The adverse impact of the COVID-19 pandemic on people's incomes is expected to lead to a deterioration in income distribution in most countries. That entails greater inequality in per capita income.

The loss of labour income as businesses have closed their doors is one major factor.

An analysis of the pandemic's initial impact on employment indicates that women, informal workers, young people, less educated people, people of African descent and migrants have been hit the hardest.

A second factor to consider is the reduction in labour incomes experienced by people who have managed to keep their jobs during the pandemic.

The sharp downturn in demand and in opportunities for people to engage in their usual lines of work appears to have caused an average 11% drop in the labour incomes of employed people.
The decrease is estimated to have been 40% for people in the lowest income quintile as opposed to 5% for people in the fifth or highest quintile.

Income from the ownership of physical and financial assets is another factor that influences income distribution.

While stock markets in the region experienced steep losses early in the pandemic, their recovery since that time may lead to net increases in this income source that will be concentrated in wealthier households.

This list describes the most common types of measures used by countries in the region to soften the socioeconomic impact of the pandemic, especially for poor and vulnerable sectors of the population:

**Cash transfers:**

- New cash transfer programs;
- Extension of existing transfers (advance deliveries, expansion of amounts and coverage)

**In-kind transfers such as:**

- Food
- Medicines
- Cleaning supplies
- Masks
Social protection for legal workers

- Online job
- Income insurance and employment protection (unemployment insurance)

Other policies for families

- Tax exemptions, and subsidies and grace periods
- Unemployment insurance, pension advances, support for the health-care sector

If the estimates of the socio-economic impact of the COVID-19 incorporate the transfers made by governments to mitigate the loss of labor income, the expected increase in inequality is lower.
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