



# ECONOMIC UPDATE

August 7, 2020

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## Quote of the week

“My worst fear is that what is now a health and economic crisis turns into financial crisis.”

—[Sheila Bair](#), former chair of the Federal Deposit Insurance Corporation

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## What you need to know

- The Bureau of Labor Statistics reported that [1.8 million nonfarm jobs were added to the economy in July](#), however there has been a net loss of almost 13 million jobs since February.
- [The unemployment rate dropped to 10.2% in July](#). The unemployment rate was 14.6% for Blacks, 12.9% for Hispanics, 12% for Asians and 9.2% for whites.
- More than [1.6 million American workers filed new unemployment claims](#) last week, making it the 20<sup>th</sup> consecutive week that unemployment claims topped their Great Recession peak. Nearly 1 million workers filed for regular unemployment, 984K, and another 656K workers filed for Pandemic Unemployment Assistance (PUA). Over 31 million Americans are currently relying on these programs for income.
- Economists predict that [failure to renew expanded unemployment benefits could cost the U.S. economy 1.1 million jobs](#).
- Due to the expiration of the federal eviction ban in the CARES Act, up to [12 million U.S. renters could face eviction from their homes](#); according to estimates renters owe \$25 billion in back rent.

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## Happening the week of August 10, 2020

- *Monday*: BLS releases results of its June [Job Openings and Labor Turnover Survey \(JOLTS\)](#).
- *Tuesday*: NFIB releases its July [Small Business Index](#). BLS releases the July [Producer Price Index](#).
- *Wednesday*: BLS releases the July [Consumer Price Index](#).
- *Thursday*: The Department of Labor releases [initial jobless claims](#). BLS releases July [Import and Export Price Indexes](#).
- *Friday*: Census releases its July [Advance Monthly Retail Trade Report](#) and June [Manufacturing & Trade Inventories & Sales](#). BLS releases its preliminary [Productivity and Costs](#) for Q2 2020. The Fed publishes July [Industrial Production and Capacity Utilization](#) and the University of Michigan publishes preliminary data for its August [Index of Consumer Sentiment](#).

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## Good reads

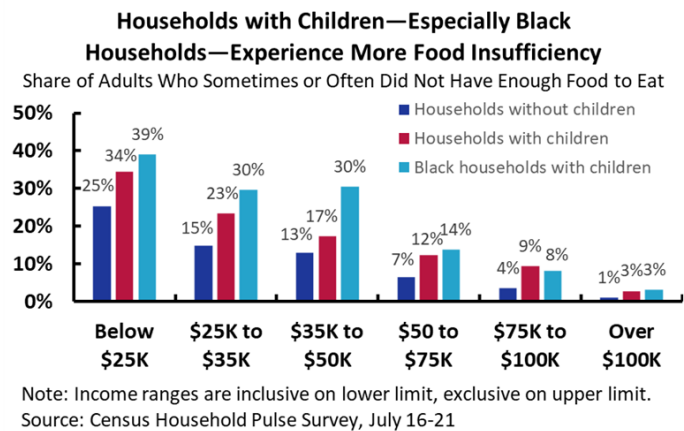
- [“Some Americans Wait, Without Pay, For Covid-19 Test Results,”](#) *The Wall Street Journal*, 8/2/2020
- [“The Unique U.S. Failure To Control The Virus,”](#) *The New York Times*, 8/6/2020
- [“Ten Bucks Left, No Place To Go: How The Pandemic And A Broken Unemployment System Are Upending People’s Lives,”](#) *The Washington Post*, 8/1/2020
- [“The GOP’s Radical Plan To Shield Business From Covid-19 Lawsuits, Explained,”](#) *Vox*, 7/29/2020

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## Chart of the week:

A Census Pulse Survey of 1.1 million U.S. residents finds that over one-third of households with children that have an income of less than \$25K do not have enough to eat.

For Black households with children with an income of less than \$25K, this increases to almost 40%. For households earning more than \$25K, Black households with children are roughly twice as likely as all households without children to suffer from food insufficiency.



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## New research and reports

- The Joint Economic Committee released an issue brief on why [Renewing Pandemic EBT Is Critical to Preventing a Further Spike in Child Hunger](#).
- The Joint Economic Committee released an issue brief which demonstrates that [the \\$600 weekly enhanced unemployment benefit has not slowed labor market recovery](#).
- The Center on Budget and Policy Priorities released [a report on the importance of maintaining expanded unemployment insurance](#) for reducing racial and ethnic disparities in unemployment.

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## Selected JEC resources

- [States Desperately Need an Increased Federal Match for Medicaid](#)
- [State and Local Governments Face Over \\$900 Billion in Combined Shortfalls](#)
- [Universal Paid Sick Leave is Essential for Combating the Pandemic and Protecting the Economy](#)
- [COVID-19 Stories from the Front Lines](#)

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