



## ECONOMIC UPDATE

October 2, 2020

### Quote of the week

*“There are very clear winners and losers here. The losers are just being completely crushed. If the winners fail to help bring the losers along, everyone will lose.”*

— [Mark Zandi](#), chief economist at Moody’s Analytics

### What you need to know

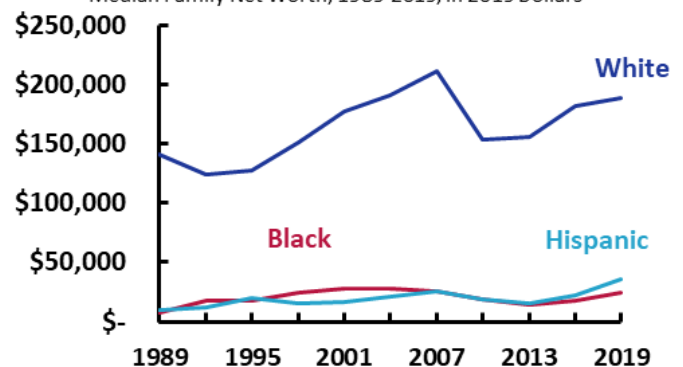
- The Bureau of Labor Statistics reported that [661K nonfarm jobs were added to the economy in September](#), however there has been a net loss of almost 10.7 million jobs since February.
- [The unemployment rate fell to 7.9%](#) in September. The unemployment rate was 12.1% for Blacks, 10.3% for Hispanics, 8.9% for Asians and 7% for Whites.
- Data from the U.S. Department of Commerce showed that [personal income fell by 2.7%](#) in August, which was due in large part to the reduction in unemployment benefits.
- Almost [787K American workers filed new unemployment claims](#) for the week ending Sept. 26, which is more than four and a half times the number of claims filed during the comparable week in 2019. Nearly 27 million Americans currently are receiving unemployment benefits.
- Due to the COVID-19 pandemic, [one in four women are considering a reduction in their work hours](#), switching to a less demanding job, taking a leave of absence or not working altogether.

### Chart of the week

A new report by the Federal Reserve shows that the median wealth of Black and Hispanic households grew by a large percentage over the 30 years up to 2019 – but from very low starting points.

The median wealth of White households grew three times more in real dollars (\$46,700), than that of Black households (\$16,200). The median wealth of Hispanic households gained \$25,800, about half of the median wealth gain of White households. The pandemic has further increased these wealth gaps.

**White Families' Net Worth in 2019 Was Over Seven and Five Times that of Black and Hispanic Families'**  
Median Family Net Worth, 1989-2019, in 2019 Dollars



Source: Federal Reserve 2019 Survey of Consumer Finances, Table 4, "Family net worth, by selected characteristics of families, 1989–2019 surveys." "White" and "Black" refer to non-Hispanic White and Black.

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## New research and reports

- The Joint Economic Committee released [\*The Economic State of the Hispanic Community in America\*](#), which includes examination of the impact of the coronavirus and the important role of the Hispanic community in re-building the economy after the pandemic.
- The Joint Economic Committee Democratic staff released [\*The Economic Impact of America's Failure to Contain the Coronavirus\*](#), following a recent hearing on the same topic. The detailed fact sheet aggregates the most important information and includes extensive links to key sources.
- A report from the Brookings Institution finds that [access to Paycheck Protection Program \(PPP\) loans differed greatly based on neighborhood demographics](#). It shows that small businesses in majority-White neighborhoods received PPP loan funds more quickly than small businesses in majority-Black or majority-Hispanic/Latino neighborhoods.
- The CEO Caucus Survey conducted by the Chief Executive Leadership Institute at the Yale School of Management finds that [55% of business leaders gave President Trump a failing grade of F](#) for his handling of the COVID-19 pandemic; 84% of those surveyed also said that the Trump administration's response to the crisis had hurt their businesses.

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## Recommended reading

- [“The Covid-19 Recession is the Most Unequal in Modern U.S. History,”](#) *The Washington Post*
- [“We Can End America's Unemployment Nightmare,”](#) *Vox*
- [“Housekeepers Face a Disaster Generations in the Making,”](#) *The New York Times*
- [“Juggling Financial Stress and Caregiving, Parents are 'Very Not OK' in the Pandemic,”](#) *NPR*

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## What to watch next week

- *Tuesday*: The Bureau of Labor Statistics releases the [Job Openings and Labor Turnover Survey \(JOLTS\)](#) for August. Census releases [U.S. International Trade in Goods and Services](#) for August.
- *Thursday*: The Department of Labor releases [initial jobless claims](#).
- For a more comprehensive list see the *Marketwatch* [U.S. Economic Calendar](#).

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## Selected JEC resources

- [\*The Economic State of the Hispanic Community in America\*](#)
- [\*The Economic Impact of America's Failure to Contain the Coronavirus\*](#)
- [\*We Need to Save Child Care Before It's Too Late\*](#)
- [\*The U.S. Economy by the Numbers\*](#)

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