The gap of in-person teaching during the Covid-19 pandemic: estimation of invisible economic losses

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Summary

• Studies of the impact of school closures and school absences as well as impact studies already carried out abroad into the Covid-19 pandemic period all show, that the gap in in-person teaching caused by the pandemic will have a substantial negative impact on pupils' educational outcomes and will increase educational inequalities. The loss of learning will very likely lower the future earnings of current pupils and students for decades of their productive life.

• Based on estimates of the impacts on education and assumptions about the likely values of key parameters, we have estimated the impact of one week of complete school closure to 50 billion CZK on the side of the pupils and students and a further 16 billion CZK in lost future income to public budgets from employees’ insurance contributions, in total 66 billion CZK lost per week of school closure.

• In the optimistic case where distance learning can replace 50% of in-person teaching on average, the loss still amounts to 33 billion CZK per week. For comparison, the costs of two tests for all pupils and students every week would be just 1.25% of this loss in the case of antigen tests, or 2.5% of this loss in the case of mass PCR tests. The loss represented by a closure lasting half a school year amounts to 660 billion CZK.

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CZK, which is more, for example, than the annual state budget expenditures on pensions.

- Our assumptions of the values of our input parameters are based on the international academic consensus, but still come with some uncertainty. Some changes in the assumptions would, however, balance each other out, such that their combined effect on the overall result would be rather small. An interactive on-line calculator of the costs of in-person teaching closures can be found on the IDEA web site under Výstupy -> Aplikace.

- Besides the direct financial losses of future earnings, there are also the indirect losses of earnings on the part of the parents who supervise primary age pupils at home (around 1.2 billion CZK per week) and the additional costs to future public budgets connected to additional social expenditures, which we do not estimate in this study, just as we refrain from estimating other social and psychological costs associated with school closures.

- The losses caused by closures of in-person teaching are not as easily visible as the losses in the productive sectors of the economy. This is due to the fact that the educational losses will only manifest themselves years later in the form of reduced productivity, earnings and public budgets. However, these losses must be considered when proposing measures to control the epidemic both in schools and elsewhere. They must be compared to the additional expenditures on more intensive contact tracing and financial motivation for compliance with such tracing that could keep the virus spreading slowly enough in schools to enable in-person teaching. They must also be kept in mind when targeting and setting the level of restrictive measures in other sectors of the economy. The authors of this study are persuaded that when taking its decisions, the government has substantially underestimated the losses caused by the closures of in-person education during the Covid-19 pandemic in the Czech Republic.