
US: 3.2 Mill. More File for Jobless Benefits, Figures High

By: Telesur
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Unemployed U.S. workers filed 3.2 million new claims for jobless benefits last week as the coronavirus pandemic continued to ravage the world's largest economy.

The data suggests that layoffs broadened from consumer-facing industries to other segments of the economy and could remain elevated even as many parts of the country start to reopen.

The deepening economic crisis triggered by nationwide lockdowns to slow the spread of the novel coronavirus was underscored by other data on Thursday showing worker productivity fell at its fastest pace in more than four years in the first quarter amid the most significant drop in hours since 2009.

The latest data from the Labor Department brings the number of claims filed since mid-March, when the pandemic forced businesses to close their doors due to the virus, to 33.5 million -- a number unprecedented in modern times.

However, the total first-time filers (3.2 million) in the week ended May 2 declined from the week prior, indicating the surge in job losses that followed has passed its peak.

"Absolute numbers remain horrible/worrisome," Mohamed El-Erian, chief economic advisor at Allianz, wrote on Twitter, but he noted that the pace of the job losses is "moderating."

The U.S. is home to the world's largest and deadliest coronavirus outbreak, with over 73,095 deaths and 1,227,430 cases reported as of Wednesday, according to Johns Hopkins University.

The weekly jobless claims figures have offered a real-time window into the economic damage wrought by the pandemic, and many analysts believe the U.S. already is in a deep recession.

The picture will be further revealed Friday when the Labor Department releases unemployment data for April --the first report to cover the weeks when the lockdowns were in full force.

The monthly report is expected to show job losses of more than 20 million, with some economists saying it could be near 30 million, and the unemployment rate skyrocketing to perhaps 20 percent, a drastic change from its historic low level of 3.5 percent in February before the virus arrived.

"The U.S. labor market is in the worst position since the Great Depression and is unlikely to improve sustainably anytime soon," Ron Temple, head of U.S. equities at Lazard Asset Management in New York, said. "Premature efforts to reopen economies undermine our progress in controlling the pandemic and risk extending the duration of the downturn."

For his part, Joel Naroff, chief economist at Naroff Economics in Holland, Pennsylvania, said that "the pace of new claims for unemployment is slowing, but remains at levels unimaginable just a few months ago."

"Even with the economy slowly starting to reopen, the number of unemployed should continue to rise sharply as governments, as well as businesses that have tried but not succeeded at holding the line, are now laying off workers," he added.

Meanwhile, expectations from other economists speak of a slow rebound in the economy after gross domestic product slumped in the first quarter at the steepest pace since the 2007-09 Great Recession. They even say that

this economic routing could hurt President Donald Trump's bid for a second term in the White House in November's election.
