



ECONOMIC UPDATE

September 11, 2020

Quote of the week

“If you just look at the top of the K, it’s a V — but you can’t just look at what’s above water. There could be a whole iceberg underneath it that you’re going to plow into.”

—[Claudia Sahm](#), director of macroeconomic policy at the Washington Center for Equitable Growth

What you need to know

- Nearly [1.7 million American workers filed new unemployment claims](#), including regular and Pandemic Unemployment Assistance (PUA), last week, making it the 25th consecutive week that more than 1 million Americans filed first-time UI claims. Almost 30 million Americans are currently receiving unemployment benefits.
- As many as [9 million Americans, who may be eligible under the CARES Act, have yet to receive their stimulus payments](#).
- In spite of downward trends in COVID-19 cases in a number of states, [Dr. Fauci warns that the pandemic is likely to worsen again](#) during the fall and winter months.
- Economists at Bank of America estimate that [spending growth by unemployment beneficiaries fell by between 7 and 18 percentage points](#) in August based on credit-card data.
- JPMorgan found some of its [employees inappropriately applied for and accepted coronavirus relief funds](#), which were designed to help U.S. businesses struggling due to the pandemic.

Chart of the week

The number of temporary layoffs has drifted downward since its peak of almost 18 million in April. 6.2 million were reported in August.

However, the Bureau of Labor Statistics reports that in August [the number of Americans who have permanently lost their jobs grew to 3.4 million](#).

This is an increase of around 2 million from the 1.4 million permanent job losses in February. Although temporary job losses appear to have peaked in April and declined since, permanent job losses have continued to climb since the start of the coronavirus recession.



Source: Bureau of Labor Statistics

New research and reports

- A survey by NPR, the Robert Wood Johnson Foundation and Harvard’s Chan School of Public Health found [at least half of people in the four largest U.S. cities have lost their jobs, been furloughed or had their wages or work hours reduced](#) since the pandemic began.
- Researchers at Harvard University found that [the revenue-based formula used for allocating COVID-19 funding to hospitals discriminates against majority Black communities](#), where health care spending is likely lower, even if there are higher numbers of virus patients.
- The Center on Budget and Policy Priorities COVID-19 recession tracker estimates that [job losses in low-wage industries have been more than double](#) the amount of job losses in high-wage ones.

Recommended reading

- [“‘A Tale Of 2 Recessions’: As Rich Americans Get Richer, The Bottom Half Struggles,”](#) *Politico*
- [“Zoom Towns And The New Housing Market For The 2 Americas,”](#) *NPR*
- [“The US is Experiencing a 'K-shaped' Economic Recovery. Here's What That Means,”](#) *Salon*
- [“What Milton Friedman Missed about Social Inequality,”](#) *The New York Times*

What to watch next week

- *Tuesday*: Census releases its annual 2019 figures for [Income and Poverty, Health Insurance Coverage](#) and the Supplemental Poverty Measure.
- *Wednesday*: Census releases the [Advance Monthly Retail Trade Report](#) for the month of August.
- *Friday*: The University of Michigan releases its preliminary September [Consumer Sentiment Index](#).
- For a more comprehensive list see the *Marketwatch* [U.S. Economic Calendar](#).

Selected JEC resources

- [Why Americans Celebrate Labor Day](#)
- [U.S. Economy by the Numbers](#)
- [Retirement Insecurity](#)
- [The Impact of the Coronavirus Recession on Older Workers](#)

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