

ECONOMIC RESILIENCE IN WARTIME

INCOME, EMPLOYMENT AND SOCIAL
ASSISTANCE IN UKRAINE

APRIL 2024

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BACKGROUND

As of December 2023, an estimated 3,689,000 people remain internally displaced in Ukraine ([IOM GPS Round 15](#)) and an estimated 4,486,000 displaced abroad (UNHCR, as of 14 March 2024). IOM estimates that 4,445,000 people have returned to their place of habitual residence in Ukraine after being displaced following the full-scale invasion in February 2022 for a period of displacement of minimum two weeks.

Since the full-scale invasion of Ukraine in February 2022, the country has confronted profound economic disruptions alongside widespread displacement. With millions seeking safety and stability, the challenges of maintaining livelihoods, securing employment, and accessing social protection are paramount, necessitating focused interventions to mitigate economic hardships.

This report examines the economic ramifications of the war in Ukraine, focusing on changes in income levels, employment trends, and social assistance measures. Drawing on data from the IOM General Population Survey (GPS), this report aims to support evidence-based programming, policy-making, advocacy, and further research on the subject.

BRIEF METHODOLOGY

The data presented in this report was commissioned by the International Organization for Migration (IOM) and collected by Multicultural Insights as part of Round 15 (R15) of the GPS. Data was collected via phone-based interviews, with respondents identified through a nationally representative screening survey of 20,000 individuals. Round 15 data includes interviews with 1,517 IDPs, 1,541 returnees, and 2,002 non-displaced individuals carried out between 27 November and 27 December 2023. IDPs are defined as people who left their homes or are staying outside their habitual place of residence due to the full-scale invasion in February 2022, regardless of whether they hold registered IDP status. Returnees are defined as people who returned to their habitual place of residence after a significant period of displacement (minimum of two weeks since February 2022). All remaining individuals are considered non-displaced. Additionally, where specifically indicated, GPS Round 14 data, collected between 3 and 25 September, was used to complement the findings.

All interviews were conducted using a random-digit-dial (RDD) and computer-assisted telephone interviewing (CATI) approach, generating results with an overall margin of error of 1.35 per cent [CL 95%]. The survey included all oblasts in Ukraine, excluding the Autonomous Republic of Crimea and the areas of Donetsk, Luhansky, Kherson, and Zaporizhka Oblasts under the temporary military control of the Russian Federation where phone coverage by Ukrainian operators is not available.

KEY FINDINGS

Key Finding 1: The war in Ukraine has led to a significant reduction in household incomes nationwide, with internally displaced persons (IDPs) facing higher relative reductions in income when compared to non-displaced individuals. Despite this, IDP households reported a median monthly income that matches that of non-displaced households. This indicates that some IDP households likely had higher incomes prior to the full-scale invasion, while for others, targeted social assistance may have contributed to mitigating the income loss caused by displacement. Income disparities among IDPs were noticeable, with those in urban areas having reported higher monthly incomes compared to those in rural areas.

Key Finding 2: Among IDPs, more than one third cited a regular salary as the main source of household income, and about one fifth identified the monthly living allowance for IDPs as the main sources of income of their household. On the other hand, reliance on pensions was more prevalent among non-displaced households, especially in government-controlled areas of Donetsk and Kherson.

Key Finding 3: A vast majority of households across Ukraine, particularly among IDPs, have either completely exhausted or significantly depleted their savings.

Key Finding 4: The war in Ukraine has negatively impacted employment, especially among IDPs and residents of heavily conflict-affected oblasts. Among working-age IDPs, the employment rate decreased, with only 45 per cent reporting employment as employees and an additional seven per cent as self-employed - a sharp decline from the 74 per cent employment rate before the full-scale invasion. Consequently, 16 per cent of working-age IDP respondents reported being unemployed and actively seeking work. Additionally, employment disparities among IDPs were significant, with urban residents reporting higher employment rates than those in rural areas.

Key Finding 5: Among unemployed respondents, prevalent barriers to employment included a mismatch of jobs to skills, insufficient wages, and disrupted labour markets due to the war, with IDPs reporting additional barriers due to their [displacement status](#). Particularly, addressing the gap between available jobs and individuals' skills requires a closer look at the labour market to better match those eager to work with suitable opportunities.

Additionally, where specifically indicated, the "Ukraine MPCA Eligibility Assessment" was utilised as a supplemental data source. The study was commissioned by IOM in collaboration with the Cash Working Group and had its data collection carried out by Multicultural Insights in February 2024. It adopted methodologies akin to those of GPS, utilising RDD and CATI approach. The total sample size for the study was 3,999 interviews, yielding nationally representative results with an overall margin of error of 2.04 per cent at a 90 per cent confidence level.

Limitations: The exact proportion of the excluded populations is unknown. Those currently residing outside the territory of Ukraine were not interviewed, following active exclusion. Population estimates assume that minors (those under 18 years old) are accompanied by their adult parents or guardians. The sample frame is limited to adults that use mobile phones. It is unknown if all phone networks were fully functional across the entire territory of Ukraine for the entire period of the survey; therefore, some respondents may have had a higher probability of receiving calls than others. Residents of areas with a high level of civilian infrastructure damage may have a lower representation among the sample – likely resulting in an under-representation in the report. Those residing in the Autonomous Republic of Crimea (ARC) or areas of Donetsk, Luhansky, Kherson, and Zaporizhka Oblasts under temporary occupation by the Russian Federation are not included in the survey.

INCOME

IMPACT OF WAR ON INCOME LEVELS

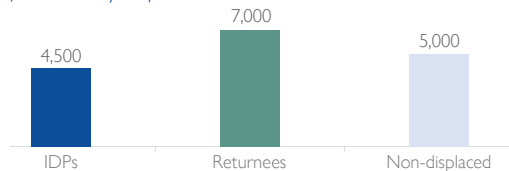


Since the full-scale invasion in February 2022, Ukraine's population has seen a noticeable decrease in the reported monthly income. The proportion of respondents in very low-income households (monthly income per person below UAH 3,000) rose from 21 to 30 percent. Consequently, the share of respondents in households reporting an income over UAH 10,000 per person dropped from 16 to 10 percent, highlighting an overall reduction in income levels. The median monthly household income per person was reported at UAH 5,000 since the beginning of the war. This amount equates to approximately USD 132, calculated at the current nominal exchange rate of 1 USD to 38 UAH. Before the war, the median income was UAH 7,000, or about USD 184, using the same exchange rate.

The income of IDP households was particularly affected, as 69 per cent of them reported household incomes at or below the subsistence minimum of UAH 6,024, compared to 60 per cent of non-displaced. A quarter of IDP reported that their household income had dropped by more than half since the beginning of the full-scale invasion. Nevertheless, the reported median monthly household income of IDPs (UAH 5,000) was equal to that of non-displaced respondents, indicating prior higher incomes (with median monthly household income per person prior to the war amounting to UAH 8,000) and suggesting the importance of social assistance in mitigating the impact of displacement on household income levels. Returnees also reported a reduction in income levels, with the percentage of respondents in households with an income above UAH 10,000 per person decreasing from 26 to 17 per cent since the beginning of the full-scale invasion. Despite this, returnees reported a slightly higher median household income per person when compared to other population groups (UAH 6,500). At the same time, they witnessed the highest drop in absolute terms across all population groups, down from UAH 10,000 prior to the war.

Following the full-scale invasion, there has been an increase in the percentage of individuals in rural areas and village areas falling into low income categories (household income per person of up to UAH 5,000 monthly). In rural areas,

Figure 1: Self-reported monthly household income in UAH per person since the beginning of the war, by displacement status



Map 1: Estimated median monthly household income per person in UAH, by oblast

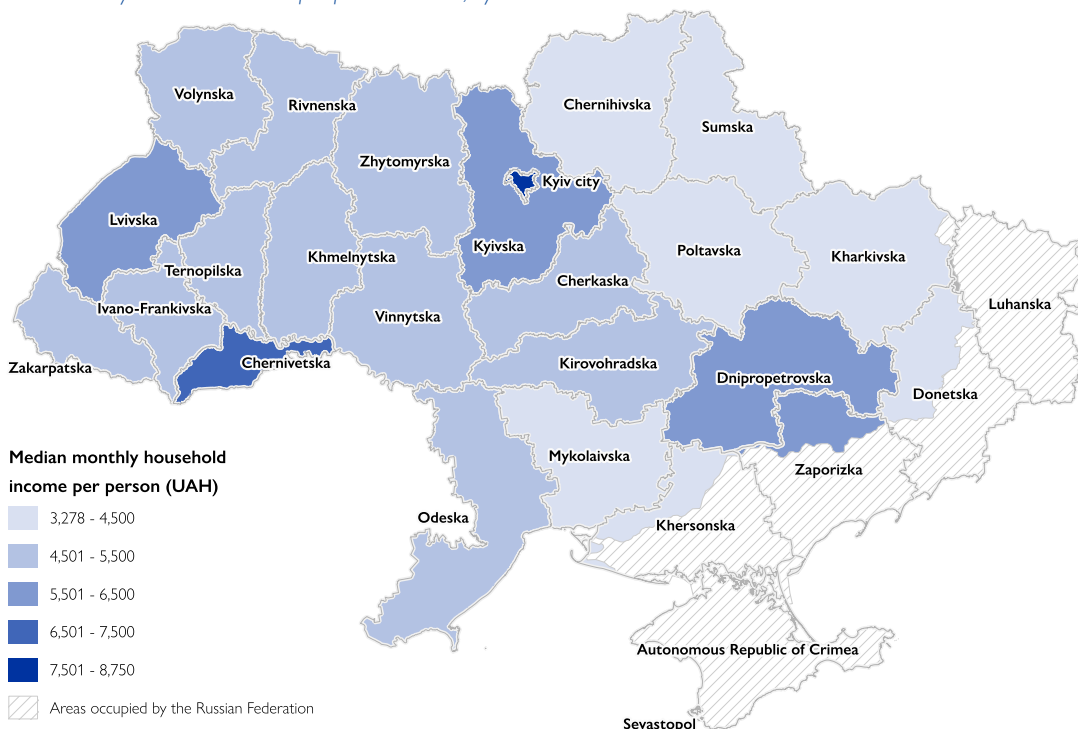
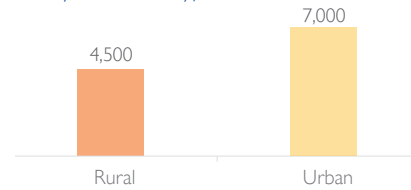


Figure 2: Self-reported monthly household income in UAH per person since the beginning of the war, by settlement type



this proportion rose from 50 per cent to 64 per cent, while in urban areas, it increased from 30 per cent to 43 per cent. The median reported household income per person reflects these trends: UAH 7,000 in urban areas compared to UAH 4,500 in rural settings. A disparity in income levels among IDPs has been observed between different types of settlements. Since the beginning of the war, the reported monthly household income per person for IDPs in rural areas was UAH 4,500, compared to UAH 6,000 for those in urban areas.

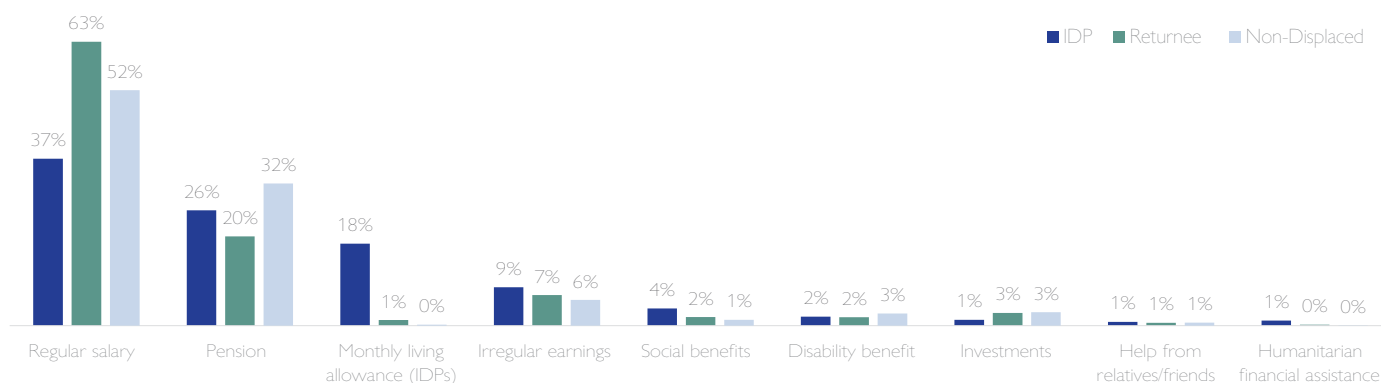
Khersonska Oblast experienced a significant rise in the proportion of households in lower income brackets, with the share of respondents reporting no household income rising from zero to seven per cent, and those with income per person of up to UAH 3,000 per month jumping from 32 to 51 per cent. In Mykolaivska Oblast, there was a similar increase, from 32 to 49 per cent, and in Chernivetska Oblast from 20 to 37 per cent. Median monthly incomes per person across oblasts show variation, with Kyiv City at a significantly higher income bracket of UAH 8,750, indicating a concentration of higher-income households in the capital. In contrast, the reported median monthly income per person since the full-scale invasion in oblasts such as Kharkivska, Khersonska and Mykolaivska was UAH 4,000 or below.

MAIN SOURCE OF HOUSEHOLD INCOME

The majority of respondents (52%) reported relying on regular salaries, indicating that earning received for regular periods of work remains a key income source for their household. The second most common income source was pensions (29%). Lastly, irregular earnings that include occasional work, ad-hoc short-term jobs, unguaranteed work and other similar activities, were reported by 6 per cent of individuals as the main source of income.

At the same time, only 37 per cent of IDPs reported a regular salary as their main source of income, compared to 63 per cent of returnees, and 52 per cent of the non-displaced population. IDPs were also more likely to depend on pensions (26%) and monthly living allowances (18%). Moreover, almost two thirds of IDPs (63%) who reported the monthly IDP living allowance as their main source of income had a household income per household member of UAH 3,000 or less. On the other hand, the vast majority of returnees reported reliance on regular salaries (63%) as a main income source for their household.

Figure 3: Main source of household's income since the full-scale invasion, by displacement status



Pensions were the main income source for 33 per cent of respondents in rural areas, while regular salaries were the primary income source for 60 per cent of individuals in urban areas.

A discrepancy in the main sources of household income among IDPs has also been noted across different types of settlements. Since the beginning of the war, only 29 per cent of IDPs in rural areas reported a regular salary as their household's main income source, compared to 46 per cent of IDPs in urban areas.

The highest proportion of individuals indicating pensions as a main income source for their household was reported in Donetsk (54%), Kherson (44%) and Kirovohrad (38%) Oblasts. On the other hand, in Kyiv City and Lviv Oblast, respondents were more likely to report regular salaries (65% and 63% respectively) as a main income source for their household.

EXHAUSTION OF SAVINGS

Only six per cent of respondents across the country reported that their households did not spend any of their savings. At the same time, 38 per cent of respondents reported exhausting all household savings, while 36 per cent indicated they spent part of their savings. Additionally, 17 per cent of respondents claimed they had no savings to deplete.

Among IDPs, the rate of savings depletion was even higher, as 56 per cent of them reported spending all household savings, followed by 27 per cent who reported spending part of their savings. Only two per cent of IDP respondents reported not spending any savings.

The data showed little variation among different types of settlements; 39 per cent of respondents in rural areas reported exhausting all savings, compared to 36 per cent of respondents in urban areas.

The highest proportion of respondents reporting the exhaustion of all savings were in Kharkiv (50%), Kherson (49%), Donetsk and Sumy Oblasts (48%).

EMPLOYMENT

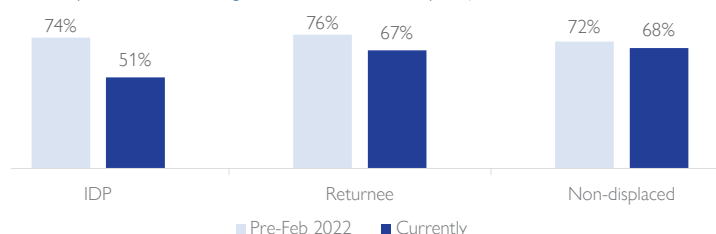
IMPACT OF THE WAR ON EMPLOYMENT

Before 24 February 2022, 73 per cent of the working-age respondents reported being engaged in paid work. At the time of data collection, 57 per cent reported employment, and nine per cent reported self-employment or running a family business. The remainder fell into non-working categories: twelve per cent were involved in housework, caregiving, or parental leave, six per cent retired, eight per cent were unemployed and seeking work, and four per cent were unemployed but not seeking work. Of those employed before 24 February 2022, and unemployed at the time of the survey, 72 per cent attributed their job loss to the war.

Among working-age IDPs, employment dropped even more. During the data collection period, 45 per cent reported being employed as workers, and seven per cent as self-employed, a decrease from 74 per cent who were employed before the invasion. Consequently, higher unemployment rates were reported among working-age IDPs, with 16 per cent searching for work and six per cent not searching. Of the IDPs employed pre-invasion and unemployed during the time of the survey, 91 per cent cited the current war

as the cause. IDPs aged 36-45 were most likely to report being unemployed but seeking work (19%). Unemployment seems to be associated with mobility intentions, as IDPs considering resettlement as a durable solution were more likely to be unemployed and seeking work (27%) compared with those intending to return (17%) or locally integrate (13%).

Figure 4: Percentage of working-age individuals in regular paid work prior to February 2022 and during the data collection, by displacement status

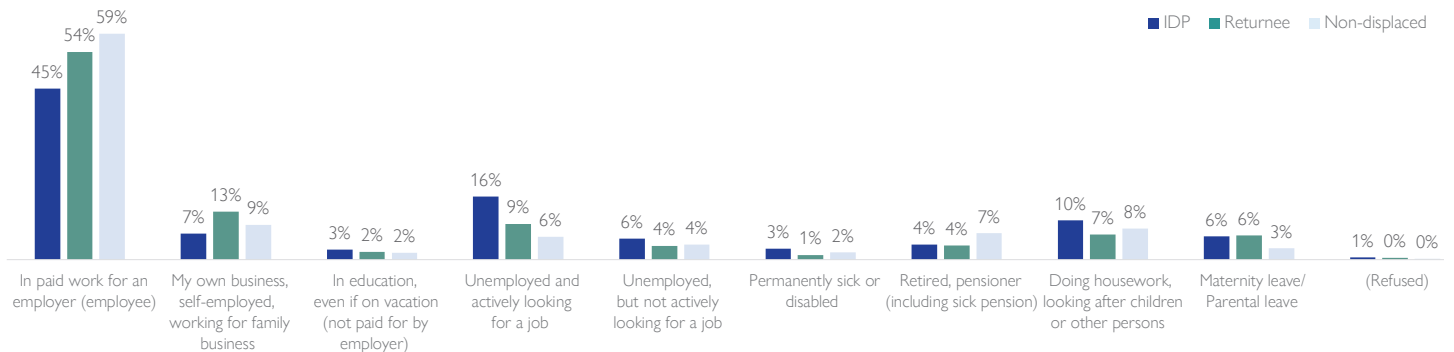


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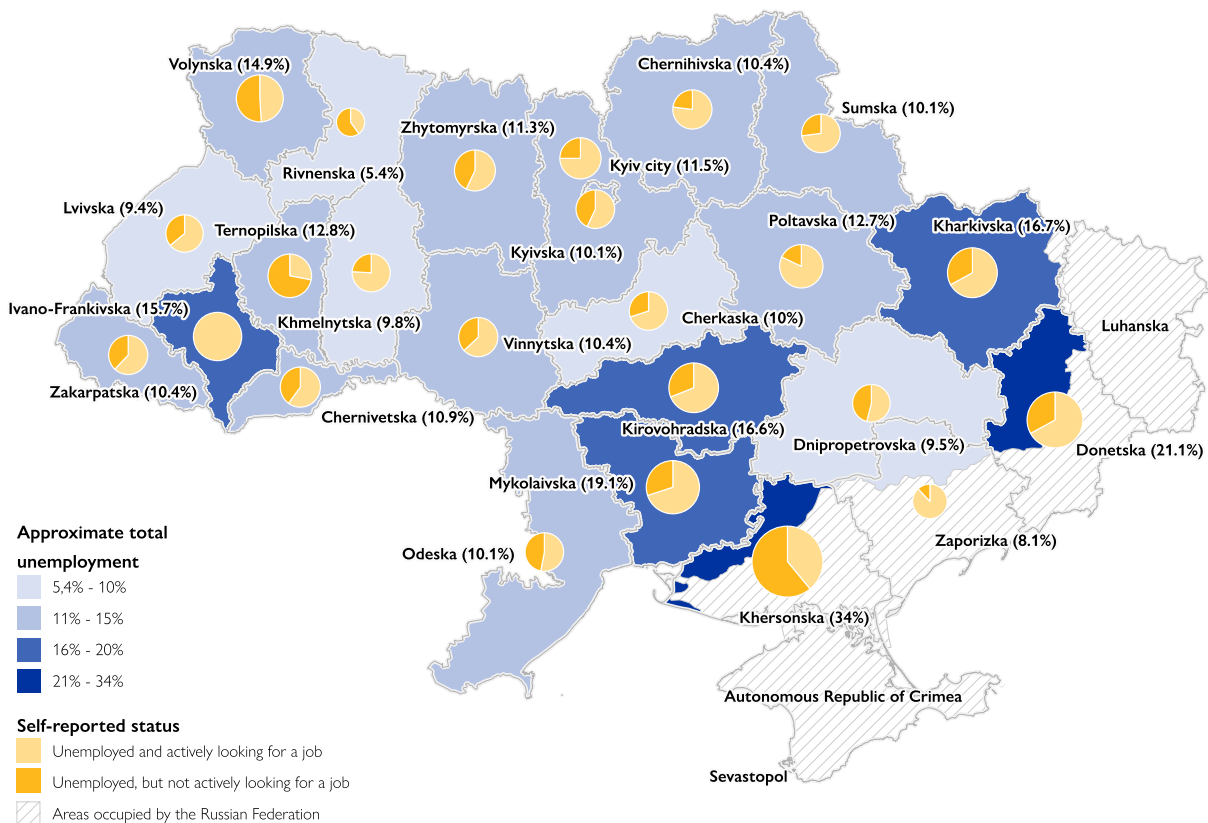
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Figure 5: Percentage of working-age individuals self-reporting their occupation, by displacement status



Map 2: Proportion of working-age individuals reporting unemployment, by oblast



BARRIERS TO EMPLOYMENT

Among respondents who were unemployed and actively looking for a job during the period of data collection, 76 per cent reported a scarcity of jobs in their area that matched their interest, experience, or skills, 71 per cent indicated that the labour market in their area was not functioning as a result of war, while 69 per cent found the offered salary too low. Moreover, 54 per cent of respondents reported receiving informal employment offers, 38 per cent reported discrimination based on age, and 18 per cent did not know where to look for jobs or how to apply.

IDPs faced particularly acute challenges in accessing employment, as higher shares reported issues across most categories. Importantly, 42 per cent of the IDPs assessed reported a reluctance from employers to hire them, because of their displacement.

SUPPORT NEEDED FOR FINDING EMPLOYMENT

When examining the support needed by those IDPs seeking employment among all unemployed IDPs not planning to return home and unemployed returnees, 47 per cent expressed a need for skills-training or obtaining new qualifications, followed by 43 per cent who sought access to apprenticeships or internship opportunities as well as consultation for

employment and career development, and 39 per cent highlighting a need for support with online employment. Support with self-employment, including grants and training, was noted by 34 per cent of respondents, while 29 per cent sought training on applying for jobs, including resume writing and interview preparation.

SOCIAL ASSISTANCE

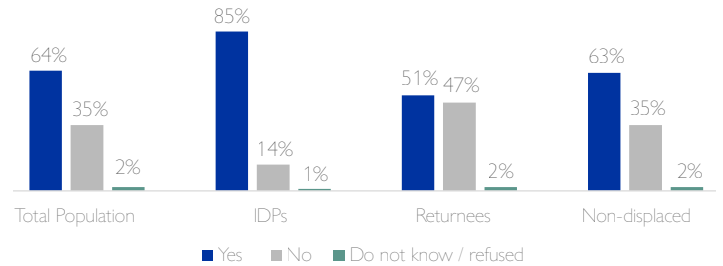
A vast majority (64%) of the assessed population reported receiving regular financial support and other forms of assistance from the Government of Ukraine.

A high proportion of IDP households reported receiving government assistance, with 85 per cent having reported that they received government support - significantly above the national average. This emphasises the targeted social protection efforts directed at displaced populations. A lower proportion of returnees and non-displaced persons reported receiving government support, 51 per cent and 63 per cent respectively. Respondents in rural areas reported a higher rate of receiving government support (68%) compared to urban areas (59%).

Respondents in the East (70%) and the Center (66%) macro-regions reported receiving government support at rates above the national

average, in contrast to a lower 48 per cent in Kyiv City. At the oblast level, 78 per cent of respondents in the government-controlled areas of both Donetsk and Zaporizka Oblasts reported receiving government support.

Figure 6: Percentage of individuals reporting their household to have received regular financing from the Government of Ukraine at the time of data collection



TYPE OF SUPPORT

Among the types of government financial support received by households in Ukraine, the social pension for the elderly was the most commonly reported, with 43 per cent of respondents indicating their household received pension support (including 40% of IDPs, 32% of returnees, and 47% of non-displaced populations).

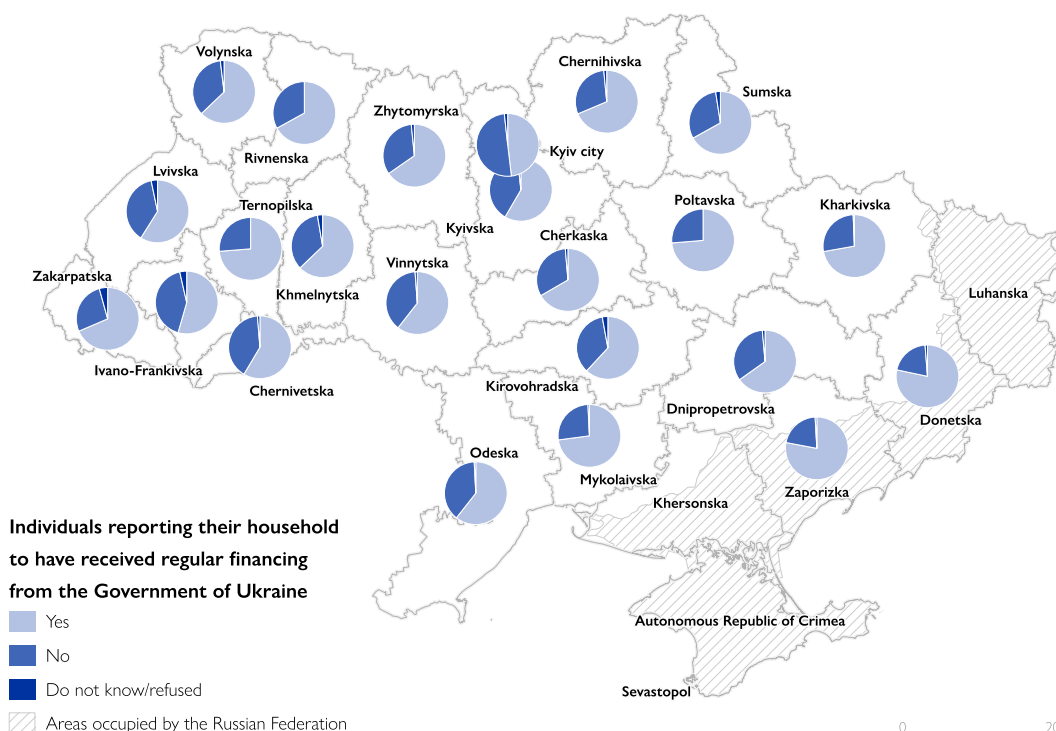
Support from the IDP and Conflict-Affected People Emergency Support Programme (e-Dopomoga) was received by 10 per cent of households (including 62 per cent of IDPs), while the disability pension was reportedly received by 12 per cent of households (including 14 per cent of IDPs).

VOLUME OF SUPPORT

The average monthly value of governmental financial support amounted to UAH 2,729 per person at the time of data collection, with respondents in urban areas having reported higher average monthly amounts (UAH 2,888) when compared to rural areas (UAH 2,626).¹

IDPs reported a slightly higher average monthly amount of UAH 2,935. The highest reported average monthly amounts were reported in Kyiv City (UAH 3,211) and the East macro-region (UAH 2,860), compared to lower amounts in the West macro-region (UAH 2,459).

Map 3: Proportion of individuals reporting their household to have received regular financing from the Government of Ukraine, by oblast



¹ "Ukraine MPCA Eligibility Assessment"

KEY DEFINITIONS

INCOME

Income refers to the total amount of money received by all members of a household, measured on a monthly basis. It encompasses all forms of monetary earnings, including regular salaries, irregular earnings, pensions, benefits, and other forms of financial support.

REGULAR SALARY

Regular salary refers to earnings received periodically, typically on a weekly, bi-weekly, or monthly basis, as compensation for employment or services rendered. This form of income is characterized by its consistency and predictability, often associated with formal employment agreements that specify the amount and frequency of payment.

IRREGULAR EARNINGS

Irregular earnings describe income received sporadically, without a guaranteed frequency or fixed amount. This type of income typically comes from casual or ad hoc engagements, such as temporary jobs, freelance tasks, or any work performed on an as-needed basis.

EMPLOYMENT

Employment status describes an individual's current engagement with paid work. It classifies individuals based on their participation in the labor market within the seven days prior to the data collection, encompassing categories such as employed (working for a wage or salary), self-employed, unemployed (actively seeking work but not currently working), and inactive (not engaged in the labor market due to various reasons such as retirement, education, or other personal circumstances).

WORKING-AGE

Working-age refers to the age cohort within the population aged 18 to 60 years old. This range defines the typical span during which individuals are most likely (although not exclusively) to engage actively in the labor market.

SOCIAL ASSISTANCE

Social assistance refers to the support received from the Government of Ukraine aimed at providing a safety net for those in economic need. It may include benefits such as welfare payments, disability allowances, pensions, and other governmental subsidies.

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