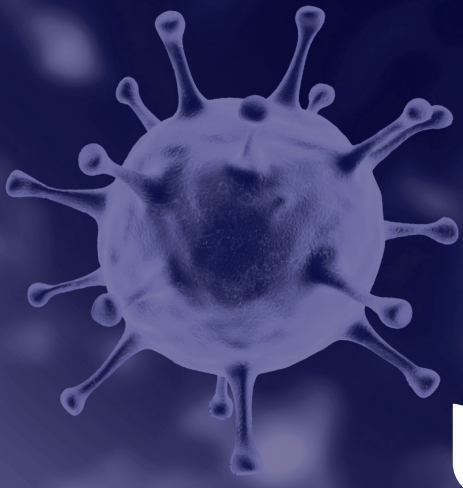
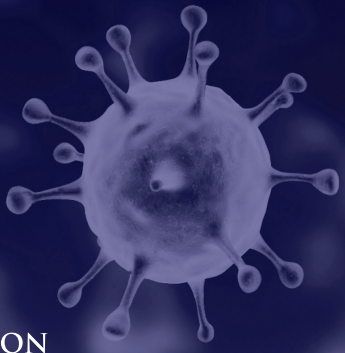
COVID-19
Individual Financial Resilience

Impact of COVID-19 on Individuals' Employment, Behavior towards Savings, Transportation, and Travel

Prof.
Rasim ÖZCAN





IBN HALDUN UNIVERSITY
FUTURE STUDIES APPLICATION
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Contents

Acknowledgement

The whole World has been going through unprecedented times due to COVID-19 pandemic in the last few months with lots of uncertainty from when a cure or a vaccination will be available for it to its effects on economic and physiological issues. Through an online survey, this study is an attempt to find out the impact of COVID-19 on the work life, savings behavior, and attitudes of individuals. I thank to a small army of individuals who made this study happen with their encouragement, comments and criticisms. My special thanks go to Serhat Can for commenting at every step of the study and for disseminating the word for the online survey; Muhammad Moiz for his excellent research assistantship. In addition, I am grateful to Assoc. Prof. Enis Doko, Assoc. Prof. Ali Osman Kuşakçı, Dr. Hakkı Öcal, Dr. Murat Turgut, many friends spread all over Turkey, my colleagues at Ibn Haldun University and other institutions, and many people whom I know or don't know, who either tweeted, retweeted, forwarded the link for the survey that contributed a lot to the success of the survey, hence to this study. I also thank to Ibn Haldun University press, specifically Savaş C. Tali for the smooth printing process.

Executive Summary

This study investigates the impact of COVID-19 on the work life, savings behavior, and attitudes towards traveling among people living in Turkey. Responses from 1529 participants were collected as a part of this study through an online-administered survey between 14 May and June 9, 2020.

The results of the survey show that COVID-19 has a significant impact on the work life of individuals in Turkey. The way people work has changed as 37% of the participants have begun working from home and 27% more have had their working hours reduced. Another 15% of the working population have been made unemployed or are on unpaid leave. Salaries have also been adversely affected by the pandemic with the reductions in salaries affecting as many as 48% of the respondents. Likewise, 63% of respondents indicated that they have been working fewer hours since the start of the pandemic.

In terms of savings, more than 50% of the respondents believe that their savings would be depleted within 3 months, whereas only 19% of the individuals feel prepared in a case of a total shutdown imposed by the government. People can sustain themselves over a short period; however, government-imposed restrictions for a longer period would be financially unsustainable for many people living in Turkey. People can only live on their savings for few months unless the government is willing to provide financial support.

The attitudes of people towards transportation and traveling have also changed significantly since the beginning of the pandemic. People avoid public transportation as much as possible, 86% of the individuals stated that they "never" use public transportation since the beginning of COVID-19 restrictions in Turkey. There has been an increase in the usage of personal vehicles, more participants prefer using their personal vehicles instead of using other modes of transportation such as pub-

lic transportation or taxis, leading the taxi industry to experience a decline in the use of their services, as the pandemic has seen an increase of more than 28% in the number of people who have completely stopped using taxis. Finally, respondents prefer traveling less whether for personal or work purpose. Respondents are avoiding unnecessary travel and prefer to stay in the safety of their homes.

As number of people working part-time and working from home increased significantly, policies towards regulating working part-time and working from home are needed to be created or enforced. Smart Economic Aid Packages should be designed in the case of further prolonged restrictions. These would ensure that people who are financially in a lower stratum would be accommodated by the government. Regulatory bodies should consider the behavioral change in transportation usage, take necessary steps and make adjustments to cope with a possible increase in traffic congestion.

Further studies are recommended to get a better understanding of different dimensions such as sectoral reports, SME focused research, consumer behavior, etc. Such focused research would allow a better understanding of the causes of changes, which will result in improved policy response.

I. INTRODUCTION

COVID-19 has engulfed the whole globe; everyone has been affected one way or another. The number of infected people and deaths caused by COVID-19 continue to rise. Some countries have managed the pandemic quite well, while others have had a disastrous response to it putting many lives at risk. Turkey was quick to respond to the pandemic and developed a good management system for those infected and those who may have had contact with or have been around whose who are infected. Through this system, Turkey was quickly able to control the spread of COVID-19. Although over 200,000 COVID-19 cases are recorded in Turkey, as of August 2020, only about 11,000 active cases remain in the country (Ministry of Health, 2020).

Economies around the globe have been adversely affected by COVID-19. The way people work, live, travel, and socialize consequently have all been altered. While many companies decided to adapt their operations and allow their staff to work from home, yet many others have ended up limiting or closing down their oper-

ations for an undetermined period leading to reduction in working hours, reduction in salaries, unpaid leave of absence, lay off and unemployment. These are just some of the harsh economic consequences of COVID-19 and the policy response it engendered. The current study focuses on the economic and financial side of the pandemic in Turkey.

The survey used for this study is conducted by targeting people living in Turkey between May 14 and June 9. The survey received 1529 responses.

Through this survey, we examine:

- Impact of COVID-19 on the financial resilience of individuals.
- Impact of COVID-19 on firm behavior; how the pandemic has affected the salary, working hours, and work status of individuals.
- How the public react or behave COVID-19 in terms of savings and how long do they expect their savings to last.
- The attitudes of the public towards transportation before and during the pandemic period.

The study continues with the survey description, methodology, key findings, recommendations, detailed findings, and an appendix providing the survey questions in English. The figures throughout the study present results in percentages where the size of the participant group is 1510; while the results studied under *"Not Working"* represent a total of 250 participants and *"Working"* represent a total of 1260 participants.

II. Survey Description

The survey was designed with multiple components in mind to analyze various demographic characteristics and multiple other aspects related to work, savings, and traveling behavior. The behavior of individuals are observed and analyzed to understand how COVID-19 has affected the various aspects mentioned earlier. There are 7 questions related to demographics, which analyze the different demographic factors such as gender, age, city of residence, education, household size, and monthly income. These questions assist to create relationships between the questions asked later in the survey and to understand how demographic components

shape the habits and attitudes of people.

Some of the questions related to the attitudes of individuals towards savings are inspired from a survey completed by the Malaysian government on the effects of COVID-19 on the economy and individuals (DOSM, 2020). Through that survey, the Government of Malaysia studied the opinions of people regarding their economic, financial, and spending patterns. Multiple other studies were also taken into consideration when designing this study, i.e. OECD's SME Policy Responses study that focuses on how SMEs are responding to COVID-19 and the kind of policy responses that have come from governments including that from the government of Turkey (OECD, 2020a). In addition, another study by the International Labor Organization was consulted to understand how COVID-19 is affecting workers and ask questions related to these matters accordingly (ILO, 2020).

Having studied various reports and academic work related to COVID-19, the questions asked in this survey were carefully designed to understand the impact of COVID-19 on the financial sustainability, savings, and transportation attitudes of individuals. Here we explain the reasoning behind some of the questions that have been asked in this survey. Initially, we aim to divide the responses between employed people and unemployed before the pandemic. People who were employed are asked various questions related to their work. These questions include work sector, type of firm, how COVID-19 has affected their working hours, salary, and workload. These questions are asked to get an understanding of how the pandemic has affected the work life of people. They are also asked so we are able to compare answers related to salaries, whether they have decreased and to what extent the decreases has happened. These questions are compared and analyzed according to their sectors, firm types, and their saving behavior. These are important aspects because they help us to understand how individuals working different jobs have been affected and how they view their savings, including how long their savings would last. These comparisons are an important part of understanding how COVID-19 has affected the economy in general and what steps organizations have taken to cope with shortages in demand and the different types of government lockdowns.

There are a set of questions related to the traveling behavior of individuals. These questions ask individuals to state how often they used a specific type of transportation or how often (from a range of "never" to "always" use) they traveled for either personal or work purposes. There are two sections, which ask the same questions but assess the Pre-COVID-19 and Post-COVID-19 situation. There are six different modes of transportation and travel types included in the survey, these include public transportation, private vehicle, taxi, work provided travel (service), travel for personal purposes, and travel for work purposes. In addition to under-

standing the behavior of individuals towards these different travel preferences, it would also help us to analyze the traffic situation and travel attitudes in large metropolitan cities such as Ankara, Istanbul, and Izmir.

Finally, we expect the survey to provide us with an understanding of the impacts of COVID-19 on people in Turkey in the fields mentioned above. This will be the first study of its kind in Turkey and serves as a foundation for future studies within the field of pandemic. It will also assist in developing policy responses in order to better deal with the pandemic and its effects on economy.

III. Methodology

A survey is used to collect data from individuals around Turkey. It contains 7 basic questions related to the demographics and 16 questions related to work, financial stability and sustainability, and transportation behavior. Since the study aims at checking the behavior and situation of individuals before and during the COVID-19 pandemic, individuals are sent the questionnaires to complete different sections based on their response to whether they were employed before COVID-19. Unemployed individuals only answer 6 more questions after the demographics section; these analyze their perspective on their financial sustainability and transportation behavior. While all others who were working part-time or full-time before the COVID-19 pandemic fill the whole survey answering additional questions related to work hours, salary, workload, etc.

The survey was administered online and available for anyone to fill. Several methods were applied to increase the reach of the survey. First, surveys are forwarded to contacts of individuals and spread among different networks. In addition, the surveys were marketed online on LinkedIn, Facebook, and Twitter. Finally, the survey was also tweeted by various individuals to improve the reach. The survey was available online from May 14 to June 9.

1529 questionnaires were completed during this period. Since the aim is to examine the behavior of individuals in Turkey, 15 records entered by individuals living abroad are excluded from the data set. In addition, 4 records entered by individuals under the age of 18 are also excluded from the data set. As a result, the data set comprise 1510 records entered during the survey period.

IV. Key Findings

1510 participants from all over Turkey completed this survey during the period of 14 May to June 9, 2020. The survey focused on the financial resilience, work life changes, savings, and transportation behavior of individuals during the COVID-19 pandemic.

Impact of COVID-19 on Work Life

- **37%** of the participants started **working from home** and **27%** started **working part-time**.
- **9%** of the participants were laid off and an additional **6%** were put on **unpaid leave**.
- **48%** of the employed people have seen their **monthly income decreased** because of COVID-19, while 49% state that their monthly income has remained the same.
- Among the participants who faced a decrease in their monthly income, **29%** have experienced their **income decreasing by 75% or more**, while another **17%** experienced a **decrease between 50-75%.**
- **63%** of the employed participants are **working fewer hours** during the COVID-19 period, while **14%** of the participants face an **increase in their working hours**.

Impact of COVID-19 on Savings and Financial Sustainability

- **26%** of all respondents stated that their savings would last **1 month**, another **27%** stated that their savings would last anywhere between **1 to 3 months**.
- **30%** of the respondents stated that their savings would last **more than 6 months**.
- If the Government is to impose restrictions for 6 more months, **66%** of all respondents believe they are **not prepared**. This percentage decreases to 39%, if the restrictions are to continue for another 3 months.
- Only **19%** respondents feel that they are **prepared** if there is a **total shutdown** imposed by the Government. While **60%** believe they are **not prepared** for such a situation.

Impact of COVID-19 on Attitudes towards Traveling

- The use of public transportation has decreased significantly.
  - **27%** of the respondents stated having **used public transportation frequently or always before COVID-19**, this percentage has **dropped to just 6% during the pandemic**.
  - The percentage of respondents who stated having used public transportation **rarely or never** was recorded to be **47% before the pandemic**, whereas **after the pandemic** this increased to **86%.**
- People are now prefer to travel with their personal vehicles.
  - Before COVID-19, **35%** would travel **frequently or always by personal vehicle**, this increased to **48% after the pandemic**.
- Taxi usage is also down, implying great impact on the taxi drivers and the industry.
  - While **50% never used a taxi before COVID-19**, this has **increased to 78%** during the pandemic. In the aftermath of the pandemic, only about **7% use the taxi sometimes** and only **2% use it frequently or always.**
- People prefer to stay at home during the pandemic period. People are traveling less whether for work or personal reasons.
  - Before COVID-19, **23%** state that they **never travel for personal** purposes and **54%** state that they **never travel for work** purposes. However, after COVID-19, these percentages increased to **70% and 80% respectively**, showing significant increases.
- While nearly **17% of the respondents were traveling sometimes or always** for personal reasons, it has **dropped to just 4%** during the pandemic period.

v. Recommendations

As number of people working part-time and working from home increased significantly, policies towards regulating working part-time and working from home are needed to be created or improved. Additionally, awareness on newly developed regulations should be increased.

A total shutdown or prolonged restrictions are not economically viable. Individuals would require financial support. Smart Economic Aid Packages should be designed in the case of further prolonged restrictions (the most affected groups of society, sectors should be targeted in a smart way). In order to accomplish these, detailed studies on different sectors and strata of society should be carried out.

Regulatory bodies should consider the behavioral change in transportation usage, take necessary steps and make adjustments to cope with a possible increase in traffic congestion. This might include taking measures to make public transportation attractive again for people. In public transportation such as busses, a fewer number of individuals should be accepted, and separators should be installed to make sure there is social distance/separation. Metro trains can be divided into compartments and air filtration systems can be engineered in such a way to minimize potential spread of the virus in a train.

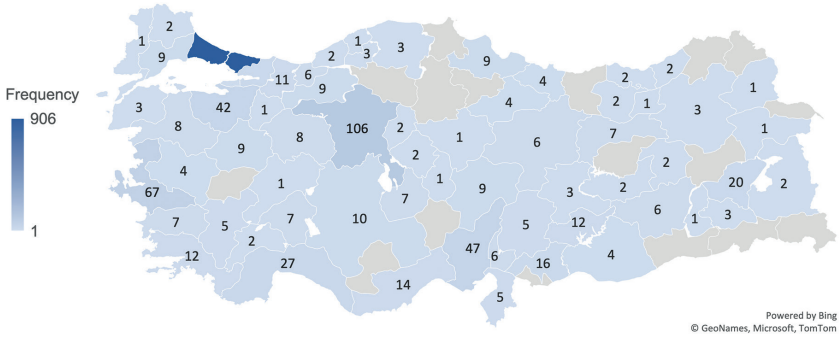
As taxi usage decreased considerably, detailed studies should be conducted to diagnose its reasons; policies should be developed and be implemented in order to go back to pre-COVID-19 usage levels.

VI. Detailed Findings

A) Demographics

The survey resulted in having the highest number of participants from Istanbul (906) which is the most populated city in Turkey and holds nearly 20% of the country's population. Ankara and Izmir follow by having 106 and 67 participants, respectively. The three largest cities made up over 71% of all the surveys completed. Besides these, the participants are scattered all over the country. Individuals in 66 Turkish cities completed the survey. There are 30 metropolitan municipalities in Turkey; nearly 91% of the respondents of this survey come from these metropolitan cities. Hence, the findings apply more to metropolitan living settings.

Figure 1: City-wise Distribution of Survey Participants



Gender Breakdown

Of all the respondents, 396 were female. While the number of females is much lower than male respondents, it is still a representative number.

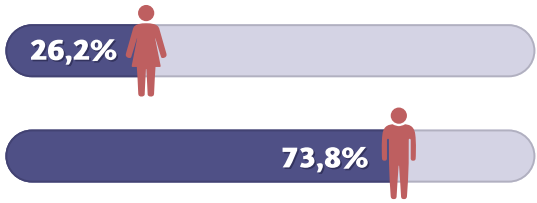
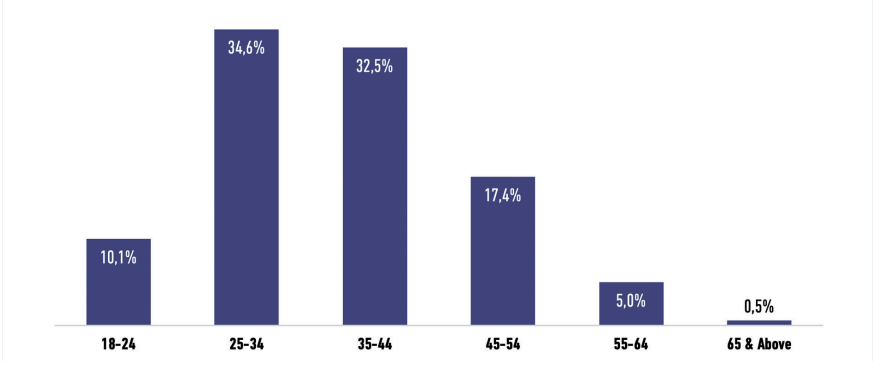
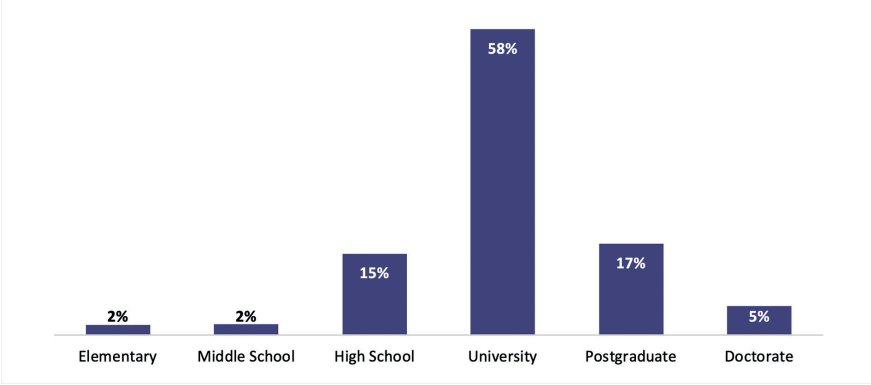


Figure 2: Age Distribution of Survey Participants



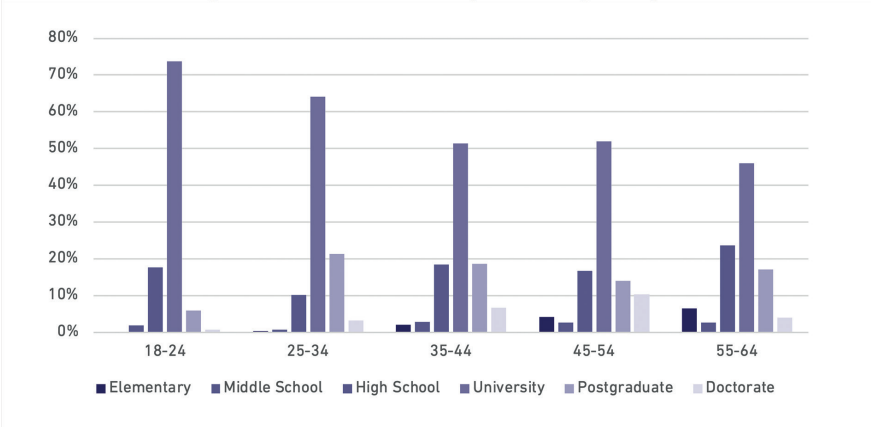
The aim of the study is to reach respondents who are in the working age group, the ages from 15 to 64 as defined by (OECD, 2020b). Nearly all the participants of this study are within this range, with just 8 respondents being 65 and above. Nearly 65% of the participants are within the age of 25-44 and another 22% from the ages of 45-64. The age distribution of the survey resembles the distribution of the total population of Turkey.

Figure 3: Education Distribution of the Survey Participants



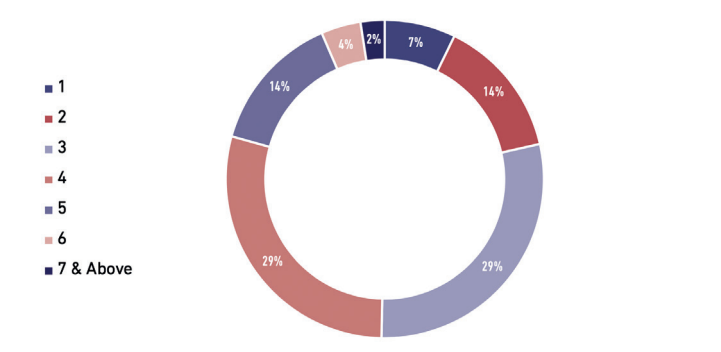
A majority of the respondents of the survey were those with higher education. Approximately 80% of the respondents had at least a university diploma. More than 20% have completed their post-graduate studies. In comparison, about 15% of the respondents had completed high school and 4% had either completed elementary or middle school. The education profile of our respondents is leaning towards more highly educated individuals. The current number of respondents and their profiles can still help to understand the overall situation of COVID-19 in Turkey, and how the public is responding to the pandemic. However, it would have been better to get a more even distribution across education levels, because it would help to better understand the behavior of individuals with lover education levels.

Figure 4: Education Level among Different Age Groups



The younger generation seems to have the highest percentages of university graduates. This is due to the increasing importance of education in Turkey, higher number of people attending universities, and the spread of new higher education institutions in the past 20 years. Today, there are a total of 208 higher education institutions across Turkey that cater to more than 7.5 million students that are enrolled in associate diploma, undergraduate, post-graduate, or doctorate programs (YÖK, 2020). The highest percentage of respondents who have completed high school comes in the age group of 55-64 (24%) as the older generations did not have access to higher education as much as younger generations. People in the 60s and 70s were mostly focused on entering the labor market and earning their living rather than attending a university. The highest percentage of university graduates are found to be in the youngest age group of this survey, 18-24, who have a total of 74% respondents that have university education. The age group of 25-34 has 64% of respondents that have completed undergraduate education but also an additional 21% who have post-graduate education. The age group 65+ is not include in the graph, as there are just 8 respondents in that age group. The percentage of university graduates is observed to be declining with the increase in age groups.

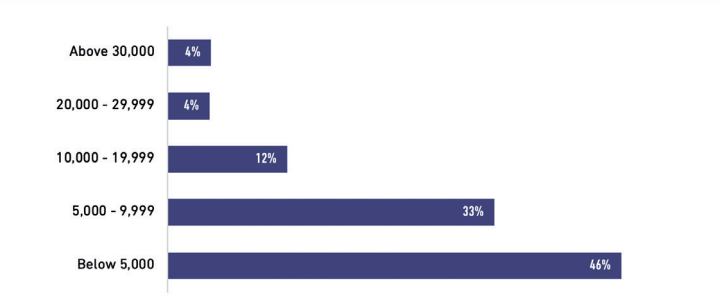
Figure 5: Household Unit Size



A majority of the household size falls within the 2-4 group, making up nearly 75% of the respondents. This implies that most of the household units in Turkey are mid-sized. Whereas 6% of the household units have a size of 6 or more. The household size can be associated with various factors such as education and income. Many of the families, especially those residing in metropolitan cities may also be smaller due to the high amount of expenses associated with larger families. As the family size increase, it is only logical that the expenses will also in-

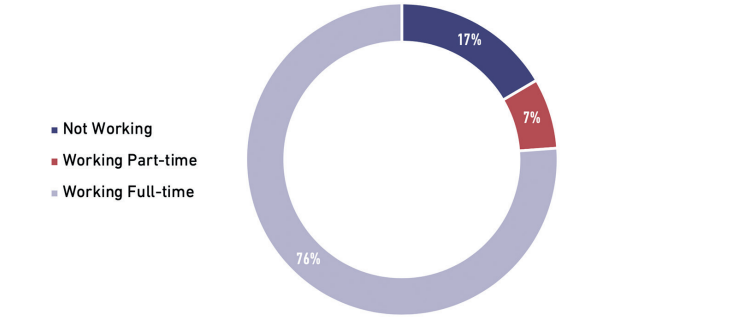
crease. Therefore, in larger cities where the cost of living is more expensive, it would be more difficult for parents to bear those expenses hence mid-sized households would be more extensive.

Figure 6: Monthly Income before COVID-19 (TRY)



The monthly income of individuals is an important piece of information for the survey especially given that COVID-19 has made a substantial impact on income and the consumption behavior of individuals. The largest strata of participants fall in the category of monthly income of 5000 TL or below. This is expected, as the GDP per capita of Turkey was around $9,042 in 2019 (World Bank, 2019). The number of respondents by strata is expected to decrease as the income increases; however, there is a good representation of people within different income levels and social strata.

Figure 7: Work Status before COVID-19



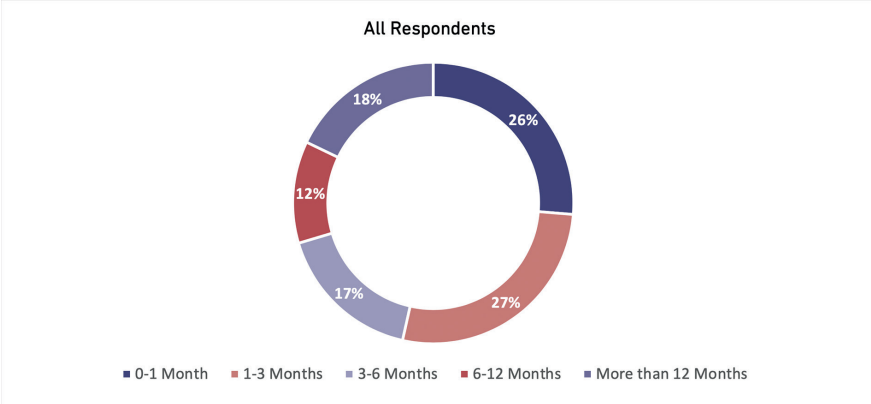
Since this study focuses on analyzing the behavior of individuals before and during the COVID-19 pandemic, it is important to know whether if the participants were employed before the beginning of this pandemic. A majority of the participants (83%) were employed either part-time or full-time before COVID-19 pandemic. The remaining were unemployed before the pandemic has begun. In this study, 17% of the participants were not working before the pandemic, which can be a result of many different reasons among those is the 12.8% unemployment rate and a 24.4% unemployment rate among youth (TurkStat, 2020a). However, there are yet other reasons why individuals do not enter the labor market such as being a housewife, not having the required training or education, discouraged by personal circumstances, disability, illness, being retired, etc. According to TurkStat (2020b), some of the reasons behind not entering the labor market in 2019 are as follows: 39% were housewives, 17% retired, and 14% were either too old, disabled, or ill to work. Whereas 2% of the individuals state that, they are discouraged and do not have hopes of finding a work. Interestingly the number of people who did not join the labor force because of being a housewife has dropped by 2 percentage points from 41% in 2014 to 39% in 2019, which means that labor market participation of women may be increasing.

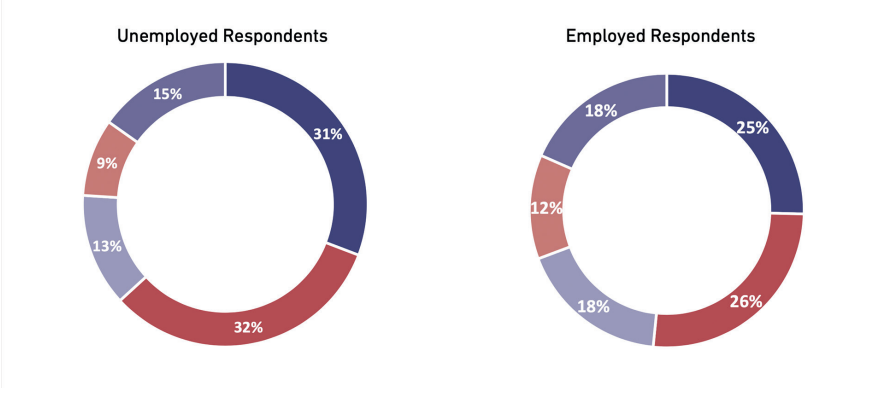
In order to get a better understanding of the different profiles, the study has been divided into those who were employed and unemployed. The two groups are predicted to have different savings patterns and consumer behavior hence the study first provides analysis on the unemployed group and then the employed group.

b) Savings Behavior and Attitudes towards Government-Imposed Restrictions

Savings play an important role in the consumer behavior and are vital in a situation like the COVID-19 pandemic. 26% of all the participants stated that their savings would deplete in one month while another 27% stated that their savings could be sustainable for a 3-month period. Only 18% of the respondents believe that their savings would last for more than 12 months. The number of individuals that can sustain themselves for only 3 months is quite; the numbers decline drastically as the number of months increases more than 3 months and further.

Figure 8: How long would your Savings Last?





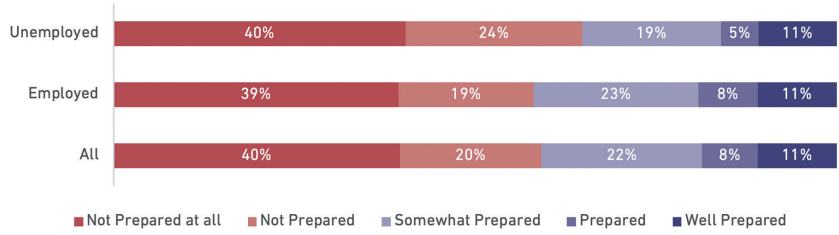
Among the respondents who are not working, 31% stated that their savings would deplete within a month, while another 32% stated that their savings would deplete within 3 months. The percentage of respondents who believe their savings can be sustained for more than 3 months is lower, with 13% stating 3-6 months, 9% stating 6-12 months, and 15% stating beyond 12 months. Beyond three months, the figures are grim as savings of a majority of the respondents would be depleted, which might make them turn to borrowing either from the bank or from their friends, families, or relatives.

The employed individuals are not much different from the unemployed individuals; there is only a 12 percentage points difference in the number of individuals who can sustain themselves for up to 3 months. This may tell a different story as the number of employed persons might have had their salaries reduced due to COVID-19.

Figure 9: Attitudes towards the Continuation of Government Imposed Restrictions

The attitudes of respondents towards a government-imposed lockdown are observed to be quite similar. A lockdown imposed for up to 3 months would drive a similar response from unemployed and employed individuals. However, a longer lockdown of 3 to 6 months shows some differences, where among unemployed individuals 22% feel prepared, 30% of employed respondents feel prepared. Though these figures become nearly identical if the lockdown is to be imposed for more than 6 months. While greater differences are observed in the period that savings would last, there seem to be not much difference in the attitudes of respondents towards government-imposed restrictions. This shows that there is almost a full consensus on any further lockdown and the hardship it entails.

Figure 10: Attitudes towards a Government Imposed Total Shutdown



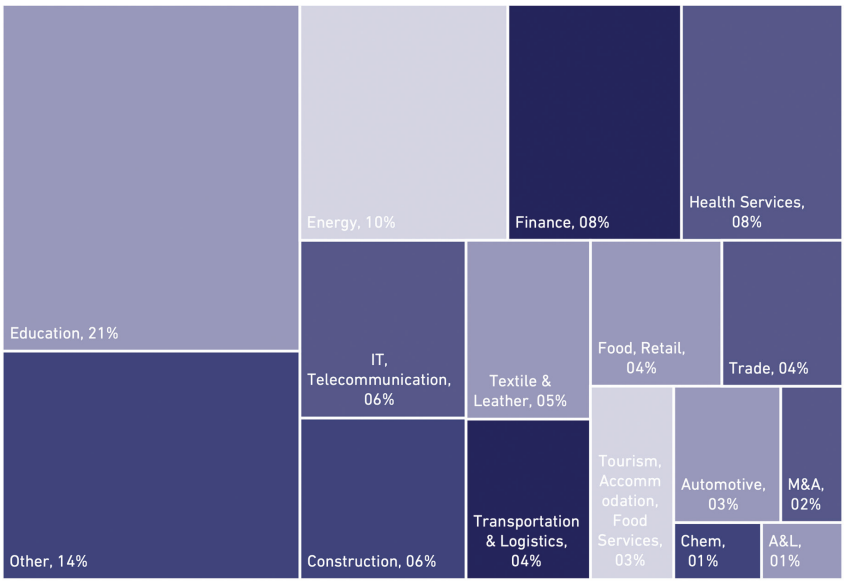
In the case of a government imposed total shutdown, respondents seem to have similar attitudes. Among the different categories, about 40% feel that they are *'not prepared at all'*. Whereas, among the employed respondents, a higher number feel that they are *'somewhat prepared'* than those respondents that are unemployed. In addition, nearly 20% of employed respondents lean more towards being *'prepared to a great extent'*, whereas 15% of unemployed respondents feel the same. This shows the overall attitudes of the public towards a government-imposed lockdown, in that employment does not make such a difference and everyone to a great extent feel that they would not be prepared for such a situation. The general attitudes show that a total shutdown may not reflect so well among the public and they would not be in favor of it. In addition, the public may not be able to cope with it as well as they would be able to cope with limited restrictions as have been imposed by the Turkish Government throughout the COVID-19 period. In Turkey, a maximum lockdown of 4 days was imposed during the religious holidays from May 23 to 26 (Anadolu Agency, 2020). Besides this either a two- or three-day lockdowns were imposed on the weekends by the Government even during the toughest days of COVID-19 pandemic in Turkey.

c) Covid-19 Impact on Work Life and Employment

The employed respondents making up more than 83% of participants belong to various sectors. Education, energy, finance, and health services make up the top four sectors for the employed respondents. Approximately 47% of all respondents in this section belongs to these four sectors. Besides these sectors, information technology, construction, and textile sectors also have a considerable number of respondents. The least number of respondents belongs to media and advertisement,

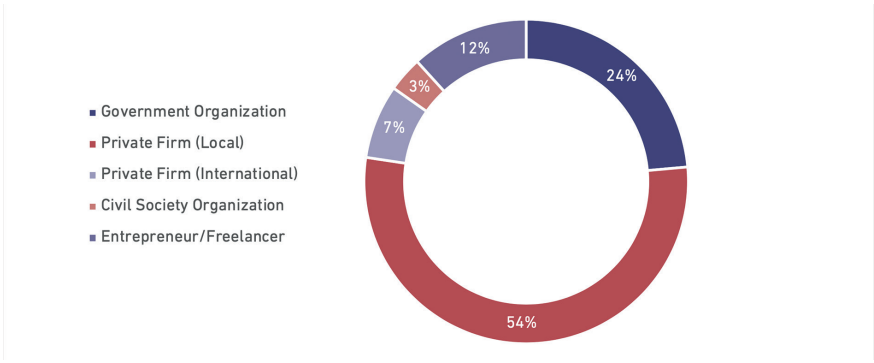
chemicals, and agriculture sectors. Overall, respondents belonging to many different sectors, making it easier to generalize the results, completed the survey. In the 'other' category, the highest number of respondents belongs to the legal sector. The highest number of respondents come from the Education sector, topping at 269 and the least from Agriculture sector, 12. There are more than 100 respondents for three sectors, education (269), energy (128), and finance (107). There are 50 or more respondents for sectors including health services (99), information technology (77), construction (70), textile (58), transportation and logistics (52), and retail (50). Other sectors included in the survey are trade (46), tourism and restaurants (42), and automotive (38).

Figure 11: Breakdown of Employed Respondents according to Sectors



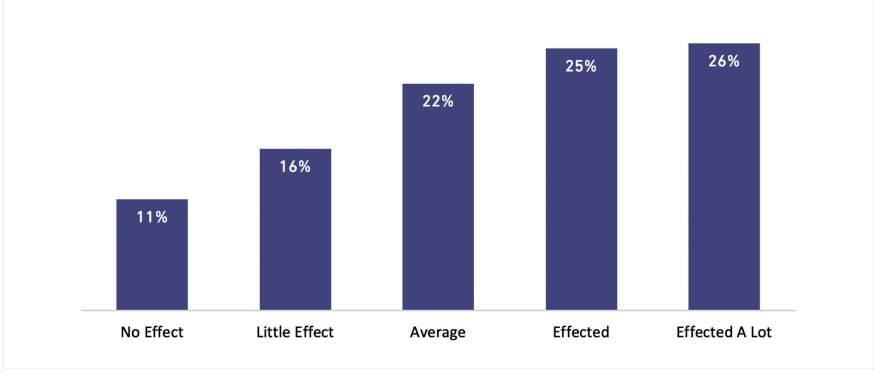
**M&A is Media and Advertisement; A&L is Agriculture and Livestock; Chem is Chemicals.*

Figure 12: Breakdown of Employed Respondents according to Types of Organization



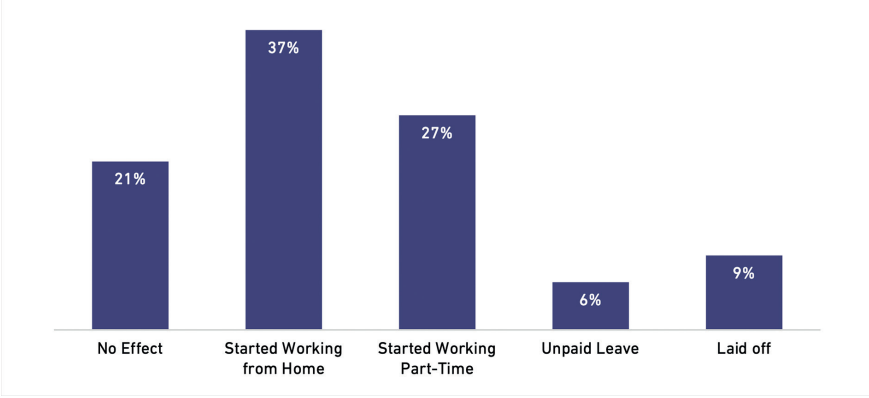
More than 50% of the employed individuals are working in the private sector within companies that are locally owned and operated. Among the employees that are working in a government organization, 64% worked in the education sector and 11% in health services. Among the local private organizations, the leading sector is energy with 17% of the total participants from that stratum. Within the internationally owned private organizations, finance and automotive sectors topped the list with 29% and 20% respectively. Education and health services sectors also top the list among the civil society organizations with 45% and 27% respectively. Finally, respondents who are working as entrepreneurs or freelancers are highest among the Trade sector at 15% followed by the construction sector at 9%.

Figure 13: Impact of COVID-19 on Work Life



Most of the respondents have experienced some type of impact from COVID-19. More than 50% of respondents stated that their work life was *'affected'* or *'affected a lot'* because of the current pandemic situation. Work life has been affected in various ways such as a decrease in the number of working hours, adverse impact on monthly income, work status, etc. In the following sections of the study, we will further analyze how COVID-19 has influenced the way people work and their financial compensations.

Figure 14: Impact of COVID-19 on the Employment Status of Respondents



COVID-19 has had a great impact on the way organizations operate, many of the organizations have resorted to make their employees work from home, however, there are many others that have seen their operations decrease leading to resorting to part time work, unpaid leaves, or layoffs. Among the respondents who were employed before COVID-19, 15% either were put on unpaid leave or became unemployed. Specific sectors such as tourism, hotel, and restaurant service sector have been hit very hard with 40% left without work. Within this sector, only 14% of the respondents indicated that they either started working from home or were not affected by the pandemic. Whereas 24% resorted to part-time work and nearly 20% were put on unpaid leave. Among the persons working in the textile and leather industry, 40% either were unemployed or put on unpaid leave.

Employees in many of the sectors started either working from home or working part-time. The sectors that were least affected (not affected or working from home) include education (77%), energy (75%), information and technology (71%), and finance (70%). Many other sectors have turned to part-time work such as Automotive (55%), transportation and logistics (58%), trade (50%), and health services

(40%). Employees in the health sector began to work part-time for various reasons including the stoppage of normal services by hospitals, the lack of patients, and those working in the international departments of the hospitals faced a lack of international patients due to travel restrictions.

Figure 15: Impact of COVID-19 on Monthly Income

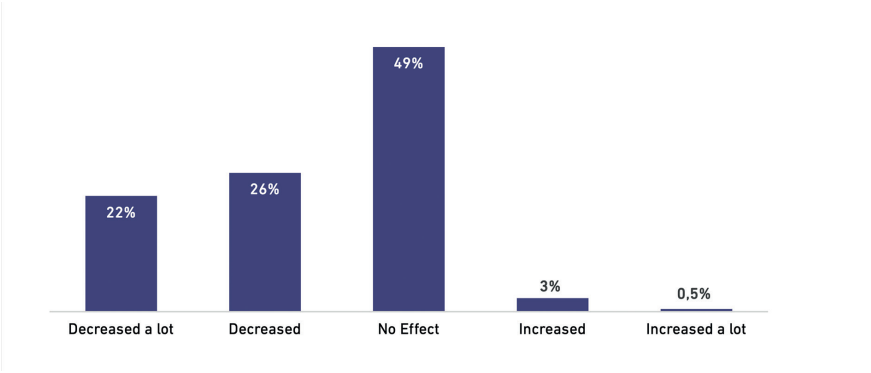
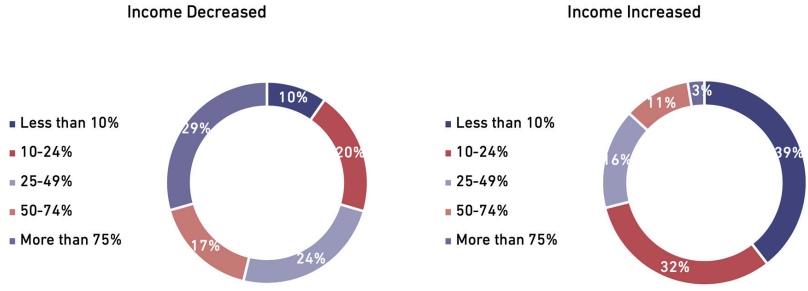


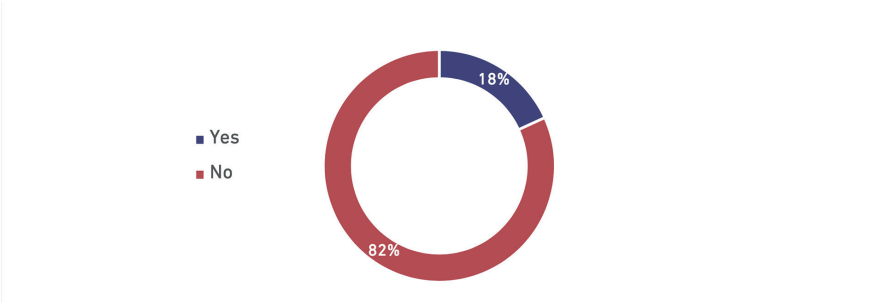
Figure 16: Breakdown of the Monthly Income Increase/Decrease



The income effect of COVID-19 either has led to a decrease or has not affected income at all. There are cases as well where the income increased. Nearly 50% of the individuals experienced a decrease of some sort. Among these individuals, 44% experienced a decrease between 10-49% and another 17% experienced a decrease of 17%. However, the highest percentage of decrease is 29% for employees that experienced a decrease of more than 75%. The amount of decrease in the income is quite high and has had a profound effect on people. Among respondents who

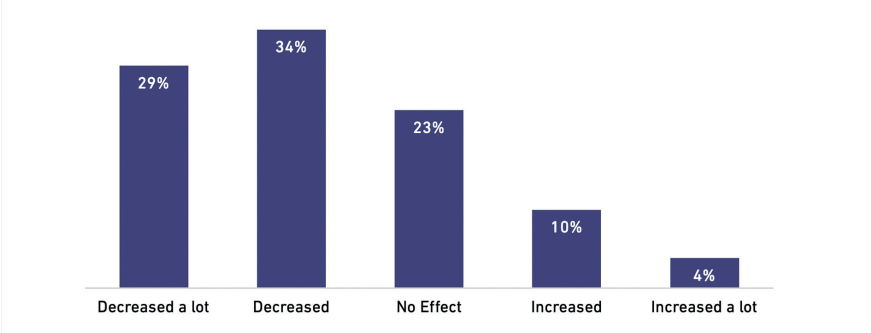
experienced an increase in their income, most of their income increased between 0 and 24%.

Figure 17: Benefitting from the Government Financial Aid



The Turkish Government is providing financial help to those who have been put on unpaid leave or have had their working hours reduced because of COVID-19. The government announced that furlough and short work schemes would be provided for a period of three months, ranging from 1,752 to 4,381 TL per month (Resmi Gazete, 2020). In addition to these measures, the government also increased the minimum pension payment to 1,500 TL while also providing 1,000 TL to families that need financial support. Through the survey, it was found that just 18% of the respondents are benefitting from such government programs. It is a low level given the ratio of respondents that had stated that they have either been laid off, put on unpaid leave, or had begun working part-time.

Figure 18: Impact of COVID-19 on the Working Hours



More than 60% of the employees experienced a decrease in their number of working hours, whereas only 14% of the employees experienced an increase in their number of working hours. A salary decrease is associated with a decrease in the number of working hours as well, where 75% of the people amongst respondents having their salaries decreased significantly also experienced the same for their number of working hours. In total, more than 90% who stated that their salary had decreased a lot also stated that their working hours decreased a lot too. Likewise, more than 75% of the individuals whose salaries had decreased also stated having their working hours decreased.

Another noticeable trend here is that 41% of respondents who experienced that their working hours did not change also experienced a decrease in their number of working hours. This might be the result of organizations that have had their operations decreased during the period of COVID-19 and have continued to pay the salaries of their employees.

Figure 19: Comparison of Change in Monthly Income and Working Hours

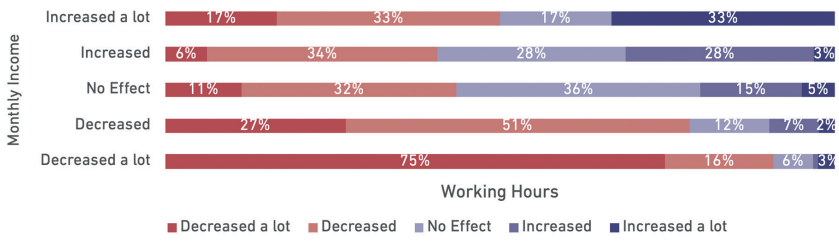
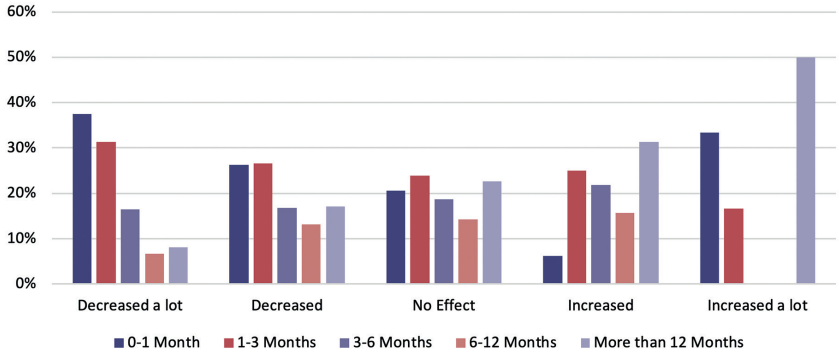


Figure 20: Duration that Savings will last for Stack up with the Effects in Monthly Income

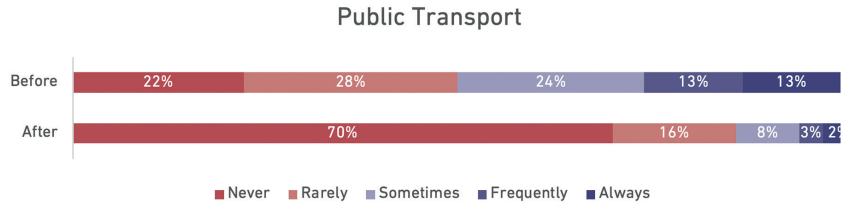


Through the data, we can confirm that respondents who have had their salaries decreased have higher percentages among those whose savings can sustain themselves for up for 3 months. Nearly 70% of the individuals whose income *'decreased a lot'* because of COVID-19 stated that their savings would last up to 3 months. The individuals who stated that their salaries *'decreased'*, there are 53% respondents state that their savings would last anywhere up to 3 months. Among individuals whose salaries were not affected by COVID-19, there are mixed results which means that it would just depend on the amount of salary they were receiving. The data for respondents stating their salary had *'increased'* (second from right) and *'increased a lot'* (far right on the figure) may be skewed due to only a few respondents being in that category, 32 and 6 respectively. However, there is a higher percentage of respondents within these categories stating their savings being enough for 12 months or more.

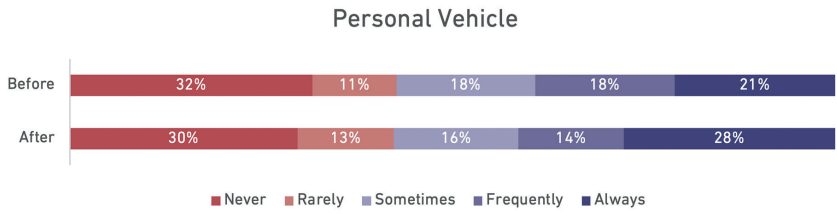
D) Attitudes towards Travelling and Transportation Before and After COVID-19

i. Employed Respondents

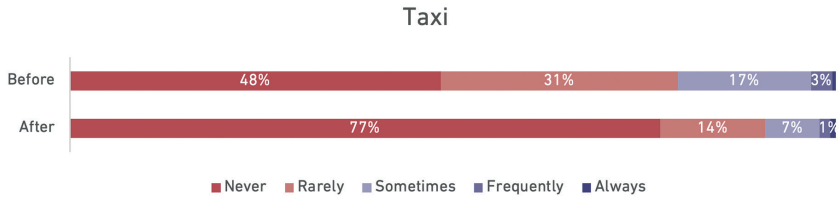
It is important to understand the behavior and attitudes of respondents towards different means of transportation. The most important of these being the use of public transportation and private vehicle for traveling, whether that be for work or leisure. Responses were also taken on traveling behavior before and during the COVID-19 pandemic as part of this study.



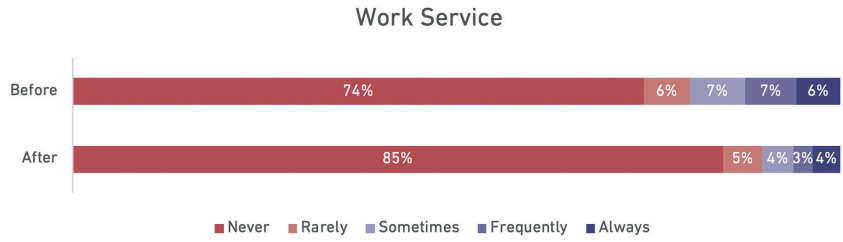
Employed individuals did not prefer the use of public transportation much, just 13% of the individuals stated that they used public transportation "frequently" and another 13% stated that they "always" used it. Whereas the individuals that used it "rarely" and "never" were recorded as 28% and 22% respectively. This implies that employed individuals do not necessarily use or prefer public transportation. After the pandemic, employed respondents mostly stopped traveling by public transportation, only 8% of them using it "sometimes", 3% using it "frequently", and 2% using it "always".



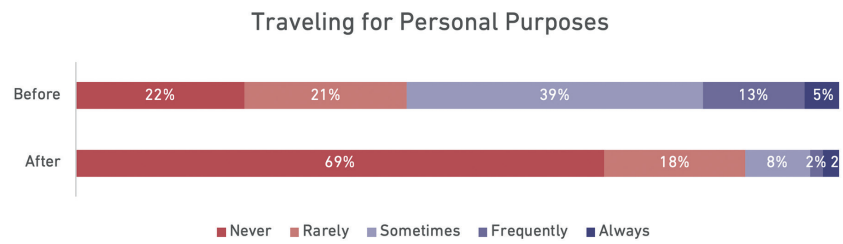
The usage of a personal vehicle did not seem to have changed much from pre to post-pandemic period. Data show that respondents who preferred to use their vehicles "sometimes" or "frequently" have turned towards using it "always". Besides this, only a 2% decline is observed for the respondents that "never" used their vehicles and an increase of 2% for the respondents using it "rarely". This can also be associated with the fact that people are not traveling much in general and prefer to stay indoors in the safety of their homes.



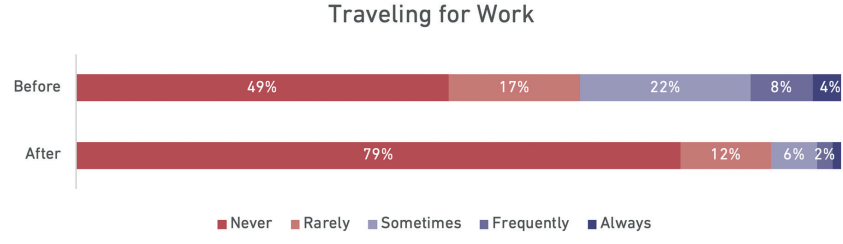
The use of taxi also decreased substantially from before the pandemic. However, even before the pandemic, the use of taxi was not widely preferred. Only about 17% of the respondents used it sometimes and another 3% used it frequently. Whereas during the pandemic, these numbers dropped to 7% and 1% respectively.



There are transport service vehicles offered by some firms around Turkey. According to the data, most of the respondents do not use such transport service, 74% of the respondents stated that they did not use work transport service before the pandemic, and this increased to 85% after the pandemic. In addition, the percentage of the respondents using the work transport service "sometimes", "frequently", or "always" also decreased. This is due to the decrease in the operations of firms, the increased number of people who have started working from home, and others who have been laid off.



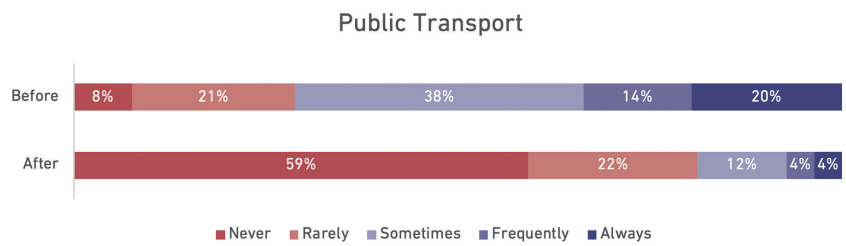
Another important factor in the transportation system and behavior is the reason why people are traveling, whether that be because of personal reasons or for work. People traveled around for personal reasons from time to time, however, after the pandemic began traveling has become much rarer. An approximate 69% of the respondents stated that they "never" travel after the beginning of the pandemic, increasing more than 45% from before the pandemic. Nearly 18% were traveling "frequently" or "always" for personal reasons before COVID-19, whereas that has decreased to just under 4% after the pandemic.



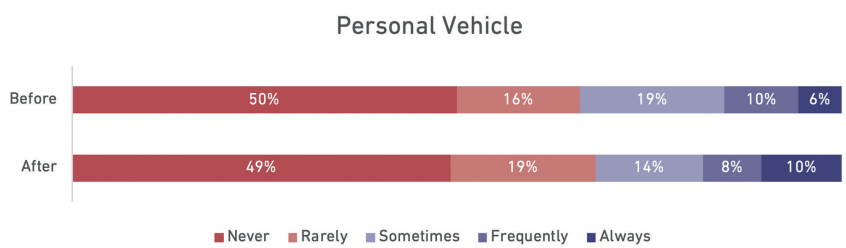
Traveling for work has also decreased considerably which can be associated with the limited operations of firms and the fact that people are working more from home. There has been a 30 percentage points increase in the respondents who "never" travel for work from 49% before the pandemic to 79% during the pandemic. Similarly, people who were "frequently" or "always" traveling for work have decreased from 8% and 4% respectively to 2% and 1% respectively. Overall, people prefer to stay at home more during the pandemic as the government has asked the people to stay indoors in order to avoid the spread of COVID-19.

ii. Unemployed Respondents

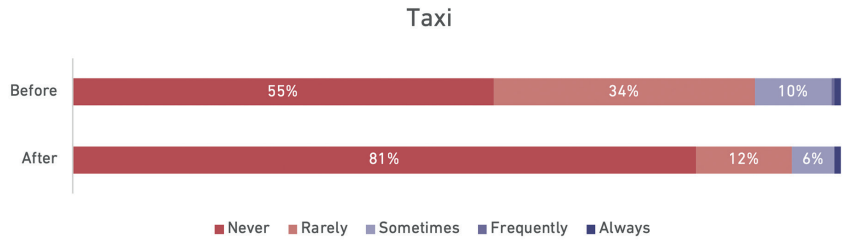
In order to get a better understanding of the differences in attitudes towards traveling among the different respondents, it is important to divide them into employed and unemployed as their needs for and approach to transportation means and purposes can be different.



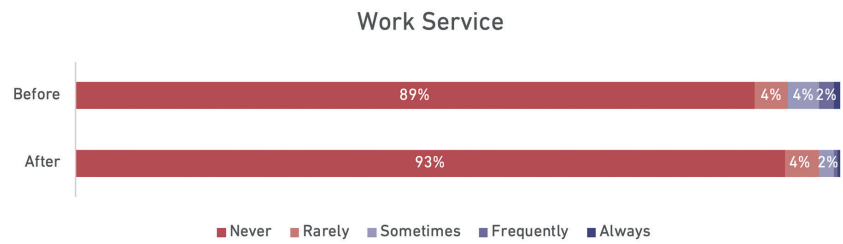
The use of public transportation among the unemployed group was quite prevalent before the pandemic but it dropped sharply during the pandemic. Only 8% stated that they "never" use public transportation before the pandemic. However, this increased more than 50 percentage points to 59% after the pandemic began. Whereas 20% of the respondents stated that they "always" use the public transportation, but it dropped to just 4% after the pandemic.



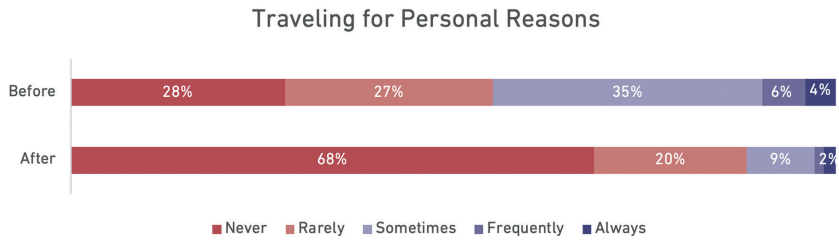
The use of a personal vehicle remained rather similar before and after the pandemic. Some began to prefer the use of a personal vehicle as a result those who "always" use a personal vehicle to travel increased from 6% before the pandemic to 10% afterwards.



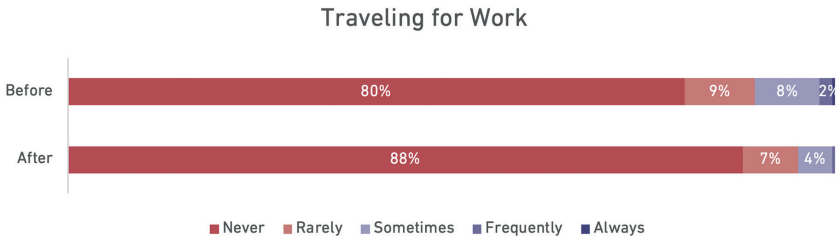
The use of taxi among the unemployed and employed individuals shows a similar trend. There has been a severe decrease in the usage of taxis. While even before the pandemic, this stratum did not prefer to use the taxi as much, which could be due to their lack of employment and increased preference for public transportation due to its lower costs. The consensus among the unemployed group seems to be that of avoidance of taxis, more so after the pandemic.



The use of work provided transport is almost non-existent because these individuals stated that they were not employed before the pandemic. They may have found some sort of job after the pandemic began hence the positive responses for this type of transportation. However, it is more likely that they may have misunderstood the question or mistakenly answered it the way they have. In any case, almost all of them state that they never use work provided transport service.



Traveling for personal reasons also shows similar patterns between the employed and unemployed groups. This shows that besides work, the attitudes towards traveling are quite similar; people want to avoid traveling for personal reasons as much as possible. About 28% of the respondents "never" traveled for personal reasons before the pandemic, which increased to 68% after the pandemic. Respondents who were traveling for personal reasons "frequently" and "always" decreased from 6% and 4% respectively before the pandemic to 1% and 2% respectively.

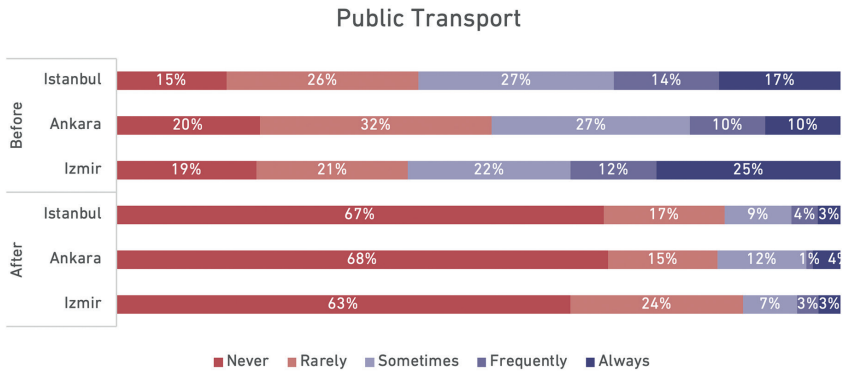


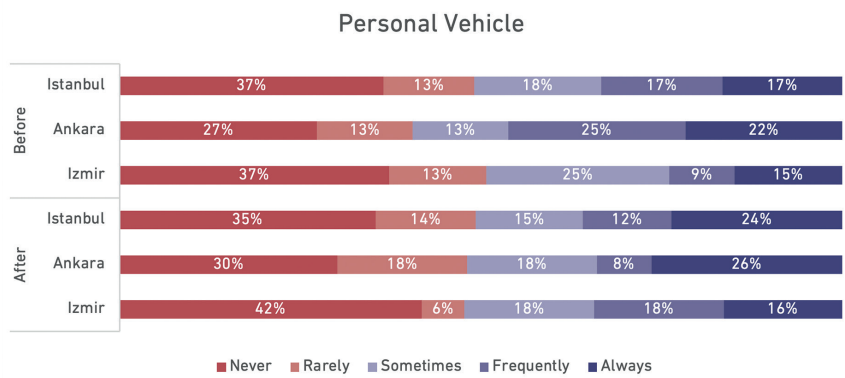
Traveling for the purpose of work has also decreased, which was already quite low before the pandemic. People avoid travelling for unnecessary reasons and want to protect themselves by staying at home.

The patterns of traveling are somewhat similar between the employed and unemployed groups. Traveling has dropped sharply because of COVID-19 and people prefer to remain in their houses. People are traveling less for personal reasons and trying to avoid public transportation and taxis as much as possible. The results show that attitudes towards the usage of personal vehicles have not changed significantly.

Transportation Behavior in the three largest cities of Turkey

The three most populated metropolitan cities of Turkey are İstanbul (15.5 million population), Ankara (5.5 million population), and İzmir (4.3 million population) (TurkStat, 2020c). Therefore, the data for these three large metropolitan cities are analyzed on a separate section in order to observe the different types of transportation patterns and to understand how people have responded to COVID-19 in these three large metropolitan areas. Amongst the three cities, in terms of the attitude of residents towards public transportation Izmir had the highest percentage (37%) of respondents who indicated using public transportation either "frequently" or "always" before Covid-19. This was followed by Istanbul (31%) and Ankara (20%). Likewise, in Ankara 20% of the participants responded that they never use public transportation, whereas the lowest in that category is Istanbul with 15% respondents followed by Izmir at 19%. Whereas after COVID-19, many of the respondents in all three cities have stopped using public transportation. 87% of the respondents from Izmir stated that they never or rarely use public transportation after the pandemic, while this percentage is at 84% for Istanbul and 83% for Ankara. A significant drop has been observed in “frequently” or “always” prefer public transportation in pre to post-pandemic situation, decreasing from 37% to 6% respectively in Izmir, 31% to 7% in Istanbul, and 20% to 5% in Ankara.





Before COVID-19, private vehicles were used less frequently. In Ankara, 22% of the respondents state that they "always" used their personal vehicles and another 25% state that they used their personal vehicles "frequently". These figures are lower in Istanbul, standing at 17% of the respondents "always" using their vehicles and 17% using them "frequently". In Izmir, the percentages are even lower at 15% and 9% respectively. Before COVID-19, 27% respondents from Ankara state that they "never" used private vehicle, whereas this is 10% higher in both Istanbul and Izmir at 37%. According to the survey data, Ankara has the highest percentage of personal vehicle usage followed by Istanbul and Izmir.

After COVID-19, the highest increase in usage is observed in Istanbul, where 36% of the respondents stated that they either "frequently" or "always" use personal vehicles. This is followed by Izmir, for which the percentage is 34% and Ankara for which it is 32%. The percentage of respondents that stated they never use personal vehicles has slightly increased in both Ankara and Izmir from pre to post-pandemic period. However, in Istanbul, there is a slight (2 percentage points) decrease in this group. Besides that, the statistics in the three cities seem quite similar. The number of people not using personal vehicles at all may have increased due to their work situation. It is possible that either they are working from home or have been laid off temporarily or have been unemployed. An increase in the percentage of respondents using personal vehicles "always" is also observed, which can be a result of the respondents trying to avoid using the public transportation at all.

VII. Conclusion

This study is based on 1510 surveys that were completed by people living in Turkey. The study was undertaken to find the impact of COVID-19 on the financial sustainability, work life, and the traveling behavior of people in Turkey. The results of the survey show that COVID-19 has had a substantial impact on the work life and employment in Turkey. Various changes have occurred in the work life of participants, nearly 40% of the workers have started working from home, 27% have begun working part time and to nearly 10% who have been unemployed. In addition, the number of working hours have decreased for many of the workers while some have experienced a rise in the number of work hours. Many of the employed respondents have also experienced a decline in their monthly income. However, many respondents also state experiencing no difference at all in their income or working hours since the beginning of the pandemic.

The results also reveal that people feel prepared for short-term restrictions on daily life and work. However, in the long run, government-imposed restrictions are viewed negatively and many respondents do not feel they have the financial means to cope with it. There is a consensus among the respondents on these issues of government-imposed restrictions as well as a government-imposed total lockdown. Lastly, many respondents have also stated being able to survive just one month on their savings, raising critical concerns for the government and the policy responses during the pandemic.

In terms of traveling and transportation, a significant decrease has been experienced throughout the country. Preference towards public transportation has decreased substantially among all respondents. A slight increase in the usage of personal vehicle is observed though there is not a significant increase rather only by a few percentage points. Respondents prefer to stay at homes rather than traveling for work or personal purposes. In general, the travel and transportation behavior among the public shows that people are being more careful and are giving greater importance to their health as well as the safety of others.

The national and local governments can create improved policy responses to COVID-19 pandemic by using this study. The results can be used to improve the current economic scenario and to help those that have been most affected by COVID-19. Further studies are needed to work out what are the factors affecting layoffs and furlough to better target government intervention both at the local level as well as at the national level.

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Appendix

Survey Questions

Demographics

1. Gender
    a) Male
    b) Female
2. Nationality
    a) Turkish
    b) Other: _____
3. City of Residence
    a) Istanbul
    b) Ankara
    c) Izmir
    d) Bursa
    e) Antalya
    f) Adana
    g) Konya
    h) Şanlıurfa
    i) Gaziantep
    j) Kocaeli
    k) Other: _____

4. Age
    a) Younger than 18
    b) 18-24
    c) 25-34
    d) 35-44
    e) 45-54
    f) 55-64
    g) Above 65

5. What is your Education Level?
    a) Elementary School
    b) Middle School
    c) High School
    d) Bachelor's Degree
    e) Master's Degree
    f) Doctorate

6. What was your monthly income before COVID-19? (Turkish Lira)
    a) Less than 5,000
    b) 5,000 – 9,999
    c) 10,000 – 19,999
    d) 20,000 – 29,999
    e) Above 30,000

7. Including you, how many people live in your household?
    a) 1
    b) 2
    c) 3
    d) 4
    e) 5
    f) 6
    g) 7 and Above

8. What was your work status before COVID-19?
    a) Not working
    b) Working Part-time
    c) Working Full-time

| SECTION II |
For Those that responded to "Not Working" in question 8.

1. How long do you think your savings would last?

   a) 0-1 Months
   b) 1-3 Months
   c) 3-6 Months
   d) 6-12 Months
   e) More than 12 Months

2. Are you benefitting from the Government support program for people who have begun working part-time or on unpaid leave?

   a) Yes
   b) No

3. If the Government-imposed restrictions are to continue, how prepared do you feel financially?

   Please rank from 1 – 5,
   1– Not Prepared at all
   2– Not Prepared
   3– Somewhat Prepared
   4– Prepared
   5– Prepared Well

   a) 3 more months
   b) 3-6 months
   c) More than 6 months

4. If the government is to impose a total shutdown, how prepared are you financially?

   Please rank from 1 – 5,
   1– Not Prepared at all
   2– Not Prepared
   3– Somewhat Prepared
   4– Prepared
   5– Prepared Well

   Please Rank the following on a scale of 1 – 5
   1– Never
   2– Rarely

3– Sometimes
4– Frequently
5– Always

Usage of the following before COVID-19:

1) Public Transport
2) Personal Vehicle
3) Taxi
4) Work Service
5) Traveling for Personal Purposes
6) Traveling for Work Purposes

Usage of the following after COVID-19:

1) Public Transport
2) Personal Vehicle
3) Taxi
4) Work Service
5) Traveling for Personal Purposes
6) Traveling for Work Purposes

| SECTION III |
For Those that Responded "Working Part-Time" or "Working Full-Time" to Questions 8.

1. Sector of Employment

a) IT, Technology
b) Education
c) Energy
d) Finance
e) Food, Retail
f) Construction
g) Chemical
h) Media and Advertisement
i) Automotive
j) Health services

k) Agriculture and livestock
l) Textile and Leather
m) Trade
n) Tourism, Accommodation, Restaurants
o) Transportation, logistics.
p) Other: _____

2. What type of organization do you work at?

a) Government Organization (Civil Servant)
b) Private Company (Local)
c) Private Company (International)
d) Civil Society Organization
e) Entrepreneur/Freelancer

3. How long do you think your savings would last?

a) 0-1 Months
b) 1-3 Months
c) 3-6 Months
d) 6-12 Months
e) More than 12 Months

4. How have the restrictions imposed because of COVID-19 affected your work life?

a) No Effect
b) Little Effect
c) Average
d) Effected
e) Effected a lot

5. How has COVID-19 affected your work status?

a) No Effect
b) Started working from home
c) Started working part-time
d) Unpaid leave
e) Laid off

6. How has COVID-19 affected your income?

   a) Decreased a lot
   b) Decreased
   c) No Effect
   d) Increased
   e) Increased a lot

| SECTION IV |

For those that responded, "decreased a lot", "decreased", "increased", or "increased a lot" to Question 6 in Section III will answer the following question. Questions 2 and forward are answered by all respondents in this section.

1. How much has your income decreased/increased?

   a) Less than 10%
   b) 10 – 24%
   c) 25 – 49%
   d) 50 – 74%
   e) More than 75%

2. How has COVID-19 affected your work hours?

   a) Decreased a lot
   b) Decreased
   c) No Effect
   d) Increased
   e) Increased a lot

3. Are you benefitting from the Government support program for people who have begun working part-time or on unpaid leave?

   a) Yes
   b) No

4. If the Government-imposed restrictions are to continue, how prepared do you feel financially?

   Please rank from 1 – 5,
   1– Not Prepared at all
   2– Not Prepared
   3– Somewhat Prepared
   4– Prepared
   5– Prepared Well

   a) 3 more months
   b) 3-6 months
   c) More than 6 months

5. If the government is to impose a total shutdown, how prepared are you financially?

   Please rank from 1 – 5,
   1– Not Prepared at all
   2– Not Prepared
   3– Somewhat Prepared
   4– Prepared
   5– Prepared Well

   Please Rank the following on a scale of 1 – 5
   1– Never
   2– Rarely
   3– Sometimes
   4– Frequently
   5– Always

   Usage of the following before COVID-19:

   1) Public Transportation
   2) Personal Vehicle
   3) Taxi
   4) Work Service
   5) Traveling for Personal Purposes
   6) Traveling for Work Purposes

   Usage of the following after COVID-19:

   1) Public Transportation
   2) Personal Vehicle

3) Taxi
4) Work Service
5) Traveling for Personal Purposes
6) Traveling for Work Purposes

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