



## ECONOMIC UPDATE

September 25, 2020

### Quote of the week

“...nations who did a better job controlling the virus have had smaller hits to their economies and are currently suffering less than those countries who have done a poorer job.”

— [Ashish K. Jha](#), Dean of Brown University's School of Public Health

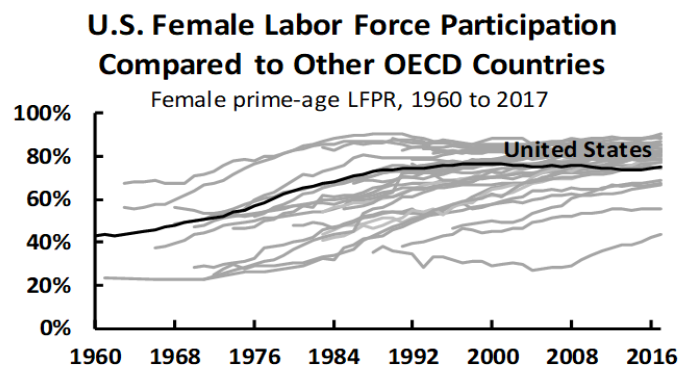
### What you need to know

- [Federal Reserve Chair Jerome Powell emphasized the importance of additional fiscal support from Congress](#) in ensuring the U.S. economy can recover from the current downturn.
- Nearly half (383) of the approximately 800 companies which received assistance from the Federal Reserve through corporate bond purchases, [have paid dividends to their shareholders](#), including 95 that laid off a total of more than a million workers.
- Over [824K American workers filed new unemployment claims](#), for the week ending Sept. 19, which is more than four and a half times the number of claims filed during the comparable week in 2019. Over 26 million Americans currently are receiving unemployment benefits.
- In a recent survey, [42% of U.S. CEOs predicted a slow \(U-shaped\) economic recovery in the third quarter](#); 26% said there would be stagnation and almost a quarter (23%) believed the U.S. economy will experience a second contraction.
- [Around one-third of adults surveyed said they or someone in their household had to take a pay cut](#) due to the pandemic; 60% who experienced this said they earn less than before COVID-19.

### Chart of the week

Between its 2000 peak and February 2020, U.S. women's labor force participation has fallen behind other industrialized countries. This is largely due to more-favorable family policies in other OECD countries and higher levels of public spending on child care.

To aid the U.S. economic recovery, [it is important to ensure that child care providers remain in business](#) so that American women are not forced to leave the labor force to take care of their children.



Source: OECD Labour Force Statistics by sex and age  
Note: Prime-age includes persons aged 25 to 54.

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## New research and reports

- The Joint Economic Committee report [We Need to Save Child Care Before It's Too Late](#) examines how the coronavirus pandemic has damaged the child care industry and how forcing parents, especially mothers, to choose between going to work and taking care of their child could significantly hinder the U.S. economic recovery.
- In its [Update on the Economic Well-Being of U.S. Households](#) the Federal Reserve found that the percentage of permanent job losses have more than tripled since March 2020: of workers who reported being laid off since March 2020, 22% of those surveyed in July said they did not expect to return to their previous job, compared to only 7% of those surveyed in April.
- A report from Citigroup found that since 2000, [U.S. GDP has lost \\$16 trillion](#) as a result of discrimination against African Americans in areas ranging from education to access to business loans.

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## Recommended reading

- [“Economists Spanning Spectrum Say Recovery Depends on Containing Virus,”](#) *The Hill*
- [“The Future of the Economy Hinges on Child Care,”](#) *Vox*
- [“Two Hundred Thousand Americans Are Dead,”](#) *The New Yorker*
- [“Trump is Now on the Record about the Threat Posed by the Coronavirus. The US Must Act,”](#) *The Boston Globe* via *MSN News*

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## What to watch next week

- *Tuesday:* The Conference Board releases the [Consumer Confidence Index](#) for September.
- *Thursday:* The Department of Labor releases [initial jobless claims](#). The Bureau of Economic Analysis releases the [Personal Consumption Expenditures Price Index](#) and [Consumer Spending](#) data for August.
- *Friday:* The most important economic report this week: the Bureau of Labor Statistics releases the [Employment Situation](#) for September, the last report before Election Day.
- For a more comprehensive list see the *Marketwatch* [U.S. Economic Calendar](#).

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## Selected JEC resources

- [We Need to Save Child Care Before It's Too Late](#)
- [The U.S. Economy by the Numbers](#)
- [Why Americans Celebrate Labor Day](#)
- [Retirement Insecurity](#)

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