



## ECONOMIC UPDATE

### July 10, 2020

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#### Quote of the week

“...we were supposed to be seeing a fading pandemic and a roaring recovery. Instead, we have a fading recovery and a roaring pandemic.”

—[Paul Krugman](#), Nobel-Prize winning economist

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#### What you need to know

- This week marks the 16<sup>th</sup> consecutive week that initial unemployment insurance claims topped 1 million, [as 1.4 million people filed for unemployment insurance](#) (not seasonally adjusted) and another 1 million gig worker and other non-traditional employees filed for Pandemic Unemployment Assistance.
- Treasury Secretary Mnuchin claims that the PPP program supported over 51 million jobs and over 80% of all small business employees, but [separate analyses of loan-level data cast doubt on those large numbers](#). Reuters reports that Treasury and the Small Business Administration “job retention figures were not thoroughly vetted.”
- COVID-19 has spelled a disaster for K-12 education, as [slashed state budgets leave schools without much-needed funding](#) and districts try to plan reopening as coronavirus cases surge.
- [More than 20 million Americans living in rental housing will be at risk of eviction](#) by September 30 as enhanced employment benefits expire at the end of July and eviction moratoriums run out. It is expected that people of color will be most affected.

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#### Happening the week of July 13, 2020

- *Monday*: Treasury releases its [monthly statement](#) for June 2020.
- *Tuesday*: NFIB releases its [Small Business Index](#) for June. BLS releases the June [Consumer Price Index](#).
- *Wednesday*: BLS releases June [Import and Export Price Indexes](#), the Fed publishes June [Industrial Production and Capacity Utilization](#), as well as its qualitative [Beige Book](#).
- *Thursday*: The Department of Labor releases [initial jobless claims](#). Census releases its [Advance Monthly Retail Trade Report](#) for June and May [Manufacturing & Trade Inventories & Sales](#).
- *Friday*: Census releases June [New Residential Construction](#) data for June, and the University of Michigan publishes preliminary data for its July [Index of Consumer Sentiment](#).

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## Good reads

- [“Congress’s Covid-19 Rescue Plan was Bigger than the New Deal. It’s About to End.”](#) *Vox*, 7/7/2020
- [“A Better Fall is Possible,”](#) *The Atlantic*, 7/7/2020
- [“The Unemployment Rate Is Falling, But More People Are Losing Their Jobs Permanently,”](#) *FiveThirtyEight*, 7/2/2020
- [“America’s Looming Housing Catastrophe, Explained,”](#) *Vox* 7/8/2020

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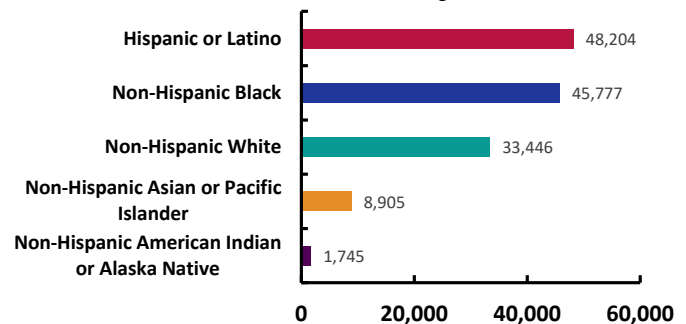
## Chart of the week:

[Over 130,000 Americans have lost their lives to COVID-19.](#) A recent working paper calculates the “years of potential life lost” as a result of the COVID-19 pandemic, finding that Americans under the age of 65 have lost a total of 138,077 years of potential life to the virus.

[The analysis details stark racial disparities](#) in the years of potential life lost, finding that Hispanic Americans and Black Americans have borne almost 70% of the total years of potential life lost by Americans.

### Blacks and Hispanics Account for Almost 70% of the Years of Potential Life Lost to COVID-19

Years of Potential Life Lost with age 65 Cutoff



Source: Bassett, Chen and Krieger, "The unequal toll of COVID-19 mortality by age in the United States: Quantifying racial/ethnic disparities." June 12, 2020 HCPDS Working Paper Volume 19, Number 3. Reflects COVID-19 related deaths in the United States, February 1-May 20, 2020.

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## New research and reports

- The Congressional Budget Office predicts the [unemployment rate will stay above its pre-pandemic levels through 2030](#).
- A recent study by the Pew Research Center found that [over a fifth of Americans](#) have either relocated or know someone who has relocated as a result of the coronavirus pandemic.
- A new working paper from researchers at Brown University finds that [attending virtual school reduces test scores for elementary and middle school students](#) and it is also associated with a 10% reduction in the likelihood of ever graduating from high school.

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## Selected JEC resources

- [Immigrants, the Economy and the COVID-19 Outbreak](#)
- [U.S. Economy by the Numbers](#)
- [The Administration’s “Return-to-Work Bonus” Is No Substitute for Enhanced Unemployment Benefits](#)
- [July Macroeconomic Dashboard](#)

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