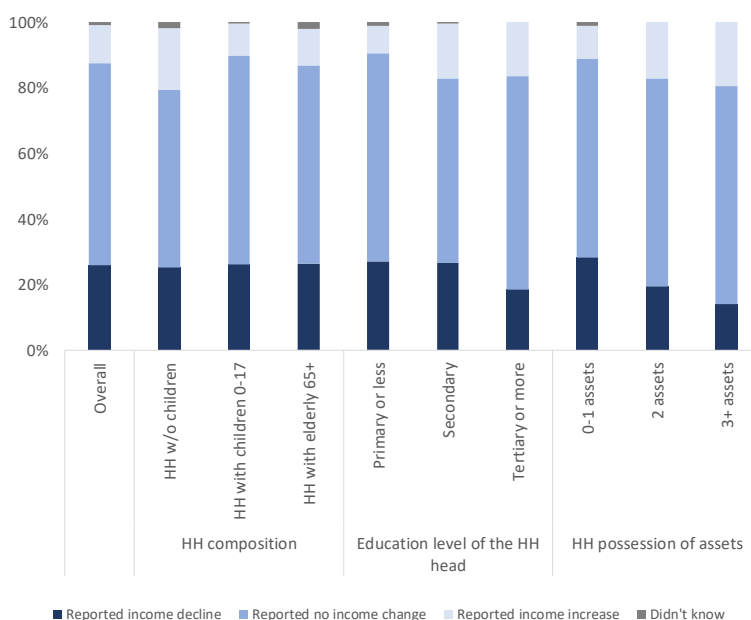
Food insecurity remained above pre-pandemic levels, with no improvement during the second semester of 2021. While before the pandemic 31.3 percent of households were food insecure, by the end of 2021 this percentage was 34.8 percent (same level as in mid-2021). Similarly, more than half of the households (56.8 percent) reported being unable to cover their basic needs, particularly those with children under 17 years old (60.1 percent), households with one or no assets (65.6 percent) and those whose head had a low level of education (61.8 percent).

Worryingly, school attendance was 16.1 pp lower than before the pandemic started. The share of school aged children attending school was 93.3 percent before the pandemic and 77.2 percent by the end of 2021, much lower than the Latin America and Caribbean (LAC) average (92.2 percent). This suggests a severe learning loss amongst children in Honduras, with potential deep negative consequences on human capital formation and future earnings, and thus, on overall productivity, if not addressed promptly.

JOB LOSS (% OF PRE-PANDEMIC WORKERS)

Legend: Left labor force (blue), Unemployed (yellow). Categories: Gender (Overall, Females, Males, Female w/ children (0-5 yo), Female w/ children (0-12 yo)); Age group (Age [18-25], Age [26-45], Age [46-64], Age [65+]); Education level (Primary or less, Secondary, Tertiary or more).

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

Legend: Reported income decline, Reported no income change, Reported income increase, Didn't know. Categories: Overall; HH composition (HH w/o children, HH with children 0-17, HH with elderly 65+); Education level of the HH head (Primary or less, Secondary, Tertiary or more); HH possession of assets (0-1 assets, 2 assets, 3+ assets).

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	25.9%	45.7%	70.8%	77.2%	32.6%	39.5%
Females	39.9%	35.8%	77.0%	85.5%	38.5%	46.1%
Males	16.4%	73.0%	66.5%	72.3%	25.6%	32.3%
18 to 25 years old	28.3%	62.1%	71.7%	76.3%	26.3%	34.6%
26 to 45 years old	27.3%	53.6%	63.9%	72.4%	35.7%	35.9%
46 to 64 years old	18.8%	31.9%	84.8%	87.4%	31.1%	52.8%
65 and older	35.0%	13.6%	85.2%	91.4%	23.6%	38.1%
Education: Primary or less	27.5%	40.5%	79.5%	84.3%	26.7%	40.0%
Education: Secondary	24.4%	56.9%	61.0%	69.5%	41.8%	38.1%
Education: Tertiary or more	20.3%	49.8%	44.7%	58.0%	52.5%	40.9%

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	56.8%	74.7%	31.3%	34.8%	93.3%	77.2%	39.4%
HH w/o children (0-17)	46.2%	62.5%	23.8%	26.7%	-	-	-
HH with children (0-17)	60.1%	78.4%	33.6%	37.2%	93.3%	77.2%	39.4%
HH with elderly (65+)	49.0%	71.2%	31.5%	35.0%	93.8%	83.2%	43.6%
0-1 assets	65.6%	78.0%	36.3%	42.1%	92.1%	74.4%	37.1%
2 assets	31.3%	67.5%	16.4%	13.3%	98.0%	86.5%	43.3%
3+ assets	26.0%	49.6%	10.7%	2.6%	100.0%	94.8%	68.8%
HH Head Edu: Primary or less	61.8%	76.5%	36.7%	42.7%	92.4%	73.5%	39.7%
HH Head Edu: Secondary	59.2%	74.5%	30.0%	28.7%	93.2%	81.4%	34.4%
HH Head Edu: Tertiary or more	29.4%	66.9%	8.2%	10.9%	100.0%	89.5%	53.9%

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.

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