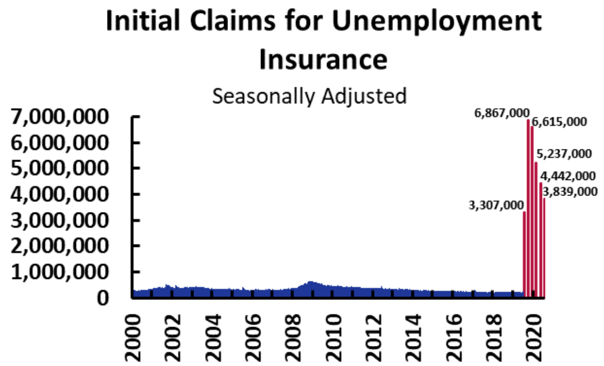
Joint Economic Committee
Congressman Don Beyer, Vice Chair

The U.S. Economy by the Numbers – May 4, 2020

New Unemployment Claims

- The Department of Labor reported **3.8 million** new unemployment claims for the week ending April 25, putting the six-week total at more than **30 million**.
- This is a four-week moving average of over **5 million**.



Source: Department of Labor

Unemployment Rate

- BLS reports that the March unemployment rate is **4.4%**, but this covers a period before the economic effects of COVID-19 had come into full force.
- CBO predicts unemployment will average almost **14%** in Q2.
- CBO estimates it will be **9.5% at the end of 2021**.

Job Loss

- Nonfarm jobs fell by **701K** in March, a downward swing of **976K** from the number of jobs added in February.
- Over the past three years, the average monthly gain was **161K**.

Wages and Income

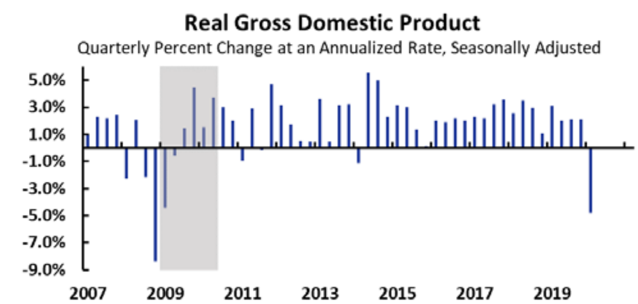
- Median weekly earnings for full-time workers in the fourth quarter **rose 4.0%** over the past year, but are **only 2.0%** higher with inflation taken into account.
- The median income of U.S. households is about **$63K**.
- In 2018, the **top 20%** of households earned more than the rest of the country combined. The top 5% of households earned **over 20%** of aggregate income.

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.

Gross Domestic Product

- Real GDP **decreased** at an annual rate of **4.8%** in Q1 2020, the largest decline since the Great Recession.
- The drop was driven by a steep decline in personal consumption, especially services, which **fell 10.2%.**
- The drop in health care spending, due to a decrease in routine care and elective procedures, accounted for almost half of the decline in GDP.
- CBO projects Q2 GDP will decline at an annual rate of **40%.**



Source: Bureau of Economic Analysis

Federal Debt

- The budget deficit is forecasted to be **$3.7 trillion** in 2020 and federal debt held by the public is projected to be **101%** of GDP by the end of the fiscal year.

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.

Inflation

- The CPI for all items **rose by almost 1.6%** over the last 12 months.

Gas Prices

- Average gas prices nationwide in late April were **$1.77/gallon** due to volatility in oil markets.

Interest Rates

- At the end of April, the interest rate on a 10-year Treasury note was **0.64%**. The average mortgage interest rate was **3.23%**, an all-time low.