



ECONOMIC UPDATE

May 29, 2020

Quote of the week

“Any sensible policy is going to have us racking up the deficit for a long time, if you can...If we go up another \$10 trillion, I wouldn’t even blink at that now.”

—[Kenneth Rogoff](#), Professor of Public Policy and Economics at Harvard University

What you need to know

- Over [100,000 Americans have died](#) from the coronavirus. Around [40 million have lost their jobs](#).
- [Companies across the country are cutting wages](#), which likely will slow economic recovery.
- The Federal Reserve’s Beige Book survey showed that “[e]conomic activity declined in all Districts – falling sharply in most,” with the most severe drops in leisure and hospitality. Most respondents were “pessimistic about the potential pace of recovery.”
- [State-level social distancing orders account for only a quarter of unemployment insurance claims](#), implying that lifting those orders and “reopening” states will not be enough to restart the economy.
- White House officials are [breaking with precedent by refusing to release updated economic forecasts](#) on unemployment, inflation and economic growth that are usually published each summer.
- Nearly [Half of Americans say that they have skipped or delayed medical care](#) because of the pandemic.

Happening the week of June 1, 2020

- Monday: ISM releases its [manufacturing index](#) for May and the Census Bureau releases monthly [construction spending](#) data for April.
- Wednesday: ADP releases its May [National Employment Report](#). ISM releases the May [nonmanufacturing index](#). Census releases April [Manufacturer’s Shipments, Inventories, & Orders](#).
- Thursday: The DOL releases [initial jobless claims](#), Census releases the April [trade balance](#).
- Friday: Jobs Day. BLS releases the May [Employment Situation](#), which shows employment, the unemployment rate, and average hourly earnings. The Fed publishes the [Consumer Credit statistical release](#) for April.

Good reads

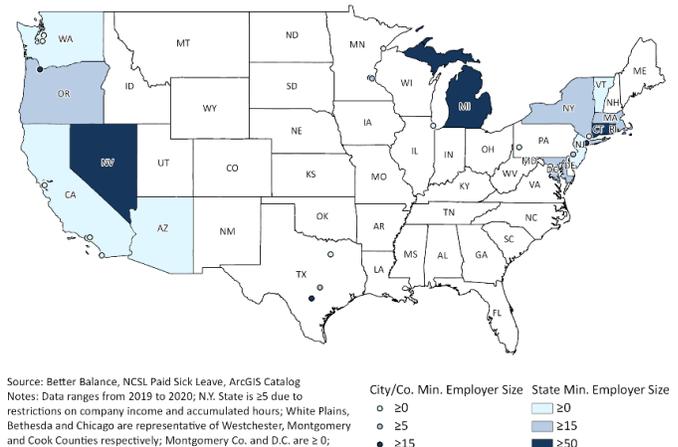
- [“The Vital Missing Piece of the Democrats’ Stimulus Bill,”](#) *Vox* 5/28/2020
- [“This Summer Will Scar Young Americans for Life,”](#) *The Atlantic*, 5/28/2020
- [“Through Kids’ Eyes: Virus Outbreak Brings Sadness, Fear, Joy,”](#) *Associated Press*, 5/27/2020
- [“All the President’s Lies About the Coronavirus,”](#) *The Atlantic*, 5/27/2020

Chart of the week:

Paid sick leave is an essential policy for public health because it keeps people from spreading illness to others at work. It can be especially beneficial in helping contain highly contagious diseases.

For example, researchers found that in states that implemented paid sick leave mandates [the prevalence of an influenza-like-illness decreased by 11 percent](#) the first year after the mandate was implemented. To date, only 12 states and D.C. have enacted laws requiring paid sick leave.

Most States Do Not Have Mandated Paid Sick Leave
Minimum Number of Employees for the Paid Sick Leave Mandate to Apply



New research and reports

- The COVID Tracking Project and the Antiracist Research & Policy Center have teamed up to create the [COVID Racial Data Tracker](#), tracking the impact of COVID-19 on people of color.
- The Census Bureau has [created an interactive data visualization tool that helps show the findings from its new Household Pulse Survey](#), a near-time and state-by-state data tool to help understand the social and economic effects of COVID-19 on American households.
- A new report from the Center for Economic and Policy Research outlines how [increasing income inequality and the payroll tax cap have undermined Social Security solvency for decades](#).

Selected JEC resources

- [Reopening Too Soon Will Have Steep Economic Costs](#)
- [Automatic Support for Americans During the Coronavirus Crisis](#)
- [Getting an Accurate Picture of New Unemployment Claims](#)
- [Macroeconomic Dashboard](#)

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

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