Joint Economic Committee

Congressman Don Beyer, Vice Chair

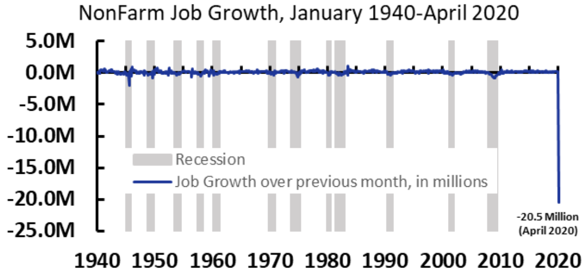
The U.S. Economy by the Numbers – May 8, 2020

Job Loss

- Nonfarm jobs fell by **20.5 million** in April, after a decline of **870K** in March, the largest over the month decline in history.
- April job losses were **25 times** worse than the worst month of the Great Recession.

Job Losses in April Were 25 Times Worse Than Worst Month of Great Recession

NonFarm Job Growth, January 1940-April 2020



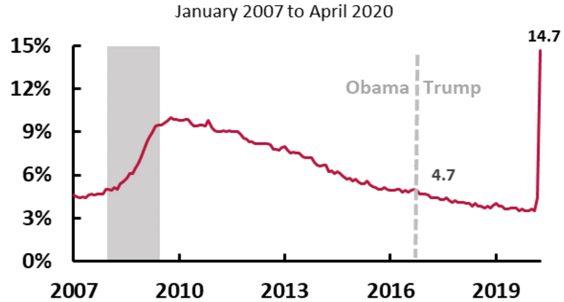
Source: Bureau of Labor Statistics, National Bureau of Economic

Unemployment Rate

- BLS reports that the unemployment rate spiked by 10.3 percentage points in April to **14.7%**, which is the highest level since the Great Depression.
- The unemployment rates for Whites **(14.2%)**, Asians **(14.5%)** and Hispanics **(18.9%)** are the highest levels recorded by BLS. The rate for Blacks was **16.7%.**
- The unemployment rate for women jumped from **3.6%** in February to **13.5%** in April, while the unemployment rate for men jumped from **3.3%** to **13%**.
- The number of unemployed workers who have given up looking for work (i.e. not in the labor force) has skyrocketed – increasing by **8.3 million** since February.

Unemployment Rate

January 2007 to April 2020



Source: Bureau of Labor Statistics, using the Civilian Unemployment Rate Ages 16+, Seasonally Adjusted

New Unemployment Claims

- DOL reported nearly **3.2 million** new unemployment claims for the week ending May 2.
- **33.5 million** Americans have filed for Unemployment benefits and **20 percent** of the American work force have lost their jobs since the outbreak of COVID-19.

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%.**
- CBO projects Q2 GDP will decline at an annual rate of **40%.**

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.

Federal Debt

- CBO forecasts the budget deficit will rise to **$3.7 trillion** in 2020 and projects federal debt held by the public to be **101%** of GDP by the end of the fiscal year.

Inflation

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

Gas Prices

- Average gas prices nationwide in early May were **$1.79/gallon** due to low oil prices.

Interest Rates

- In early May, the interest rate on a 10-year Treasury note was **0.72%**. The average mortgage interest rate was **3.26%**.