



ECONOMIC UPDATE

July 2, 2020

Quote of the week

“This is a virus; it doesn’t respond to politics. You can’t tweet at it. You have to treat it. And we never did that.”

—[Governor Andrew Cuomo](#)

What you need to know

- The Bureau of Labor Statistics reported that [4.8 million nonfarm jobs were added to the economy in June](#), meaning that the economy has experienced a net loss of 14.7 million jobs since February. These numbers reflect data collected in the first half of June, before a surge in COVID-19 cases led to new shutdowns.
- [The June unemployment rate dropped to 11.1%](#). The unemployment rate was 15.4% for Black Americans, 14.5% for Hispanics, 13.8% for Asians and 10.1% for Whites.
- [1.4 million Americans filed for unemployment](#) during the week ending June 27 (not seasonally adjusted) marking the 15th week in a row that initial unemployment claims topped 1 million.
- Dr. Fauci warned this week that the [new daily COVID-19 cases in the United States could rise to 100,000](#) if current behavior among Americans does not change.
- Economists at Goldman Sachs estimate that [a federal face mask mandate could salvage 5% of GDP](#) from COVID-19-related losses by avoiding economically costly shutdowns.
- A new poll finds that almost [one third of Black Americans know someone who has died from COVID-19](#), compared to 9% of white Americans.

Happening the week of July 6, 2020

- *Monday*: ISM releases its June [non-manufacturing index](#).
- *Tuesday*: BLS releases results of its May [Job Openings and Labor Turnover Survey](#) (JOLTS). CoreLogic releases its [Home Price Index](#).
- *Wednesday*: The Federal Reserve releases May [Consumer Credit](#) Data.
- *Thursday*: The Department of Labor releases [initial jobless claims](#). The Census Bureau releases its [Monthly Wholesale Trade Survey](#).
- *Friday*: The BLS Releases the June [Producer Price Index](#).

Good reads

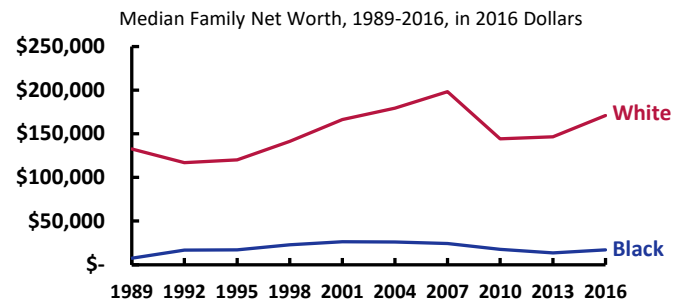
- [“The ‘V-Shaped’ Recovery Has Died of Coronavirus,”](#) *New York Magazine*, 6/25/2020
 - [“‘Banking While Black’: How Cashing a Check Can Be a Minefield,”](#) *The New York Times*, 6/18/2020
 - [“Workers are getting laid off for a second time, as the virus’s surge puts reopenings on hold,”](#) *The Washington Post*, 6/30/2020
 - [“The Coronavirus Pandemic’s Wider Health-Care Crisis,”](#) *The New Yorker*, 6/29/2020
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Chart of the week:

The median net worth of Black families in 2016—the latest year for which data is available—was one-tenth that for white families in the United States. Since 1989, the median net worth of white families grew almost \$40,000 it grew only \$10,000 for Black families.

During both economic booms and recessions, Black Americans have accumulated significantly lower levels of wealth than white Americans. The racial wealth gap is an intergenerational issue that passes on racial economic inequality from generation to generation.

Black Families' Net Worth in 2016 was One-Tenth that of White Families



Source: Federal Reserve 2016 Survey of Consumer Finances, Table 4, "Family net worth, by selected characteristics of families, 1989–2016 surveys." "White" and "Black" refer to non-Hispanic white and non-Hispanic Black, respectively.

New research and reports

- A new report by Joint Economic Committee Democrats and the Congressional Hispanic Caucus finds that [foreign-born U.S. workers are more likely to be “essential”](#) during the coronavirus pandemic and also are more likely to lose work with limited access to the safety net.
 - A new working paper from the National Bureau of Economic Research finds that [workers who cannot work from home are more economically vulnerable](#), less educated, lower-income and more likely renters.
 - A new issue brief from the Joint Economic Committee Democratic staff reveals that [the Administration’s “return to work bonus” is no substitute for enhanced unemployment benefits](#).
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Selected JEC resources

- [The Economic State of Black America in 2020](#)
- [The Impact of Coronavirus on the Working Poor and People of Color](#)

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

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