



One in 10 Americans Out of Work; That Number Likely to Grow

[The latest report from the Labor Department](#) on Thursday showed that 6.6 million people filed for unemployment insurance the week ending April 4. Forecasters were predicting 6 million.

The report also adjusted upward the number reported the previous week, to 6.9 million. Added to the claims filed the week before that, 17.6 million Americans are now out of work as a result of the coronavirus shutdown.



And that number is very likely much too low as the states' unemployment offices have been buried with new claims that haven't been processed yet.

Two questions are surfacing: Just how bad is it likely to get? And how long will it last?

Here is how bad it is at the moment:

The unemployment rate, when it finally bottoms out, will likely exceed 20 percent, close to the numbers recorded at the bottom of the Great Depression.

The gross domestic product from the once-thriving U.S. economy will likely shrink by a third in the second quarter. For the year GDP is likely to drop by five percent compared to last year.

Traffic at retail businesses has dropped by 97 percent.

The number of airline passengers has plunged 95 percent.

Hotel revenue has tumbled 80 percent.

Some 57 economists surveyed by the *Wall Street Journal* from April 3 through April 7 provide a possible answer to the second question. After suffering a 20-percent unemployment rate in April and May, it will drop back to 13 percent in June and 10 percent in December.

Nearly all of them predict that the growth rate of the economy on an annualized basis for the third quarter will be a plus 6.2 percent and 6.6 percent in the fourth quarter, reflecting an expected turnaround in the economy by then.

For 2021, they expect the economy to be nearly all the way back, with most of them predicting a full-year growth rate of more than five percent.

Half of them are suggesting a "U"-shaped recovery, with the economy finding a bottom during the summer and then accelerating into the fall. Few are predicting a "V"-shaped recovery, while none of them are forecasting the much more likely "Swoosh"-shaped recovery, which would indicate, as *The New American* opined on Tuesday: "The economy was pushed off a cliff. It's going to take a while for it to climb back up."



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