



ECONOMIC UPDATE

October 13, 2020

Quote of the week

“We’re going to continue to see a grinding, very slow recovery, with thousands of small businesses around the country going bankrupt.”

—[Neel Kashkari](#), President of the Federal Reserve Bank of Minneapolis

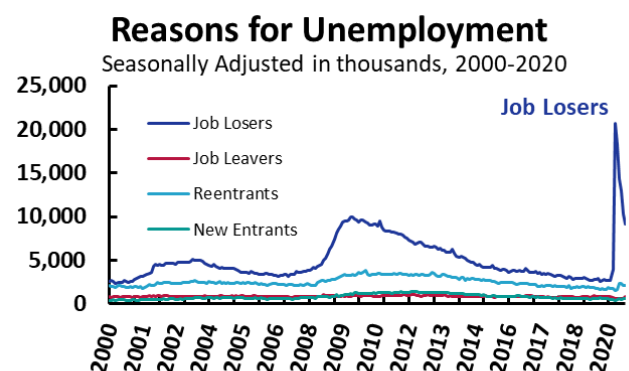
What you need to know

- Federal Reserve Chairman Jerome Powell said in a speech to business economists that if Congress fails to provide additional support [it could cause “tragic” risks to the economy](#). “I would argue that the risks of policy intervention are still asymmetric,” he said. “Too little support would lead to a weak recovery, creating unnecessary hardship.”
- Minutes of the most recent Federal Reserve Open Market Committee meeting show that [the Fed’s more optimistic economic outlook assumed passage of additional fiscal support](#) for American families and businesses.
- Almost [32% of Americans reported having difficulty](#) covering usual household expenses.
- [Americans who have not received their economic impact payments from the IRS may have to wait until 2021](#) in spite of the December 31 deadline set by the CARES Act.
- More than 50% of economists recently surveyed believe that the [U.S. job market will not recover all of the lost jobs](#) from the coronavirus recession until at least 2023.

Chart of the week

In September, over 9 million Americans cited job loss as their reason for unemployment, 11 times the number of workers (801K) who are unemployed due to voluntarily leaving a job.

Due to challenges facing businesses, there are not enough jobs for those who want to work, with more than [4 unemployed workers for every job opening in August](#). As businesses continue to suffer, it is likely that the number of “job losers” will remain at elevated levels.



Source: Bureau of Labor Statistics

New research and reports

- New research from Zillow finds that more women than men are experiencing housing insecurity during the current recession, due to higher levels of unemployment and sacrificing work hours to shoulder child care responsibilities; [45% of households headed by a female renter spend more than 30% of their income](#) on housing costs compared to 36% of those headed by a male renter.
- Research from the Center on Budget and Policy Priorities finds that employment in state and local government remains depressed; [there were 1.2 million fewer state and local employees in September than in February](#) on a seasonally adjusted basis.
- New data from the Federal Reserve find that [the 50 richest people in the United States are worth nearly \\$2 trillion](#), which is almost the same amount (\$2.08 trillion) held by the 165 million Americans who make up the bottom 50%.

Recommended reading

- [“Moms, Black Americans and Educators Are in Trouble as Economic Recovery Slows,”](#) *The Washington Post*
- [“The Paycheck Protection Program Failed Many Black-owned Businesses,”](#) *Vox*
- [“Mothers’ Careers Are at Extraordinary Risk Right Now,”](#) *The Atlantic*
- [“The Pandemic Depression Is Over. The Pandemic Recession Has Just Begun.”](#) *New York Times*

What to watch during the week

- *Tuesday*: The Bureau of Labor Statistics releases the [Consumer Price Index](#) for September.
- *Thursday*: The Department of Labor releases [initial jobless claims](#).
- *Friday*: Census releases [Advance Monthly Retail Trade Report](#) for September. The University of Michigan releases preliminary data for the October [Consumer Sentiment Index](#).
- For a more comprehensive list see the *Marketwatch* [U.S. Economic Calendar](#).

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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