



ECONOMIC UPDATE

June 5, 2020

Quote of the week

“So much of this unrest, this civil unrest, is tied to economic inequality. That’s just a fact. We need to move the needle on this economic inequality.”

—[Mellody Hobson](#), president and co-CEO of Ariel Investments

What you need to know

- The Bureau of Labor Statistics reported that [nonfarm payroll employment increased by 2.5 million in May and the unemployment rate fell to 13.3%](#). However, BLS also noted a technical issue in measuring temporarily laid off workers—the rate may be realistically closer to 16%.
- The [unemployment rate was 16.8% for Black workers](#)—matching its Great Recession high—and 17.6% for Latino workers. Nearly half a million municipal workers lost their jobs last month.
- [CBO is now projecting a lost decade of economic growth](#) due to the coronavirus pandemic, as cumulative real GDP is projected to be \$7.9 trillion less than would have been the case.
- On Thursday, the Department of Labor reported that [39 million Americans had filed for unemployment insurance](#) over the past 11 weeks (not seasonally adjusted), but [about a third of Americans who filed have not been paid their unemployment benefits](#).
- As Americans in all 50 states are protesting police violence against Black Americans, [Black Americans also are facing a network of economic inequalities](#) that have been exacerbated by COVID-19. For example, in the wake of widespread shutdowns, only 49.6% of Black adults now have jobs and [the number of working Black business owners in the U.S. has fallen by 40%](#).

Happening the week of June 8, 2020

- *Tuesday*: NFIB releases its May [Small-Business Optimism Index](#), BLS releases the [Job Openings and Labor Turnover Survey](#) for April.
- *Tuesday-Wednesday*: The Federal Reserve has scheduled its [June FOMC meeting](#).
- *Wednesday*: BLS releases the May [Consumer Price Index](#) and the Treasury releases its [Monthly Treasury Statement](#). The [FOMC releases its statement](#) and decisions on policy from its June Meeting, Chair Powell gives a press conference.
- *Thursday*: The Department of Labor releases [initial jobless claims](#).
- *Friday*: BLS releases [U.S. Import and Export Price Indexes](#) for May and the University of Michigan releases its preliminary [consumer sentiment index](#) for May.

Good reads

- [“Black Workers, Already Lagging, Face Big Economic Risks,”](#) *New York Times* 06/01/2020
- [“Pandemic Could Scar a Generation of Working Mothers,”](#) *The New York Times*, 6/3/2020
- [“Average Workers Can’t Bear Any More Risk,”](#) *The Atlantic* 5/31/2020

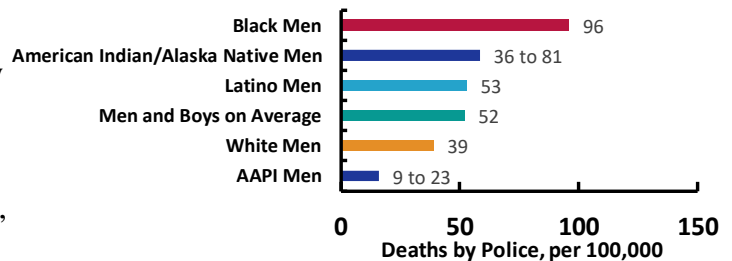
Chart of the week:

Nearly [1 in 1,000 Black men and boys will be killed by the police](#) over the life course—almost double the average rate of police mortality for men overall. Black men are two-and-a-half times more likely than white men to be killed by the police.

Research shows that violent encounters with the police profoundly impact neighborhoods, health, life chances, and politics. Policing plays a disturbing role in enforcing structural inequalities by race in the U.S.

1 in 1,000 Black Men and Boys Will Be Killed by Police

Male Deaths by Police over the Life Course, per 100,000



Source: Edwards, Lee, and Esposito, "Risk of being killed by police use of force in the United States by age, race--ethnicity, and sex." PNAS August 20, 2019 116 (34) 16793-16798.

New research and reports

- The JEC released a new report showing how allowing the \$600 additional unemployment supplement (Federal Pandemic Unemployment Compensation—FPUC) to expire as scheduled on July 31st [would be a human and economic catastrophe](#).
- A new report from the Economic Policy Institute shows how [racism and economic inequality are two of the most lethal preexisting conditions for coronavirus](#)—and how Black Americans are being disproportionately impacted.
- Researchers at the Brookings Institution outline the ways we could [redesign unemployment benefits in a way to maximize public benefit](#) (i.e. a “social value-based approach”).

Selected JEC resources

- [Reopening Too Soon Will Have Steep Economic Costs](#)
- [Massive Aid to State and Local Governments Needed to Slow Economic Damage](#)
- [The Impact of Coronavirus on the Working Poor and People of Color](#)
- [Automatic Support for Americans During the Coronavirus Crisis](#)

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