

Coronavirus Crisis

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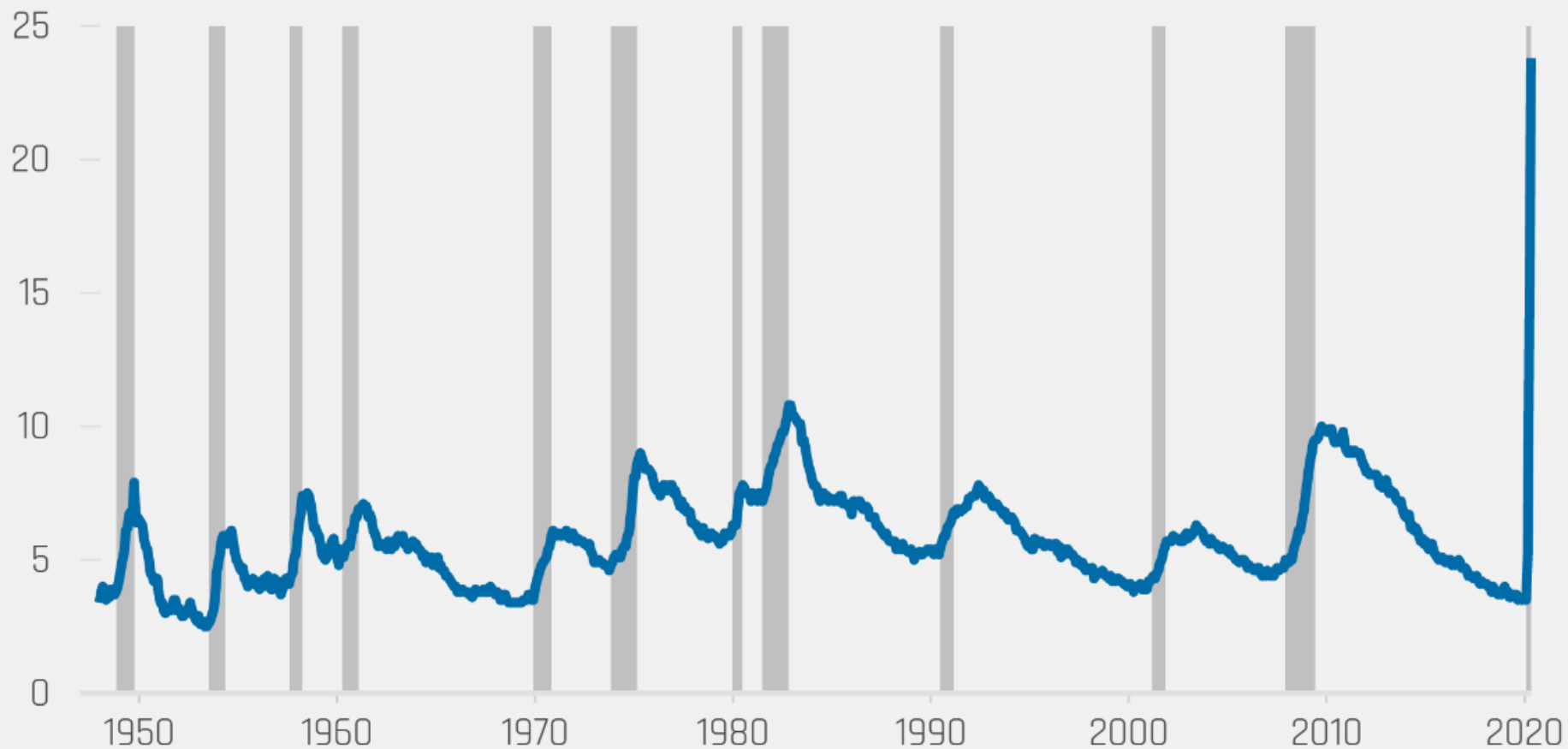
May 13, 2020

Today, coming months, and coming years?

- **Today:** We are living in a public health crisis and a severe recession—unlike anything we have known for generations.
- **Coming Months:** Health experts' ability to make us safe will shape what happens next. Our lives will be one step forward two steps back.
- **Coming Years:** Cleaning up will be hard, and recovery will likely be slow. In fact, the long-term economic outlook could be persistently bad.

U.S. unemployment today is at absolutely tragic highs

National unemployment rate, January 1948 to May 2, 2020



Source: "Unemployment Rate," available at <https://www.bls.gov/news.release/empsit.a.htm>, except May, author's estimate.

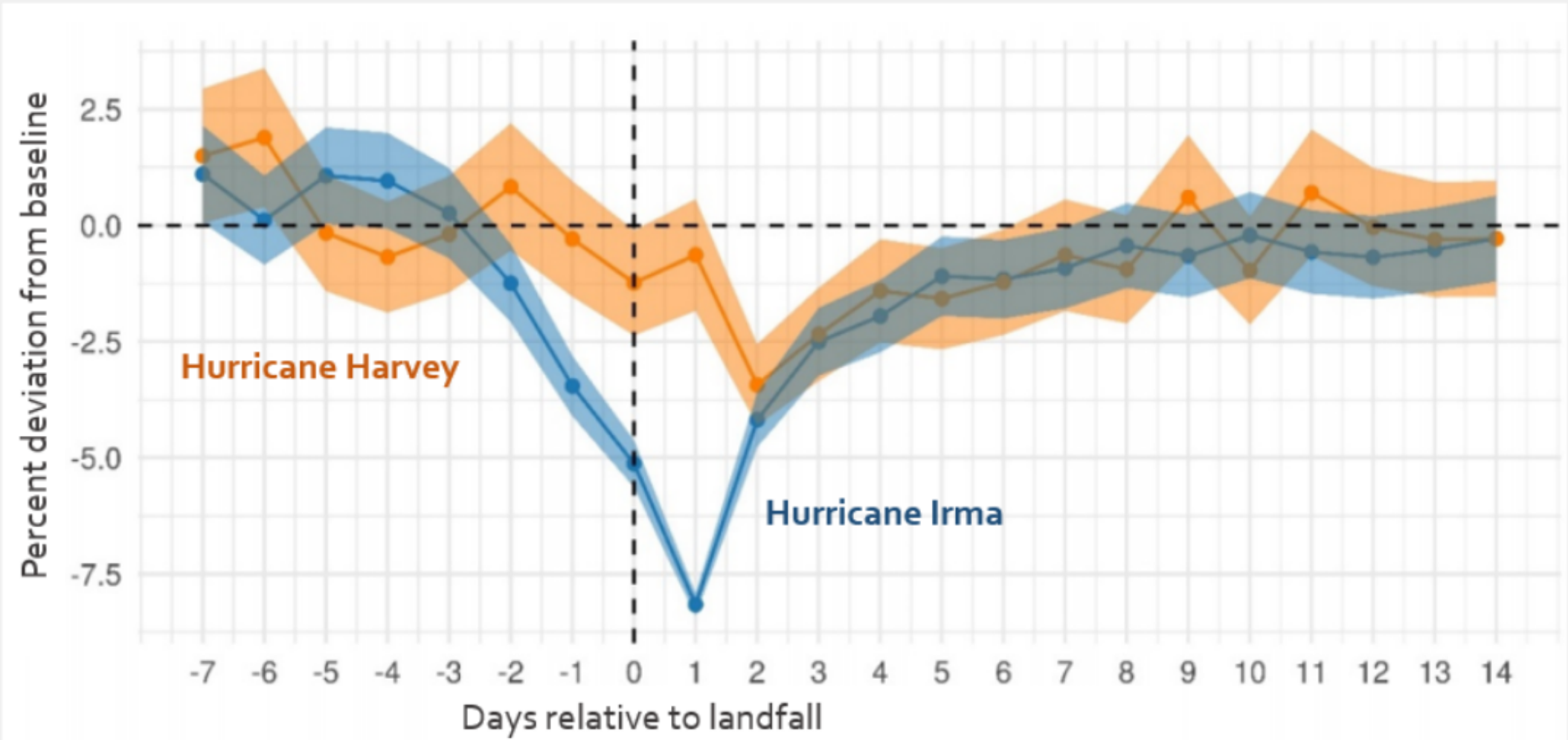
Note: Shaded areas are recessions from the National Bureau of Economic Research, except 2020, author's estimate.

We know what works and how to do it

- Countless researchers have **studied our economy from Great Depression to Great Recession**. Volumes have been written.
- *Recession Ready* from Equitable Growth and Hamilton Project offers **many ideas for today, using evidence and research**.
- None of the lessons from the past matter, if policymakers do not apply them today. **Actions and money matter**.

Disruptions in hurricanes similar to in the coronavirus recession

Decline in daily, U.S. retail sales during Hurricanes Harvey and Irma



Source: Aladangady, Aron-Dine, Dunn, Feiveson, Lengermann, Sahm. <https://www.federalreserve.gov/econres/feds/files/2019057pap.pdf>

How to get back on track in the coming years?

- Everything Congress and the Federal Reserve is doing for the economy is **about helping families get back on their feet.**
- Damage from a depression lasts generations unless policymakers actively fight back. **Policymakers must fight for everyone.**
- Congress must get **more relief out immediately.** And they must **commit to continue all the relief until we win.**

How does Congress commit?

- **Pass legislation to continue relief**—better jobless benefits, more food stamps, and money to states—until people are back to work.
- Do not pass relief for six months or a year. **Do it until people are at work.** Then slowly wind down the extra support.
- Keep it simple. **Continue relief until unemployment is back to 5%, no matter what it costs. We are worth it.**