



COVID-19 Could Lead to Permanent Loss in Learning and Trillions of Dollars in Lost Earnings

JUNE 18, 2020

School closures due to COVID-19 have left most students on the planet out of school – 1.6 billion students at the peak in April 2020. This global shock to all education systems is being followed by a deep recession. Without remedial action when students start returning to school, a new World Bank report estimates a loss of \$10 trillion dollars in earnings over time for this generation of students, and countries will be driven off-track to achieving their Learning Poverty goals.

“Not being able to attend school impacts children in many ways: children don’t have an opportunity to learn, they may miss their most nutritious meal of the day, and too many students – especially girls – may lose out on the opportunity to complete their education, which will prevent them from achieving their potential,” stressed **Annette Dixon, World Bank Vice President for Human Development.** *“Without rapid, decisive, and coordinated action, the crisis threatens to pose a huge setback to hard-won gains in [human capital](#), irreversibly damaging the lifelong opportunities of millions of children.”*

Before the crisis, students were completing an average of 11.2 years of schooling throughout their school-age lives. However, when adjusted for the quality of learning, that amounted to only 7.9 years of schooling. According to [Simulating COVID-19 impacts on learning and schooling outcomes: A set of global estimates](#), 5 months of school closures due to COVID-19 will result in an immediate **loss of 0.6 years of schooling adjusted for quality**, bringing the effective learning that a student can achieve down from 7.9 years to 7.3 years.

Prior to the outbreak of the global coronavirus pandemic, the world was already struggling with a learning crisis, with 53 percent of children in low- and middle-income countries living in [Learning Poverty](#) – being unable to read and understand a simple text by age 10.

“The effects being simulated show a potential substantial setback to the goal of halving the number of learning poor by 2030 unless drastic remedial action is taken,” emphasized **Jaime Saavedra, World Bank Global Director for Education.** *“We were already living a learning crisis before the pandemic. With the spread of the coronavirus, the learning crisis will be even deeper – the baseline from which we need to accelerate and improve learning is now even more challenging.”*

Saavedra added, “*Moreover, we were already living in a world where opportunities were highly unequal; now those disparities are more profound, as poorer children would have had fewer opportunities to maintain any engagement with the learning process.*”

School closures will impact learning across the system. In the case of lower secondary students, the share of students that do not attain the minimum competencies can increase from 40% to 50% because of the immediate shocks.

Compounding this, according to the report, as of the latest GDP projections, close to 7 million students from primary and secondary education could drop out of school due to the income shock of the pandemic alone, and this number is likely to be revised further upwards as estimates of the magnitude of this economic crisis are revised.

The report says that the combination of being out of school and the loss of family livelihoods caused by the pandemic may leave girls especially vulnerable, and may exacerbate exclusion and inequality – particularly for persons with disabilities and other marginalized groups.

In the absence of effective compensatory action, school closures lasting 5 months and the unfolding economic shock could result, on average, in a reduction of \$872 in yearly earnings for each student from today’s cohort in primary and secondary school. This is equivalent to approximately **\$16,000 of lost earnings over a student’s lifetime**, at present value.

These learning losses could translate over time into **\$10 trillion dollars of lost earnings for the global economy** because of lower levels of learning, the lost months of schooling during the lockdown, and potential dropping out from school. This is approximately 16% of the total expenditures in educating these students over all their basic education.

Governments are pursuing a variety of approaches to mitigate school closures. The report notes that while some 130 governments are investing heavily in multiplatform remote learning and using this period to plan for when schools reopen, this is an **opportunity to build an education**

system that is more resilient, adaptable to student needs, equitable, and inclusive, with a strong emphasis on the role of technology in teacher's training at scale and ensuring learning continuity between the school and the home.

*“We cannot waste this crisis,” stressed **Saavedra**. “This shock might have lasting negative impacts, but it must be an opportunity to accelerate, not go back to where we were before. We will go to a new normal with a different understanding of the role of parents, teachers, and technology. A new normal that should be more effective, more resilient, more equitable, and more inclusive. We owe it to our children.”*