The U.S. Economy by the Numbers – April 7, 2020

Economic Growth

- Real GDP growth in Q4 2019 was estimated to be 2.1%, unchanged from Q3. GDP growth slowed in 2019 (2.3%) relative to 2018 (2.9%).
- The CBO projects Q2 2020 GDP will decline at an annualized rate of 28%.

Job Loss

- Nonfarm jobs fell by 701K in March, a downward swing of 976K from the number of jobs added in February. The three-month average is a loss of 71K jobs.

Unemployment

- The Department of Labor reported 6.6 million new unemployment claims for the week of March 28, almost 10 times the previous one-week record.
- BLS reports that the unemployment rate is 4.4%, but this covers a period before the economic effects of COVID-19 had come into full force.
- The CBO predicts unemployment will exceed 10% in Q2 2020, and EPI estimates almost 20 million Americans could be laid off or furloughed by July 2020.

The Stock Market

- The Dow Jones Industrial Average closed at 22,680 on April 6, 2020, down 23% from its peak on Feb 12.

Median Annual Income

- The median income of U.S. households is about $63K.
- In 2018, the top 20% of households earned more than the rest of the country combined. The top 5% of households earned over 20% of aggregate income.

Wage Growth

- Median weekly earnings for full-time workers in the fourth quarter rose 4.0% over the past year, but are only 2.0% higher with inflation taken into account.

Minimum Wage

- The minimum wage is $7.25 per hour ($15,080 per year full-time). That’s almost $3 less per hour in today’s dollars, accounting for inflation, than at its 1968 peak.

Federal Debt

- The budget deficit is forecasted to be $1.0 trillion in 2020 and to average $1.3 trillion between 2021 and 2030. By 2029, the GOP tax law will add $1.9 trillion to the debt.

Trade Deficit

- The trade deficit in goods and services was $617 billion in 2019, down from $628 billion in 2018. Both imports and exports fell amid the trade war, soaring oil production and slowing manufacturing.
- The February trade deficit decreased to $39.9 billion, down $5.5 billion from $45.5 billion in January. Average imports have decreased over the past three months.

Inflation

- The CPI for all items rose 2.3% over the last year.

Gas Prices

- Average gas prices nationwide in late March were $2/gallon due to the oil price war.

Interest Rates

- In early April, the interest rate on a 10-year Treasury note was 0.67%. The average mortgage interest rate was 3.33%.