



ECONOMIC UPDATE

June 26, 2020

Quote of the week

“Systemic racism is a yoke that drags on the American economy.”

—[Raphael Bostic](#), President and CEO of the Federal Reserve Bank of Atlanta

What you need to know

- [More than half of states have reported an increase in new COVID-19](#) cases in the past week, with the United States seeing a record number of new coronavirus cases in a single day on Thursday. [Hospitalizations also have increased](#), reaching new highs in seven states this week.
- Even as cases are rising, the Trump administration is [ending its support for drive-thru testing](#).
- Federal aid in the [CARES Act—primarily the stimulus checks and expanded unemployment benefits—has prevented poverty from rising significantly](#) despite spiking unemployment.
- The Department of Labor announced that [almost 1.5 million Americans submitted new unemployment insurance claims](#) last week, plus over 700,000 more filing through the Pandemic Unemployment Assistance program for gig workers and others. The most recent data show that more than 30 million workers are continuing to receive unemployment insurance benefits.
- A government watchdog found that, of the \$269 billion in stimulus checks sent to American families, [the Administration sent \\$1.4 billion to over a million people who are deceased](#).
- [Home-mortgage delinquencies surged to their highest level in nine years](#) in May.

Happening the week of June 29, 2020

- *Monday*: The National Association of Realtors releases the May [Pending Home Sales Index](#).
- *Tuesday*: Case-Shiller home price index (April), Chicago PMI (June), The Conference Board releases the June [Consumer Confidence Index](#).
- *Wednesday*: ADP releases its monthly [employment report](#). ISM releases its June [manufacturing index](#). Census releases May [construction spending](#). The FOMC releases the [minutes](#) from its June meeting.
- *Thursday*: The Department of Labor releases [initial jobless claims](#). The BLS releases nonfarm payrolls, the unemployment rate and average hourly earnings in its June [Employment Situation](#). Census releases the May [trade deficit](#) and [Manufacturers’ Shipments, Inventories, & Orders](#).

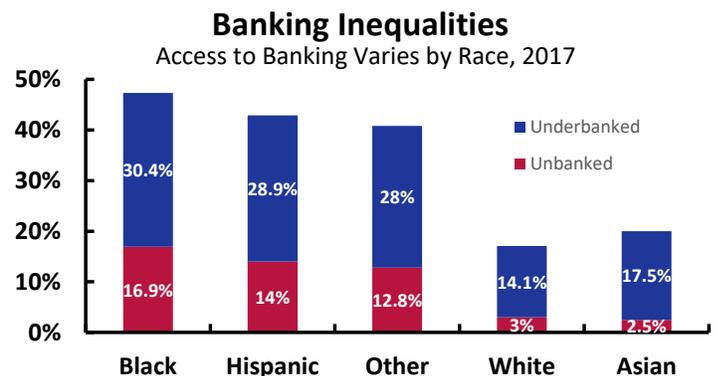
Good reads

- [“How Structural Racism Has Shaped the Fed’s Leadership,”](#) Narayana Kocherlakota, 6/23/2020
- [“Coronavirus Is Killing Our Economy Because It Was Already Sick,”](#) *New York Magazine*, 6/17/2020
- [“Need Help with an Unemployment Claim in Florida? Good Luck,”](#) *The Markup*, 6/23/2020
- [“Trapped: Most States Let Courts Fine Teenagers. The Debt is Taking Down Their Whole Families,”](#) *Slate*, 6/22/2020

Chart of the week:

The most recent FDIC data show that nearly half of Black and Hispanic households are either unbanked—without a checking or savings account—or underbanked—having an account at an insured institution but also depending on payday lenders, pawn shops, auto title loans and others. This lack of traditional banking makes it difficult to access credit at non-predatory rates.

Because the IRS has distributed most CARES Act stimulus checks through direct deposit, the unbanked are most likely to have to wait for this payment via physical check, even as they are the most likely to need it.



Source: 2017 FDIC National Survey of Unbanked and Underbanked Households, Appendix Tables A.1, A.3

New research and reports

- Harvard economist Raj Chetty’s [Opportunity Insights tracker now has zip-code level, private sector economic data on how COVID-19 has impacted communities](#) across the United States, finding that “state-ordered reopenings of economies have little impact on local employment.”
- A new issue brief by the Democratic staff of the JEC finds that the Trump Administration’s proposal for implementing a [“return-to-work bonus” instead of enhanced unemployment benefits would be counterproductive](#) and would cause financial hardship for millions of Americans.
- Analysis by the University of Minnesota and the Center for American Progress finds that many American communities are [“child care deserts,” which are more likely to be middle-income, rural or communities with large Latino populations.](#)

Selected JEC resources

- [The Economic State of Black America in 2020](#)
- [The Impact of Coronavirus on the Working Poor and People of Color](#)

More information for Members and staff: www.jec.senate.gov/resources

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Contact: hope_sheils@jec.senate.gov