1. GDP

Last week’s GDP release showed that, despite growth, the economy is still smaller than it was pre-pandemic. The economy has only recovered by approximately 60 percent, and we have 10 million fewer jobs than before the start of the public health crisis. And these are not the only indicators suggesting we’re still in an economic crisis. Though last week’s GDP numbers may indicate that the economy is on the track to recovery— we can’t forget: this measure doesn’t track the well-being of most Americans. A question we all must ask ourselves during this period – in which unemployment remains in the double digits for people of color, one in seven households with children are lacking sufficient food and over 8 million additional people have slipped into poverty – is: growth for who?

Further, this increase in GDP doesn’t tell us the full story of what’s facing most workers and families because this aggregate measure does not account for differences across income groups. Research shows that middle and low-income households have seen slower rises in income, or none at all, compared to GDP growth. Most of the economic growth in past decades has flowed to higher income households and the 1%, deepening inequality in the U.S. This is why it’s critical to talk not only about the size of the pie, but also how the pie is distributed. Doing so will paint a more accurate picture of what working people and families across the country are facing and help to develop policy solutions to close these gaps and get all of us out of this crisis.
2. AGGREGATE EMPLOYMENT LEVELS

The unemployment rate is now 7.9%— the highest rate we’ve seen in the nearly 8 months before the current crisis. This rate remains in the double digits for communities of color. And we’re still down roughly half, or 10.7 million, jobs since the start of this crisis. This crisis is far from over. Moreover, last month’s employment release showed us that job growth is decelerating. Permanent job losses continue to rise sharply and the number of those who are long-term unemployed (more 26 weeks) jumped by 780,000 to 2.4 million — the highest since the beginning of 2015.

3. UNEMPLOYMENT

Trump is going to try to take credit for the overall unemployment rate going down, but it is still the highest unemployment rate seen in nearly a decade - and his actions and policies have undermined any potential recovery from this crisis. As mentioned above, rates of unemployment remain higher for communities of color. Black men for example are facing an unemployment rate of 12.6 percent, over six percentage points higher than the rate facing white men. Last month, Hispanic or Latino women’s unemployment rates actually increased by 0.5 percentage points to 11 percent. It’s also important to note that the drop in the overall unemployment rate is likely linked in part to a shrinking labor force given that the labor force participation rate decreased last month. Further, the headline unemployment rate does not account for people working part-time involuntarily and those who recently stopped searching for work or are otherwise marginally attached to the labor force – if it did, the numbers would be much higher – we’ll dig into this more in the following section.

4. UNDEREMPLOYMENT VS UNEMPLOYMENT

The unemployment rate is an incomplete measure that does not capture the economic hardship of those only marginally attached to the labor market and those working part-time but would like full time hours. If we were to consider these workers the rate would be nearly 13 percent – and we’re seven months into this crisis. Even the most expansive BLS measure of underemployment doesn’t go as far as it could. In recent analysis from the Center for Law and Social Policy the authors created a broader measure of part-time worker underemployment, that includes any part-time worker who would prefer more work hours. Using this more inclusive measure the underemployment rate would be twice the rate that is currently captured by the BLS’s narrower measure.
5. SHE-CESSION

Women have disproportionately suffered pandemic-related job losses since the start of this crisis. In fact, women’s employment and labor force participation rates have both fallen to levels not seen since 1986. 865,000 women were forced out of the labor market between August and September compared to the 216,000 men. The caregiving crisis intensified by the pandemic has forced women to choose between employment and care work. For those that remain attached to the labor market, Black, Latinas, young women, and women with disabilities all have double digit unemployment rates.

**WOMEN’S UNEMPLOYMENT RATES, SEPTEMBER 2020**