

Public Sector Practice

Safeguarding Europe's livelihoods: Mitigating the employment impact of COVID-19

The COVID-19 pandemic has put tens of millions of jobs at risk. Examining the industries, occupations, and demographics most in peril can help decision makers shape targeted and rapid responses.

by David Chinn, Julia Klier, Sebastian Stern, and Sahil Tesfu



After weeks of concerted public-health efforts, Europe appears to have bought itself a much-needed moment of relief in the fight against COVID-19. Even in heavily affected countries such as Italy and Spain, infection rates have started to slow down, mostly because of the stringent lockdown measures enacted by governments. However, with the absolute numbers of infections and deaths still on the rise, and the grim economic consequences of lockdown and physical-distancing regulations slowly materializing, leaders still face the dual imperative of safeguarding lives *and* livelihoods.

The 2008–09 financial crisis provides a sobering analogy: it began as a financial shock but soon spilled over into the real economy. The COVID-19 pandemic, in turn, is a public-health crisis that is now beginning to take its toll on the real economy—primarily because the lockdown measures that were taken to protect lives have severe consequences for businesses and their employees. With economic activity in many sectors having ground to a near standstill, many businesses are struggling to uphold their financial obligations. And with uncertainty looming large, many companies are considering adjustments in their workforce. This could potentially put millions of jobs at risk through reductions in hours or pay, temporary furloughs, or permanent layoffs.

Our analysis, based on occupation-level data, estimates that the COVID-19 crisis could leave up to 59 million jobs at risk¹ in Europe—a staggering 26 percent of total employment in the 27 member countries of the European Union (EU-27), plus the United Kingdom (EU-28). Naturally, the level of risk will vary greatly among occupations and industries, depending on whether they are system relevant or not, how closely they are performed in physical proximity to others, how much of the work can be done remotely through technology, and potential changes in demand as the crisis evolves.

Safeguarding jobs at risk in otherwise healthy, productive enterprises is imperative; losing those jobs would not only be a tragedy on an individual level but would also be very painful from an economic

perspective. Every job has tangible economy-wide benefits as it supports consumption, saves on welfare spending, and avoids the adverse health effects that unemployment frequently brings. Europe must avoid the significant rise in unemployment witnessed during the 2008–09 financial crisis: the unemployment rate rose by 27 percent from 2008 to 2009 across the EU-28, and youth unemployment reached staggering heights, especially in some Southern European economies.² Overall it took almost ten years for EU-28 labor markets to recover, with great variance among European countries, and countries such as Greece, Portugal, and Spain have not reached precrisis employment levels.³ As estimates of the expected economic shock created by the pandemic far outstrip that of the financial crisis, mastering this challenge will be even more important in the current context.

We hope that our analysis will help build the case for swift and forceful action, improve the understanding of which jobs and groups are particularly vulnerable, and provide new insights on what can be done to mitigate the potential negative fallout.

European business leaders and governments, as well as the European Commission, have already begun to take decisive action to respond to the employment challenge—but much remains to be done. We therefore also identify a set of potential steps that business leaders and governments can take now to minimize the number of jobs at risk and to sketch a path forward once lockdown regulations start lifting.

COVID-19 is having far-reaching impact on European labor markets

The EU-27 countries have introduced varying degrees of stay-at-home mandates or advisories owing to COVID-19, as has the United Kingdom. As of April 7, almost all of the 230 million employees across the EU-27 and the United Kingdom are affected—through the closing of nonessential shops, implementation of remote working and physical-distancing guidelines, cancellation of

¹ We define “at risk” as a reduction in hours or pay, temporary furloughs, or permanent layoffs.

² Eurostat, European Commission, April 9, 2020, ec.europa.eu.

³ Eurostat, European Commission, April 9, 2020, ec.europa.eu; McKinsey analysis.

The COVID-19 crisis has the potential to dramatically accelerate structural adjustments and disruptions that were already underway in many important industries in Europe.

events, institution of travel bans (including internal travel, in the case of Italy), and in some cases, even full-on production stops.⁴ This has had a significant impact on the economy, with reduced discretionary spending and consumer confidence, putting many companies in a precarious position.

During the financial crisis of 2008–09, employment in the United States fell faster and deeper than that in the EU-28—likely a result of more flexible labor regulation—but it returned to precrisis levels by the end of 2014. The European economy, in contrast, only started to turn around in 2013 and did not return to precrisis employment levels until the fourth quarter of 2016.⁵

Some changes in employment during a crisis might be necessary owing to operational inefficiencies that become pronounced by the crisis but that are not caused by it. However, the COVID-19 crisis has the potential to dramatically accelerate structural adjustments and disruptions that were already underway in many important industries in Europe, such as the manufacturing and automotive sector, robbing business leaders and policy makers of much-needed time. Hence, there is an urgent need to avoid short-term employment decisions that could harm companies and their respective economies in the long run. There is an equally urgent need to find solutions to soften the social impact

of the rapid acceleration of structural adjustments brought about by the current crisis.

The need to find a solution because of the economic impacts of unemployment—which can be significant and far reaching—is urgent. Less employment means less income for people, which in turn slows down consumption. As a result of lower demand for goods and services, companies will experience lower revenues. Government financial burden will increase significantly, as revenues from employment and consumption taxes will decline at the same time as costs to the welfare system increase, potentially leading to higher taxes.

The need to find a solution because of the social consequences of unemployment—which, although difficult to quantify, can also be significant—is equally urgent. Inequality in society is exacerbated by higher unemployment rates, as social-welfare systems cannot fully alleviate the negative effects of a loss in employment. Increases in crime rates and social unrest are also potential consequences of an increase in unemployment.⁶ Moreover, unemployed people are twice as likely as employed people to experience mental illness (the rate can be even higher for lower-wage workers), and they receive inpatient treatment more often.⁷ Unemployed people also suffer from stigma and lower life satisfaction.

⁴ Eurostat, European Commission, April 9, 2020, ec.europa.eu; McKinsey analysis. The definition of “essential” varies across countries but mainly encompasses supermarkets, pharmacies, banks, gas stations, and essential public services.

⁵ Eurostat, European Commission, April 9, 2020, ec.europa.eu; McKinsey analysis.

⁶ Horst Entorf and Philip Sieger, *Does the link between unemployment and crime depend on the crime level? A quantile regression approach*, IZA discussion paper, number 8334, July 2014, iza.org.

⁷ Klaus Moser and Karsten I. Paul, “Unemployment impairs mental health: Meta-analyses,” *Journal of Vocational Behavior*, June 2009, Volume 74, Number 3, pp. 264–82, sciencedirect.com; Lidia Farré, Francesco Fasani, and Hannes Mueller, “Feeling useless: The effect of unemployment on mental health in the Great Recession,” *IZA Journal of Labor Economics*, September 2018, Volume 7, Number 8, izajole.springeropen.com.

While there is great uncertainty about the depth and duration of the downturn, the McKinsey Global Institute (MGI) estimates that the COVID-19 pandemic could almost double Europe's unemployment rate in the coming months. Two dimensions will drive how bad the economic fallout of the current crisis will be: the economic impact of the virus spread, will depend on the effectiveness of the public-health response, and the economic impacts of the knock-on effects, which will depend on the public-policy responses to mitigate these effects.

In the two most likely scenarios modeled by MGI, the spread of COVID-19 is eventually controlled, and catastrophic structural economic damage is avoided.⁸ The more optimistic of the two scenarios assumes that the virus would be controlled within two to three months of economic shutdown, resulting in unemployment peaking at 7.6 percent in 2020 before returning to the precrisis level of 6.3 percent by the fourth quarter of 2021.

The more pessimistic scenario assumes that Europe fails to contain the virus within one quarter and is forced to implement ongoing physical-distancing and quarantine measures throughout the summer, making the impact more severe. The unemployment rate for the EU-27 in this scenario is projected to peak in 2021—at 11.2 percent—and is unlikely to recover to 2019 levels by 2024.⁹

While it should be noted that most government unemployment statistics are lagging, meaningful indicators released for three large European economies are telling. In Germany, company applications for *Kurzarbeit* (the German program for short-time work allowance) rose from 1,900 in February to more than 725,000 between March 1

and April 13.¹⁰ For comparison, during 2019, 1,300 companies, on average, applied for short-time working arrangements each month.¹¹ *Kurzarbeit* was used almost exclusively by metals, high-tech, and other manufacturing industries during the 2009 financial crisis, accounting for approximately 80 percent of all the employees in the program. In the current crisis, applications come from almost all sectors but mainly from transport and logistics, accommodation, and food and tourism.¹² In the United Kingdom, applications for “universal credit” increased nearly tenfold between the last two weeks of January and the last two weeks of March—to 950,000.¹³ Meanwhile, the number of reported unemployed people in Spain rose by more than 300,000 between February and March, an increase of 9.3 percent.¹⁴

Nearly 60 million European jobs are at risk

The sharp rise in benefit filings might just be the tip of the iceberg. We estimate that up to nearly 59 million jobs (26 percent of total employment) across Europe are potentially at risk of reductions in hours or pay, temporary furloughs, or permanent layoffs.

To arrive at this figure using a granular approach, we first used occupation-level data to identify professions that are likely to be prevented from a quick return to business as usual, based on the necessary physical proximity to coworkers and exposure to the general public. We sorted occupations into three categories:

- *Low-risk occupations* include 160.5 million workers who either do not work in close proximity to others (such as accountants, architects, and journalists) or whose work

⁸ From full briefing materials in Matt Craven, Mihir Mysore, Shubham Singhal, and Matt Wilson, “COVID-19: Implications for business,” April 3, 2020, McKinsey.com.

⁹ McKinsey analysis, in partnership with Oxford Economics, assumes a “U”-shaped recession without financial crisis, unlike the “L”-shaped recession in 2008–09.

¹⁰ “The number of short-time work advertisements multiplies [in German],” German Federal Ministry of Labour and Social Affairs, March 31, 2020, bmas.de; “The number of ads for short-time work continues to grow dynamically [in German],” German Federal Employment Agency, April 9, 2020, arbeitsagentur.de.

¹¹ “The number of short-time work advertisements multiplies [in German],” March 31, 2020.

¹² “Noticeable rise in short-time working arrangements,” German Federal Employment Agency, March 20, 2020; arbeitsagentur.de.

¹³ Daniel Herari, “Coronavirus: Latest economic data,” House of Commons Library, April 16, 2020, commonslibrary.parliament.uk.

¹⁴ “Registered unemployment increases by 302,265 people in March compared to the previous month [in Spanish],” Spanish Ministry of Labour, Migrations and Social Security, April 2, 2020, prensa.empleo.gob.es.

provides essential health services (such as physicians, ambulance drivers, and health-service managers) or other essential services (such as those in police work, food production, education, public transit, water, and utilities).

- *Medium-risk occupations* include 14.7 million workers who perform their work in close proximity to others but do not interact with the general public; this includes machine operators, construction workers, and psychologists.
- *High-risk occupations* include 54.8 million workers, most of whom work in close proximity

to others and have significant exposure to the general public; they include retail cashiers, cooks, and actors.

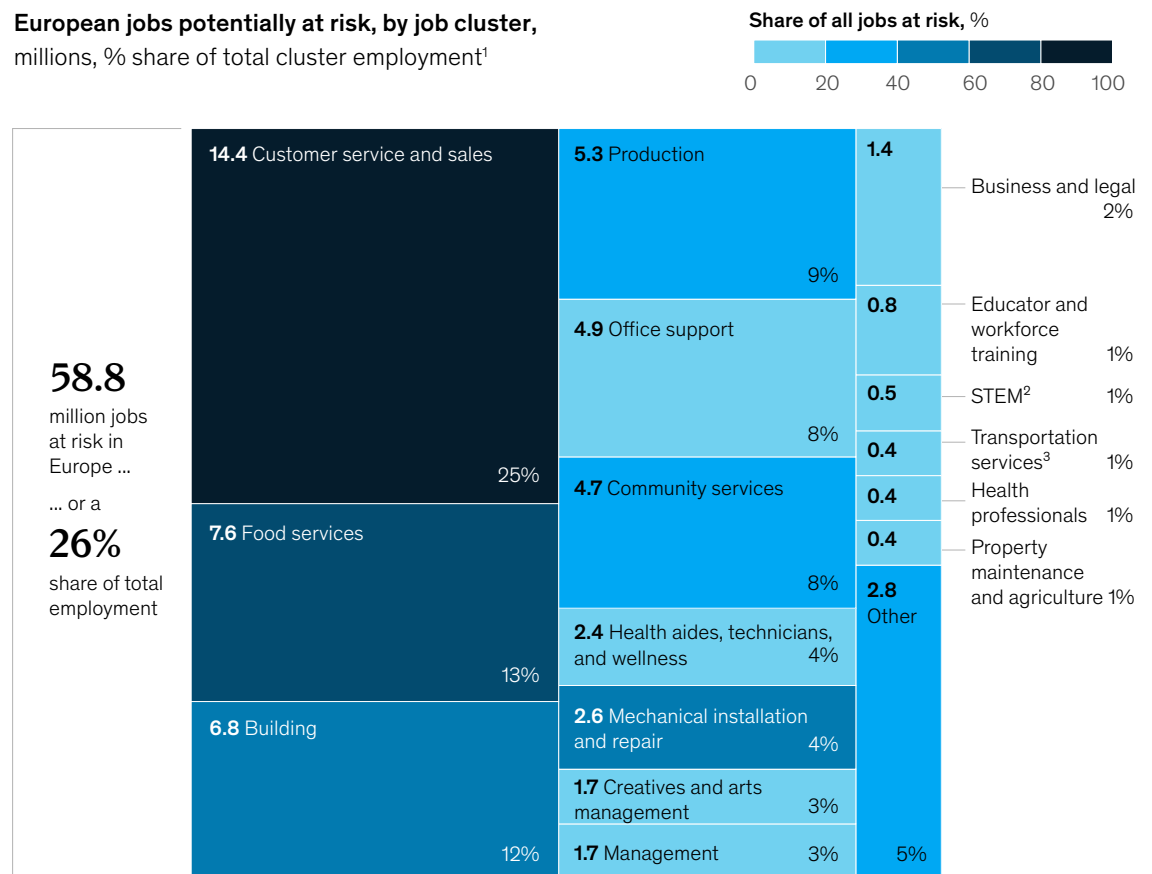
Second, after determining the occupation-level risk, we used the model to estimate an additional, industry-specific risk factor for each job, based on short-term changes in demand because of the COVID-19 outbreak.

The breakdown of jobs at risk by job cluster in Exhibit 1 shows that 50 percent of all jobs at risk in Europe come from customer service and sales (25 percent), food services (13 percent), and building (12 percent),

Exhibit 1

Fifty percent of all jobs at risk in Europe fall into customer service and sales, food service, and building.

European jobs potentially at risk, by job cluster, millions, % share of total cluster employment¹



Note: Analysis determines jobs at risk based on physical-distancing policies and their immediate knock-on economic consequences; assumes level of physical distancing (defined by shelter-in-place policy) based on state policies. Figures may not sum to 100%, because of rounding.

¹Based on the job-cluster framework defined by the McKinsey Global Institute.

²Science, technology, engineering, and math.

³Does not include any form of commercial-transportation jobs, such as heavy trucking and lorry driving (which is included in the "production" job cluster).

Source: Eurostat; LaborCube; Occupational Employment Statistics, US Bureau of Labor Statistics; McKinsey Global Institute analysis

occupations (12 percent); production work (9 percent), office support (8 percent), and community services (8 percent) make up another 25 percent. Less affected are workers in the health, science, technology, engineering, mathematics, business, and legal professions; educators; and trainers.

Looking at results by industry sector, we find that certain ones are particularly at risk (Exhibit 2). Jobs at risk represent 74 percent of total sector employment in the accommodation and food sector, 50 percent in the arts and entertainment sector, and 44 percent in the wholesale and retail sector. Wholesale and retail

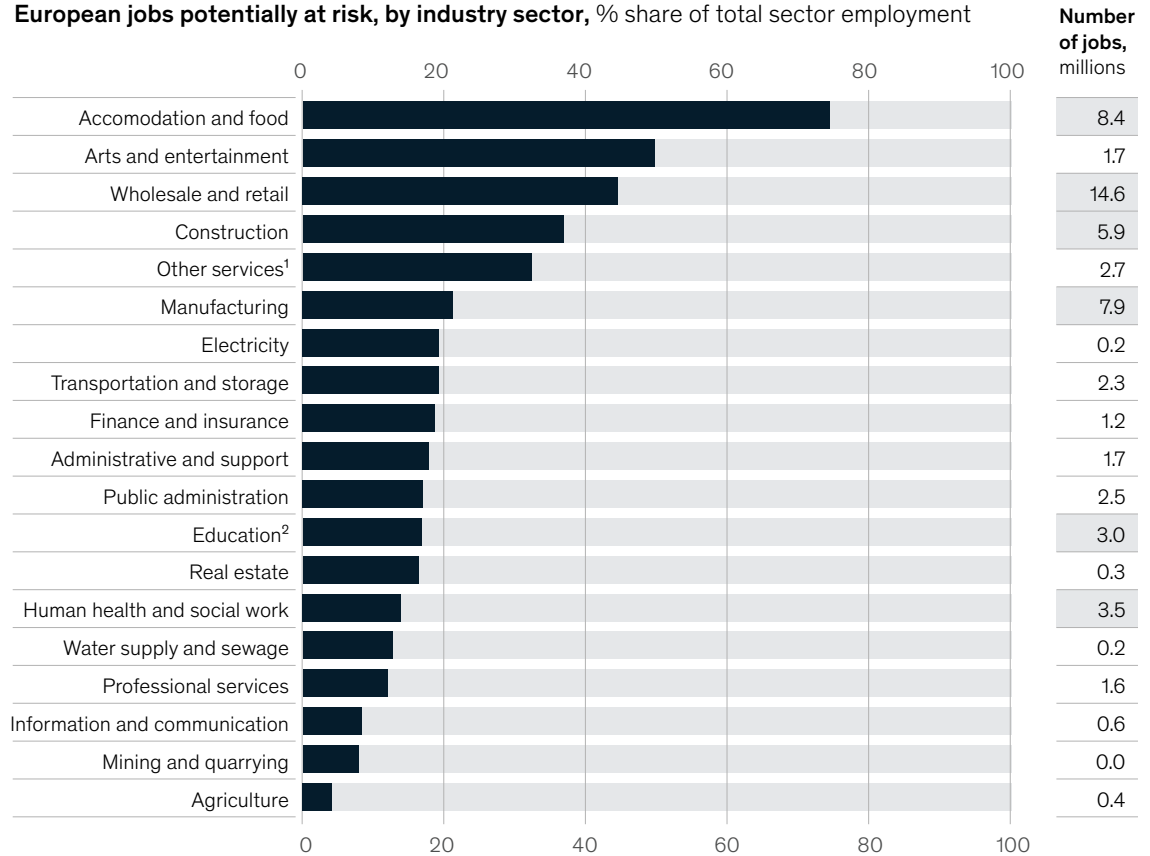
represent around 14.6 million jobs at risk (25 percent of total jobs at risk) and accommodation and food around 8.4 million (14 percent); manufacturing and construction also see substantial numbers of jobs at risk. Other sectors are much less affected, such as professional services (1.6 million), finance and insurance (1.2 million), information and communication (0.6 million), agriculture (0.4 million), and real estate (0.3 million).

While the industry-level analysis presented in Exhibit 2 provides an economy-wide view of the jobs at risk from the pandemic, some workers and business types are much more vulnerable than

Exhibit 2

European jobs in accommodation and food, arts and entertainment, and wholesale and retail are particularly at risk.

European jobs potentially at risk, by industry sector, % share of total sector employment



Note: Analysis determines jobs at risk based on physical-distancing policies and their immediate knock-on economic consequences; assumes high level of physical distancing (defined by lockdown and shelter-in-place regulations by governments).

¹Includes household employment.

²Includes nonteaching employees in the education sector, such as administrators, childcare workers, and social workers; primary, secondary, and tertiary as well as vocational educators are considered essential occupations.

Source: Eurostat; LaborCube; Moody's; Occupational Employment Statistics, US Bureau of Labor Statistics; McKinsey Global Institute analysis

others. Our analysis shows that the risk of reduced hours and pay, temporary furloughs, and permanent layoffs varies significantly by education, age, and business type.

Short-term job risk is highly correlated with level of education, potentially exacerbating existing social inequalities. About 80 percent of jobs at risk (46 million) are held by people who do not hold a tertiary degree (bachelor, master, or doctoral

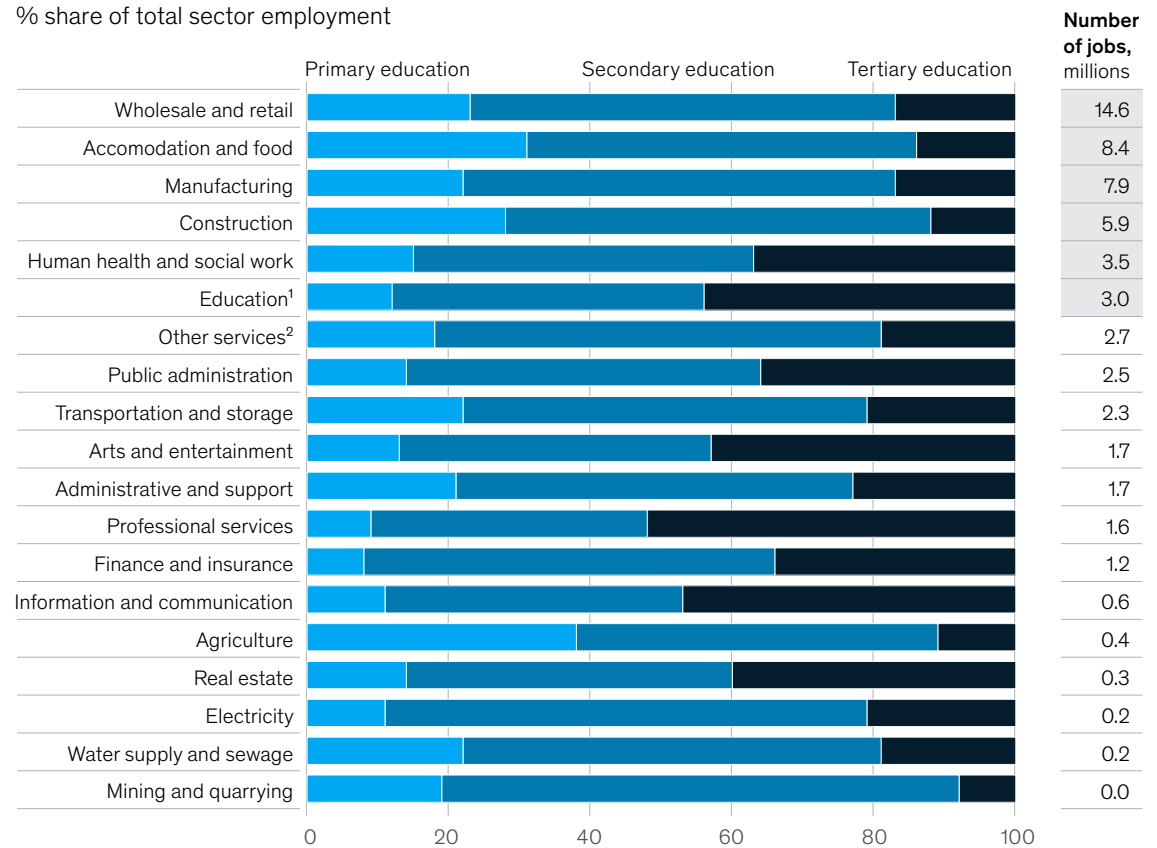
degree). Employees without a tertiary qualification are almost twice as likely as those with a university (or equivalent) degree to have their jobs at risk.¹⁵

Not surprisingly, the sectors most affected by the economic shutdown have a significantly lower share of employees with a university degree (Exhibit 3). The wholesale and retail and the accommodation and food sectors have a total of 14.6 million and 8.4 million jobs at risk, respectively, with only

Exhibit 3

The most affected industry sectors have a significantly lower share of jobs requiring tertiary education.

European jobs potentially at risk, by industry sector and education level, % share of total sector employment



Note: Analysis determines jobs at risk based on physical-distancing policies and their immediate knock-on economic consequences; assumes high level of physical distancing (defined by lockdown and shelter-in-place regulations by governments).

¹ Includes nonteaching employees in the education sector, such as administrators, childcare workers, and social workers; primary, secondary, and tertiary as well as vocational educators are considered essential occupations.

² Includes household employment.

Source: Eurostat; LaborCube; Moody's; Occupational Employment Statistics, US Bureau of Labor Statistics; McKinsey Global Institute analysis

¹⁵ For purposes of this article, "tertiary education" is defined as International Standard Classification of Education 2011 education levels 5 through 8; this analysis defines "jobs at risk" as those related to physical-distancing policies and their immediate knock-on economic consequences.

17 percent and 14 percent of employees holding a tertiary qualification. Meanwhile, 52 percent of employees in the professional-service sector hold a degree, and the sector has fewer jobs at risk (1.6 million).

But short-term job risk also varies significantly by age. Employees aged 15–24 years are almost twice as likely as those aged 25–54 years to have jobs at risk (41 percent versus 25 percent, respectively); they account, however, for five times fewer of the total jobs at risk because of their small share in the total workforce. Employees aged 25–54 years hold 42 million jobs at risk (71 percent of the total), whereas younger employees hold only 7 million (just under 12 percent) (Exhibit 4).

Comparing age profiles against sectors, this higher risk for young employees is consistent with the relatively younger age profiles of the most affected sectors. Employees aged 15–24 years account for 16 and 20 percent of the wholesale and retail and

the accommodation and food sectors, respectively, whereas they account for 10 percent or less in most other sectors.

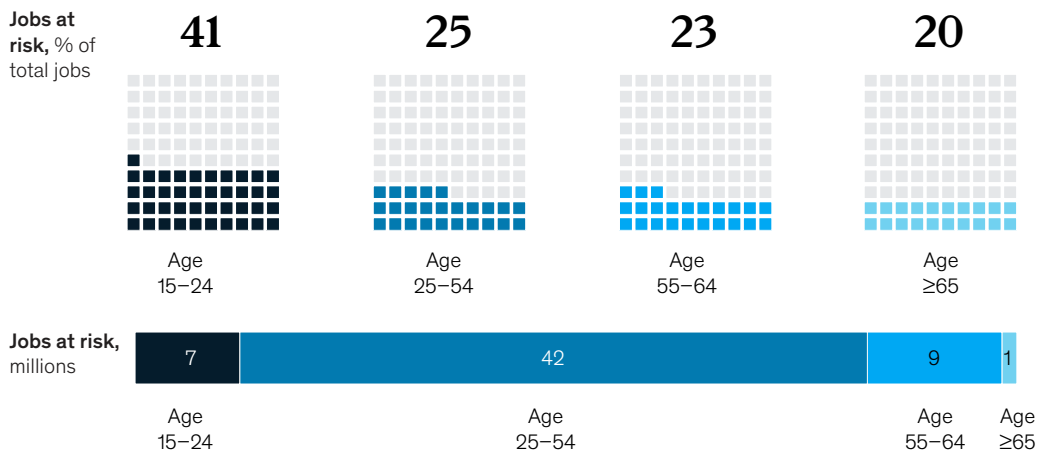
Crucially, employment in small and medium-size enterprises (SMEs), or those with fewer than 250 employees, which accounted for more than €4.3 trillion in value added in the EU-27 plus the United Kingdom in 2019, is particularly at risk. At least two of three jobs at risk are in an SME, and more than 30 percent of all jobs at risk are found within microenterprises consisting of nine employees or fewer.¹⁶ This includes 70 percent of SME jobs at risk in the accommodation and food sector, 56 percent in the wholesale and retail sector, 75 percent in the real-estate sector, 76 percent in the construction sector, and 68 percent in the professional-service sector.

The high share of SME jobs at risk is particularly worrisome, given that these jobs may be harder to recover in the long term should they not be

Exhibit 4

The short-term job risk for employees aged 15 to 24 years is higher than for those in other age groups.

European jobs potentially at risk, by age group¹



Note: Analysis determines jobs at risk based on physical-distancing policies and their immediate knock-on economic consequences; assumes level of physical distancing (defined by shelter-in-place policy) based on state policies. Figures may not sum to 100%, because of rounding.

¹Age groups as provided in employment statistics by Eurostat; further differentiation not possible, because of data limitations.

Source: Eurostat; LaborCube; McKinsey analysis

¹⁶Our definitions of “microenterprise” and “small and medium-size enterprises” builds on those in “Commission recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises.” European Commission, May 6, 2003, op.europa.eu.

protected through the crisis. The risk to jobs in small enterprises is further increased by the fact that in 2016, only 56 percent of all companies with 50 or fewer employees provided remote access to email, applications, and documents for their employees, compared with 93 percent of all companies with more than 250 employees.

Companies and governments should act now to protect jobs at risk

Reducing the number of jobs at risk because of the short-term impacts of the COVID-19 pandemic in otherwise healthy, productive enterprises is crucial—both for economic reasons and because employment is important to life satisfaction. Every job protected has a potential positive spillover effect—retention of productivity and consumption, reduced dependence on welfare, and positive health and mental well-being.

Considered together with the disproportionate risk to jobs in small businesses and their lower recovery prospects, there is a strong business case to invest heavily now in minimizing the risk to employment to ensure a faster recovery and reduced long-term costs to the economy and to European governments.

In order to respond to the driving factors that will put jobs at risk in the coming months—not being able to return quickly to business as usual owing to the nonessential character of the tasks performed, high physical proximity, and the short-term drops in demand, for instance—companies and governments alike need to take a set of measures to address the driving factors.

Potential steps companies can consider

Regarding physical proximity, companies need to apply effective protocols, such as separating work shifts and segmenting the workforce based on vulnerability. These measures should allow some occupations to continue, even if the physical proximity that they require is high. Also, companies should invest in enabling remote work wherever possible. Much has already changed in the past few

weeks, but further investments in remote-working possibilities (for example, in access and hardware) are required and are likely to pay off, as remote working will probably remain as part of the routine for a significant amount of time.

Companies will also need to redeploy their nonutilized workforce to staff crisis activities adequately. This could include introducing temporary secondments between departments and between companies (as far as possible, given current labor-law restrictions). Hiring processes should also be expedited to hire people at scale in critical occupations and industry sectors, such as in grocery stores and logistics.

Furthermore, companies should protect the jobs that are at risk owing to a sudden drop in demand. Companies could shift employees to respond to these changes; for example, they could move them from precrisis business activities to new ones that have seen an uptick in demand (for example, to apparel companies that produce masks and other protective gear, to distilleries that make hand sanitizer, and to companies that are leveraging their logistics networks to move essential goods to where they are needed). Enabling short-term transfers of employees to companies with increased demand would cover some of the temporary needs using existing employees. In the United States, for example, FMI (food-industry association) and Eightfold AI have collaborated to create an online marketplace, called Talent Exchange, that matches workers who have been recently furloughed or laid off with critical open jobs, based on their individual skill profiles.¹⁷

In addition to shifting employees, companies should alleviate the costs that are caused by the drop in demand until the economy rebounds. This could include offering unpaid or partially paid leave with a right of return (such as sabbaticals, seasonal or monthly leave, reduced overtime allocation, or the use of worktime accounts) and reducing compensation costs without any impact on base pay (for example, by deferring bonus payments or implementing a shorter workweek).

¹⁷ *New at McKinsey*, "A new AI-powered network is helping workers displaced by the coronavirus crisis," blog entry, April 8, 2020, McKinsey.com.

Companies should also expand remote learning and reskilling initiatives for all nonutilized employees to lay the ground for their strategic ambitions in a postcrisis world. In particular, targeted reskilling initiatives could focus on technological as well as social and emotional skills, which are predicted to have an increase in demand over the next decade. This could help build the requisite human capital to close the digital gap that currently exists in businesses, especially in critical emerging fields such as artificial intelligence, blockchain innovation, and platform models.¹⁸

Potential steps governments can consider

Governments need to respond as well. They could provide incentives for the temporary redeployment of workers to critical sectors, industries, and regions. For example, construction workers could be deployed to build and extend hospitals, and textile workers could be deployed to produce masks. This could include giving companies incentives to cooperate with the transfer of employees. For instance, food retailers could employ restaurant staff. In addition, unemployed workers could be encouraged to apply for positions where there is a staffing shortage, such as in healthcare or grocery retail.

Digital platforms powered by artificial intelligence, such as Talent Exchange, could provide a quick and readily implementable solution for national labor agencies to match people with jobs depending on supply and demand.

Governments could also support broad up- and reskilling initiatives. Labor agencies and ministries could cooperate with adult-education providers and with innovative edtech start-ups to provide programs free of charge, particularly to SMEs that might not otherwise be able to afford them or to develop them in house. Additionally, employers could receive absentee payroll subsidies for employees undergoing training, a practice already

in place in Singapore as a response to COVID-19.¹⁹ Up- and reskilling to fill critical roles—for example, facilitating and financing training in health and safety protocols—would be beneficial for the remaining workforce. This would not only ease the financial burden for companies but would also lay the necessary groundwork for a return to “normal” business.

Governments should consider two sets of measures. First, ensure the liquidity and solvency of companies and employees. This could be achieved by providing financial, tax, and other relief for enterprises to ensure their short-term liquidity, such as through postponement of payments of social or tax installments, loan guarantees for SMEs or start-ups, or suspended rent for SMEs in distress. In addition, governments could guarantee pay for employees and the self-employed—for example, by introducing short-term work allowances and income support for freelancers.

Second, governments could consider adapting the regulations that might encumber the dual imperative of protecting lives and livelihoods. For example, they could create simplified and expedited application processes for unemployment benefits and SME support, and they could modify the associated criteria. Governments could also eliminate the requirement that people apply for unemployment benefits in person, and they could renew or extend residence permits for seasonal workers. They could also (temporarily) relax regulations with respect to critical professions. For example, they could allow trucks to drive seven days a week, extend supermarket shopping hours, or allow faster foreign medical accreditation.

Planning for the lockdown exit now

As the economy gradually reopens, governments and businesses will need to plan ahead for the review and gradual adaptation of measures that were taken during lockdown.²⁰

¹⁸ Jacques Bughin, Eric Hazan, Susan Lund, Peter Dahlström, Anna Wiesinger, and Amresh Subramaniam, “Skill shift: Automation and the future of the workforce,” McKinsey Global Institute, May 2018, McKinsey.com.

¹⁹ “Statement on labour market developments 2019,” Singapore Ministry of Manpower, March 12, 2020, mom.gov.sg; “Food services and retail sectors get enhanced training support package to help mitigate the impact of COVID-19,” SkillsFuture Singapore and Workforce Singapore, March 19, 2020, ssg-wsg.gov.sg.

²⁰ For more, see Andres Cadena, Felipe Child, Matt Craven, Fernando Ferrari, David Fine, Juan Franco, and Matthew Wilson, “How to restart national economies during the coronavirus crisis,” April 2020, McKinsey.com.

Additionally, companies should start to consider changes to and innovation in their business model—and the model should include remote learning programs for nonutilized workers. Companies should also carefully review any structural inefficiencies and vulnerabilities that the current crisis has made visible in their operating model—and decide on what can be done to address them. While some companies may need to enter a long and difficult period of slow rebuilding, others might be able to find near-term opportunities, such as strategic moves, partnerships, innovation, and new ways of working and collaborating.

Most important, both governments and business leaders should monitor the likelihood of the economic shock developing into a drawn-out “U”-shaped recession. While sizable economic-stimulus packages are already launched and underway, they need to be continually reviewed to

adjust for size and content (such as leveraging public procurement, stimulating private consumption, and implementing public-work programs) so that they support economic recovery.

The COVID-19 pandemic has put tens of millions of jobs at risk across Europe, with potentially far-reaching economic and social consequences. Business leaders and policy makers across the continent have already begun to take decisive action to mitigate this risk—but much remains to be done. Paying close attention to the industries, occupations, and demographics most at risk can help Europe's decision makers shape responses that are targeted and rapid. Armed with a keen understanding of the challenge, they can take bold, innovative action to safeguard jobs—now and in the future.

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