



ECONOMIC UPDATE

September 18, 2020

Quote of the week

“We are going to have to do something (about child care) so that people can still go to work, so that they can save...lives...”

—[Karin Goldmark](#), New York City’s deputy chancellor for school planning and development

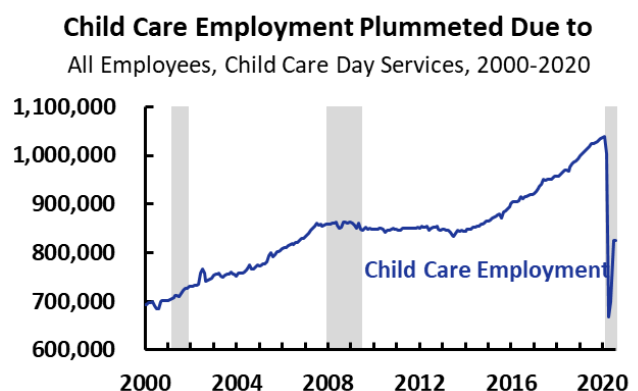
What you need to know

- A recent survey finds that [over 80% of parents who work as hourly employees expect to lose some of their income](#) as a result of a lack of access to child care and in person schooling options.
- Over [790K American workers filed new unemployment claims](#), for the week ending September 12, which is more than three and a half times the average number of claims filed in 2019. Almost 30 million Americans are currently receiving unemployment benefits.
- Following the meeting of the Federal Open Market Committee, [Federal Reserve officials announced the benchmark interest rate would remain at or near zero through 2023](#).
- Highly criticized [CDC guidance that it was unnecessary to test people who are asymptomatic but had been exposed to the virus was not written by CDC scientists](#), but by HHS officials and was posted to the CDC’s website over the objections of the agency’s scientists.
- [Investment between the United States and China fell to the lowest level in almost a decade](#) due to the coronavirus pandemic and escalating tensions between the world’s two largest economies.

Chart of the week

The Bureau of Labor Statistics reports that around 370,000 child care jobs were lost during the first two months of the coronavirus pandemic alone. 213,000 child care jobs have yet to be recovered.

Permanent closures of child care programs have started to occur as coronavirus relief funding has been depleted. [Surveys](#) conducted by the National Association for the Education of Young Children revealed that less than one in five child care programs (only 18%) expect to survive past July 2021 without further public assistance and if the virus is not contained.



Note: Data Seasonally Adjusted by Haver Analytics
Source: Bureau of Labor Statistics, Haver Analytics, National Bureau of Economic

New research and reports

- A new report from the Center on Budget and Policy Priorities argues that if Congress doesn't extend the Pandemic EBT program before it is set to expire at the end of September, the [2.7 to 3.9 million children who were lifted out of hunger by the program could face worsened food insecurity](#) once again.
- A study conducted by the RAND Corporation concluded that if income had been distributed as equitably over the past 50 years as it had in the two decades following WWII, [the aggregate income of the bottom 90 percent of U.S. earners would have been \\$2.5 trillion higher in 2018](#).
- An analysis of the coronavirus conducted by the Brookings Institution found that it spread [much more significantly during the height of the summer in red states, counties, small towns and rural areas that voted for Trump](#) in the 2016 election than in blue areas that did not.

Recommended reading

- [“Child Care Crisis Pushes U.S. Mothers Out of the Labor Force,”](#) *The Associated Press*
- [“USPS Delays are Affecting the Businesses that Need it Most,”](#) *Vox*
- [“Factory Workers Stay Home to Watch Their Children,”](#) *The Wall Street Journal*
- [“The Silent Suffering of Cafeteria Workers,”](#) *The Atlantic*

What to watch next week

- *Thursday:* The Department of Labor releases [initial jobless claims](#).
- *Friday:* Census releases the August [Advance Report on Durable Goods Manufacturers' Shipments, Inventories and Orders](#). The report serves a gauge of whether U.S. companies are investing in new equipment to aid expansion efforts, replacing old equipment or not buying anything at all.
- For a more comprehensive list see the *Marketwatch* [U.S. Economic Calendar](#).

Selected JEC resources

- [Why Americans Celebrate Labor Day](#)
- [U.S. Economy by the Numbers](#)
- [Retirement Insecurity](#)
- [The Impact of the Coronavirus Recession on Older Workers](#)

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