



ECONOMIC UPDATE

July 17, 2020

Quote of the week

“I don’t think any of us think we’ll get the economy back to 100 percent before there’s a medical answer. The longer it goes on, the more damage it does.”

—[James Glassman](#), JP Morgan Chase head economist for commercial banking

What you need to know

- This week is the 17th consecutive week with an extremely high number of new UI claims, as [1.5 million people filed for unemployment insurance](#) (not seasonally adjusted). Another 900K filed through the PUA program for gig workers and others not eligible for regular UI.
- State unemployment offices are still flooded with calls, and unemployed Americans are struggling to access benefits. Recent reporting shows that [it can take up to 150 attempts to speak to a representative over the phone](#).
- The [Trump administration has ordered all COVID-19 data to be sent directly to HHS](#), bypassing the CDC. This change has raised concerns that the COVID-19 data is being politicized.
- As the July 31 end to expanded unemployment benefits approaches, economists note that [letting expanded unemployment benefits expire could hurt the U.S. economy](#) and reduce GDP by as much 2.5% in the second half of 2020.
- Due to the pandemic, [2020-2021 state revenues could fall by as much as \\$200 billion](#).
- The [COVID-19 death rate in majority black counties has risen to 3.5 times the national average](#).

Happening the week of July 20, 2020

- *Tuesday*: The Chicago Fed releases its [National Activity Index](#) for June.
- *Wednesday*: The National Association of Realtors releases June [Existing-Home Sales](#).
- *Thursday*: The Department of Labor releases [initial jobless claims](#).
- *Friday*: Census releases [New Residential Sales](#) data for June.

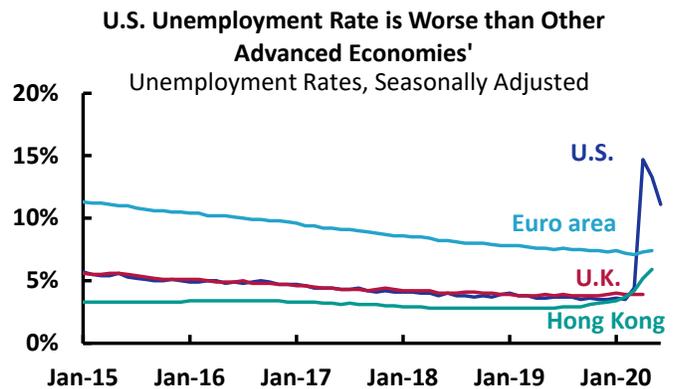
Good reads

- [“Allowing Unemployment Benefits To Expire Is Political And Economic Malpractice,”](#) *Washington Post*, 7/16/2020
- [“America Should Prepare For A Double Pandemic,”](#) *The Atlantic*, 7/15/2020
- [“After The Fastest Recession In U.S. History, The Economic Recovery May Be Fizzling,”](#) *Washington Post*, 7/13/2020
- [“America’s Child Care Problem is an Economic Problem,”](#) *Vox*, 7/16/2020

Chart of the week:

The U.S. unemployment rate is much higher than that of other advanced economies. This is [partly due to the premature reopening of the economy](#), which has sent virus cases skyrocketing, forced states to close again and left millions without jobs.

Euro area countries like [Germany rolled out effective contact tracing](#) that has helped to curb the spread. Hong Kong’s [“universal masking”](#) policy has a 97% compliance rate. Up to [55,000 lives could have been saved](#) by mandating mask use. But due to a lack of such uniform policies, Americans have paid the price in lives and jobs.



Source: U.S. Bureau of Labor Statistics, UK Office for National Statistics, Statistical Office of the European Communities and Hong Kong Census and Statistics Department

New research and reports

- New research found that the COVID-19 recession has resulted in [5.4 million Americans losing their health coverage](#), the largest loss in U.S. history.
- A new report from Facebook, the OECD and the World Bank found that [female-run small businesses were 7% more likely to have closed](#) than male-run small businesses.
- The Economic Policy Institute has created an interactive map, which shows how many [job losses could occur in states](#) if the \$600 in expanded unemployment benefits expires.

Selected JEC resources

- [The Administration’s “Return-to-Work Bonus” Is No Substitute for Enhanced Unemployment Benefits](#)
- [Immigrants, the Economy and the COVID-19 Outbreak](#)
- [July Macroeconomic Dashboard](#)
- [U.S. Economy by the Numbers](#)

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Contact: nita_somasundaram@jec.senate.gov