



ECONOMIC UPDATE

June 19, 2020

Quote of the week

“Until the public is confident that the disease is contained, a full recovery is unlikely.”

—Federal Reserve Chair [Jerome Powell](#)

What you need to know

- Fed Chair Powell testified this week that [an extended downturn could aggravate long-term socio-economic disparities](#).
- Americans are still losing their jobs, as [2.2 million people filed new UI claims last week](#). 1.4 million workers filed regular UI claims (not seasonally adjusted) for the week ending June 13, and another 761,000 filed claims under the Pandemic Unemployment Assistance program for gig workers and others. Nearly 30 million workers are receiving unemployment benefits.
- [Retail sales rose a record 17.7% in May](#) after plummeting a record 14.7% in April, buoyed by increased consumption from households receiving pandemic stimulus payments. Still, retail sales in May were down 7.9% from February’s pre-COVID levels and down 6.1% from May 2019.
- [More than 150 economists signed a letter to Congress urging more relief](#) to avoid “prolonged suffering” and “stunted economic growth.” Signees include former chairs of the Federal Reserve Ben Bernanke and Janet Yellen and six former chairs of the Council of Economic Advisers.
- The [Federal Reserve launched its Main Street Lending Program](#), offering up to \$600 billion in loans targeted at small and midsize businesses to help them weather the pandemic.

Happening the week of June 22, 2020

- *Monday*: The Chicago Fed releases its [National Activity Index](#) for May and the National Association of Realtors releases May [Existing-Home Sales](#).
- *Tuesday*: Census releases data on [New Residential Sales](#) for May.
- *Wednesday*: The Federal Housing Finance Agency releases its April [House Price Index](#).
- *Thursday*: The Department of Labor releases [initial jobless claims](#). BEA updates its estimate of [first quarter GDP](#). Census releases its advance report on [Manufacturers’ Shipments, Inventories and Orders](#) for May, as well as its May [Advance Economic Indicators](#).
- *Friday*: The BEA releases [Personal Consumption Expenditures Price Index](#), and the University of Michigan releases the final [consumer sentiment index](#) for June.

Good reads

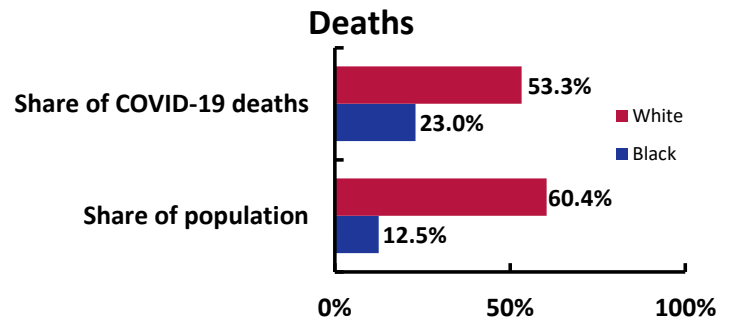
Several proposals for how to speed the post-COVID-19 economic recovery and to create economic policies that help reduce historical racial disparities were introduced this week, including:

- “[The Federal Reserve Could Help Make the Job Market Fairer for Black Workers](#),” Jared Bernstein and Janelle Jones, *The Washington Post*, 6/15/2020
- “[A Deal to Save Medicaid, the Unemployed and State Budgets](#),” Ezekiel J. Emanuel and Rahm Emanuel, *The New York Times*, 6/15/2020
- “[What a Successful Economic Recovery Plan Must Look Like](#),” Jason Furman, Timothy Geithner, Glenn Hubbard and Melissa Kearney, *The Washington Post*, 6/16/2020

Chart of the week:

Black Americans are contracting and dying from COVID-19 at disproportionate rates. They make up nearly a quarter of all coronavirus-related deaths in the United States, despite making up only 12.5% of the population. Black Americans’ mortality rate from COVID-19 has yet to fall below twice that of all other groups, at 2.3 times that of White and Asian Americans and 2.2 times that of Latino Americans.

Black Americans Make up a Disproportionate Share of COVID-19 Deaths



Source: “Provisional Death Counts for Coronavirus Disease (COVID-19): Weekly State-Specific Data Updates,” Centers for Disease Control and Prevention, Centers for Disease Control and Prevention, <https://data.cdc.gov/NCHS/Provisional-Death-Counts-for-Coronavirus-Disease-C/pj7m-y5uh/data>.

New research and reports

- The Joint Economic Committee [updated its report on the Economic State of Black America](#) to include important insights on police brutality and COVID-19.
- A study published by the National Academy of Sciences measures “pollution inequality,” showing that non-Hispanic Whites experience far less pollution (17% less) than is caused by their consumption, whereas [Black and Hispanic Americans experience a “pollution burden”](#) of 56% and 63% excess exposure relative to the amount of pollution caused by their consumption.
- The Brookings Institution released a report this week finding that, due to COVID-19, [we may be facing a “large, lasting baby bust”](#) that could lead to half a million fewer births next year.

Selected JEC resources

- [The Impact of Coronavirus on the Working Poor and People of Color](#)
- [U.S. Economy by the Numbers](#)
- [Cutting off Additional Unemployment Benefits While Millions are Unemployed Would be a Human and Economic Catastrophe](#)

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