



ECONOMIC UPDATE

April 10, 2020

Quote of the week

“None of us has the luxury of choosing our challenges...Fate and history provide them for us. Our job is to meet the tests we are presented.”

—[Jerome Powell](#), Federal Reserve Chairman

What you need to know

- [More than 6.6 million people filed for unemployment insurance](#) in the week ending April 4—nearly 17 million Americans lost their jobs in the past three weeks. The 3-week average of new jobless claims (5.6 million) is over 25x the weekly average of the previous 6 months.
- State and county-level data show that [black Americans are disproportionately likely to contract COVID-19 and to die from it](#). For example, African Americans make up 26% of the population in Milwaukee, but account for 73% of COVID-19 deaths. While there is not yet a comprehensive nationwide account of COVID-19 deaths by race, a preliminary CDC study of hospitalizations across 14 states shows that [Black Americans are overrepresented among those hospitalized](#) with the virus.
- As [lines lengthen at food banks around the country](#) and restaurants close their doors, [farmers and food companies are halting production and dumping excess product](#) that they cannot sell in the disrupted agricultural supply chain.
- Cuts to the IRS budget over the past decade weakened the agency, [slowing much-needed payments to Americans during the current crisis](#). Secretary Mnuchin said that the first round of coronavirus payments will begin next week via direct deposit, but most Americans will receive their checks through the mail and that is expected to take months.
- The [Fed announced it will provide \\$2.3 trillion in loans to provide more support for small and mid-sized businesses and state and local governments](#) in an attempt to provide liquidity to crumbling credit markets. It will also expand its corporate lending to include riskier debt.

Happening the week of April 13, 2020

- *Wednesday*: The Census Bureau releases its March [Retail Trade Report](#). The Federal Reserve releases [Industrial Production and Capacity Utilization](#) data for March and its qualitative “[Beige Book](#)” report.
- *Thursday*: The Department of Labor releases [UI Weekly Claims](#). The Census Bureau releases [New Residential Construction](#) data for March.

Good reads

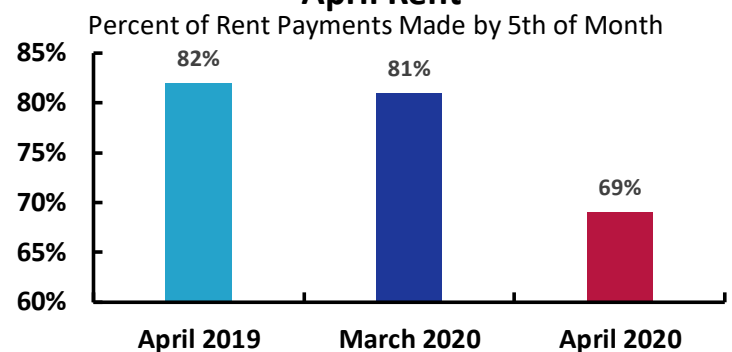
- [“Trump’s ‘Light at the End of the Tunnel’ Is a Delusion,”](#) *The New Yorker*, 4/7/2020
- [“State and Local Governments Fighting Coronavirus Need Our Help Now,”](#) *The Hill*, 4/9/2020
- [“One Thing We Can Do to Protect Frontline Workers,”](#) *Politico*, 4/7/2020
- [“America Will Struggle After Coronavirus. These Charts Show Why.”](#) *The New York Times*, 4/10/2020

Chart of the week

As a result of the faltering economy, [nearly one third of U.S. apartment renters did not pay rent in April](#). Some are protected from eviction during the crisis by federal and local laws.

The rental housing industry is concerned that non-payments could spiral into commercial mortgage defaults. The federal government and the Federal Reserve have made moves to help prevent that crisis, by deferring mortgage payments and buying bonds tied to multifamily loans. Still, the Urban Institute estimates that only a third of U.S. rental units are federally financed and thereby covered by those protections.

One-Third of Renters Did Not Pay April Rent



Source: National Multifamily Housing Council

New research and reports

- A new poll from SurveyUSA reports that [21 million U.S. households \(15%\) are “falling further into debt.”](#) Another 28% say that they are just getting by.
- A working paper finds that workers who cannot work from home are [“less likely to be white, have a college degree, or have employer provided healthcare,”](#) more likely to be in the bottom half of the income distribution, and more likely to rent their homes.”

Selected JEC resources

- [Massive Aid to State and Local Governments Needed to Slow Economic Damage](#)
- [U.S. Economy by the Numbers](#)
- [Cutting Payroll Taxes is an Ineffective Way to Counter the Economic Damage of the Coronavirus](#)
- [Equal Pay Day 2020](#)

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

Sign up to receive JEC publications at bit.ly/JointEconMailingList

Contact: hope_sheils@jec.senate.gov