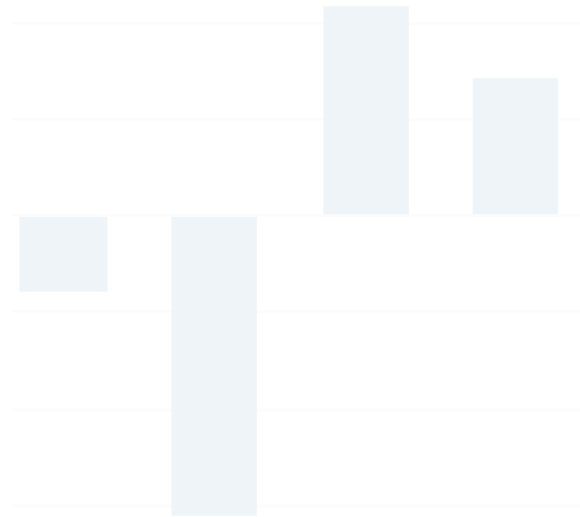


Restoring the US Economy

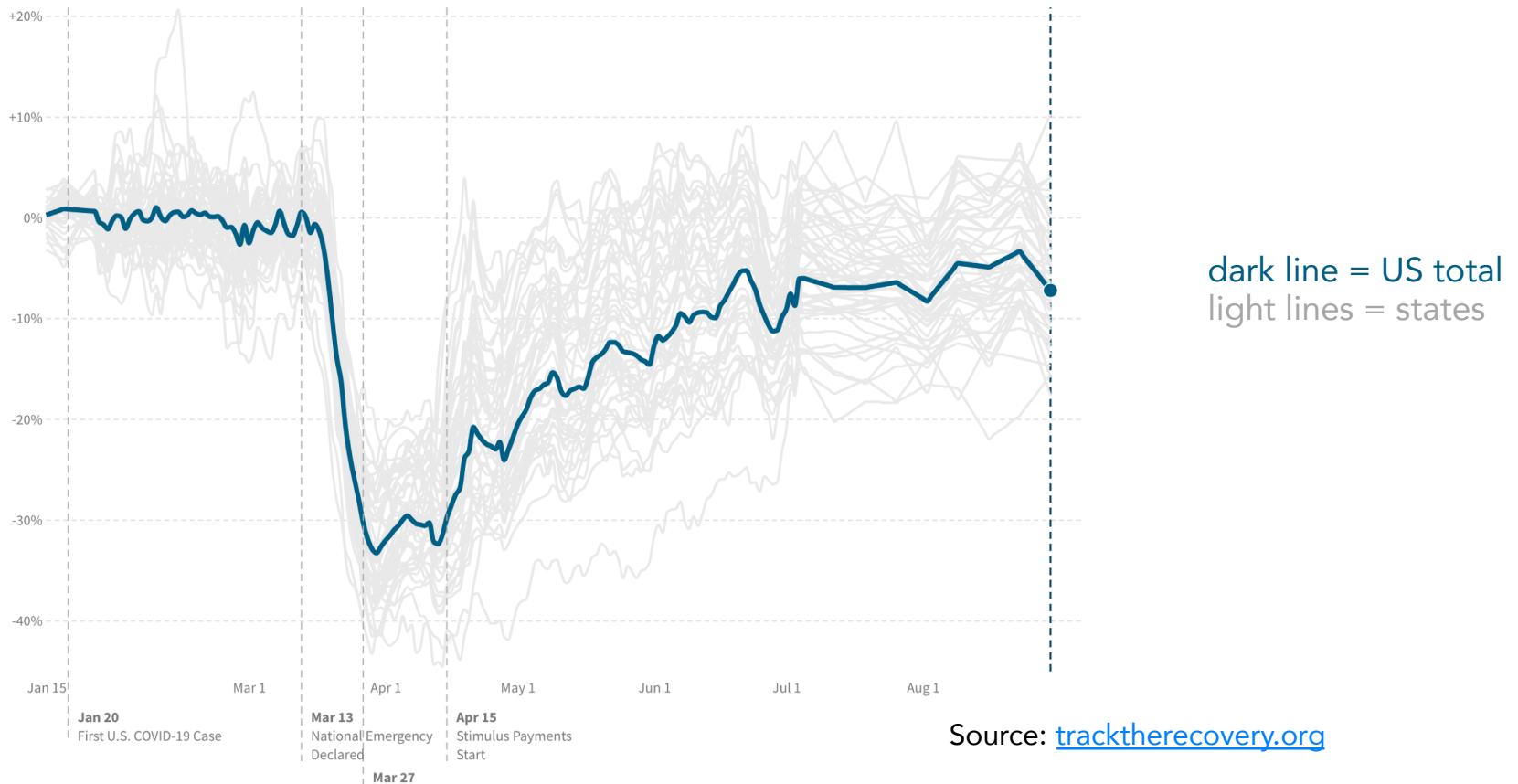


Karen Dynan
Harvard University

Kauffman Mayors Conference
September 17, 2020

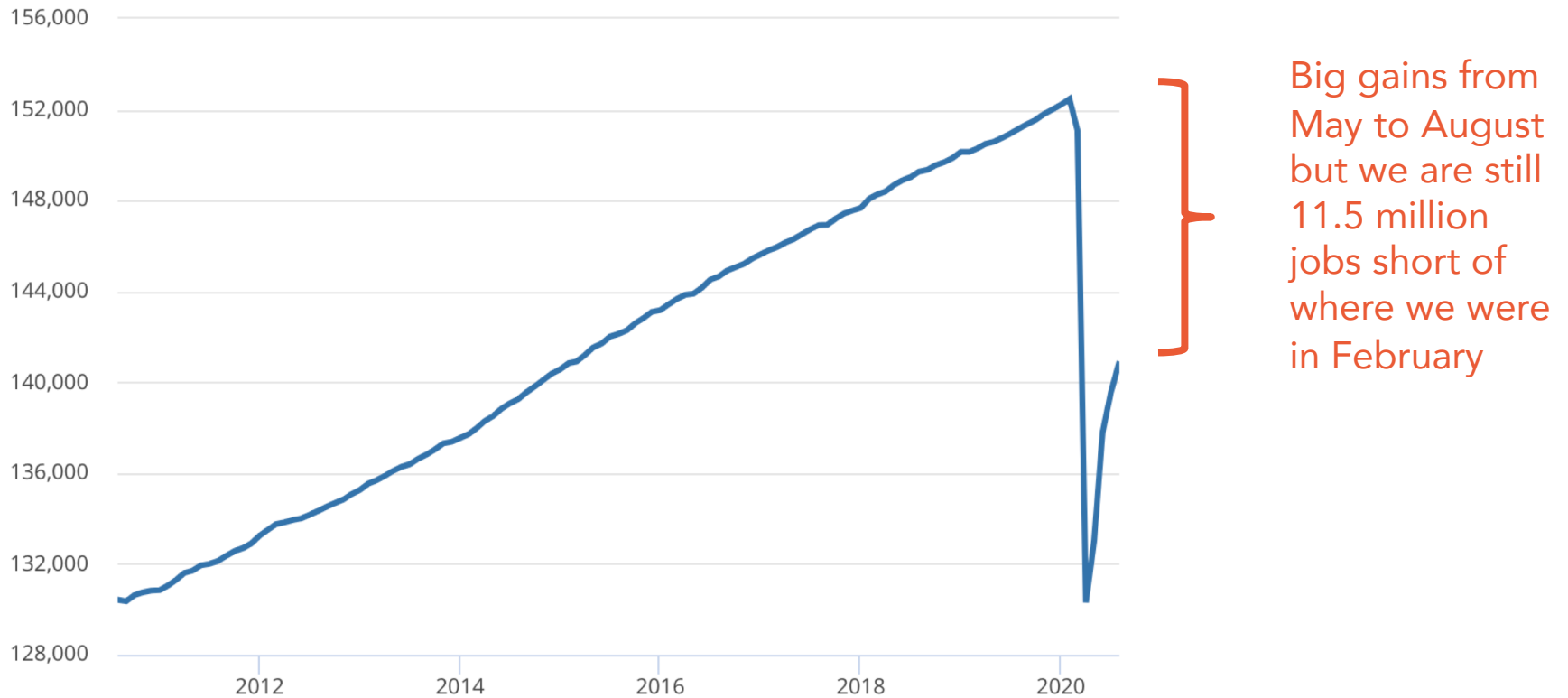
The US economy is in recovery, everywhere

% Change in Consumer Spending since January 20



But the recovery is only partial

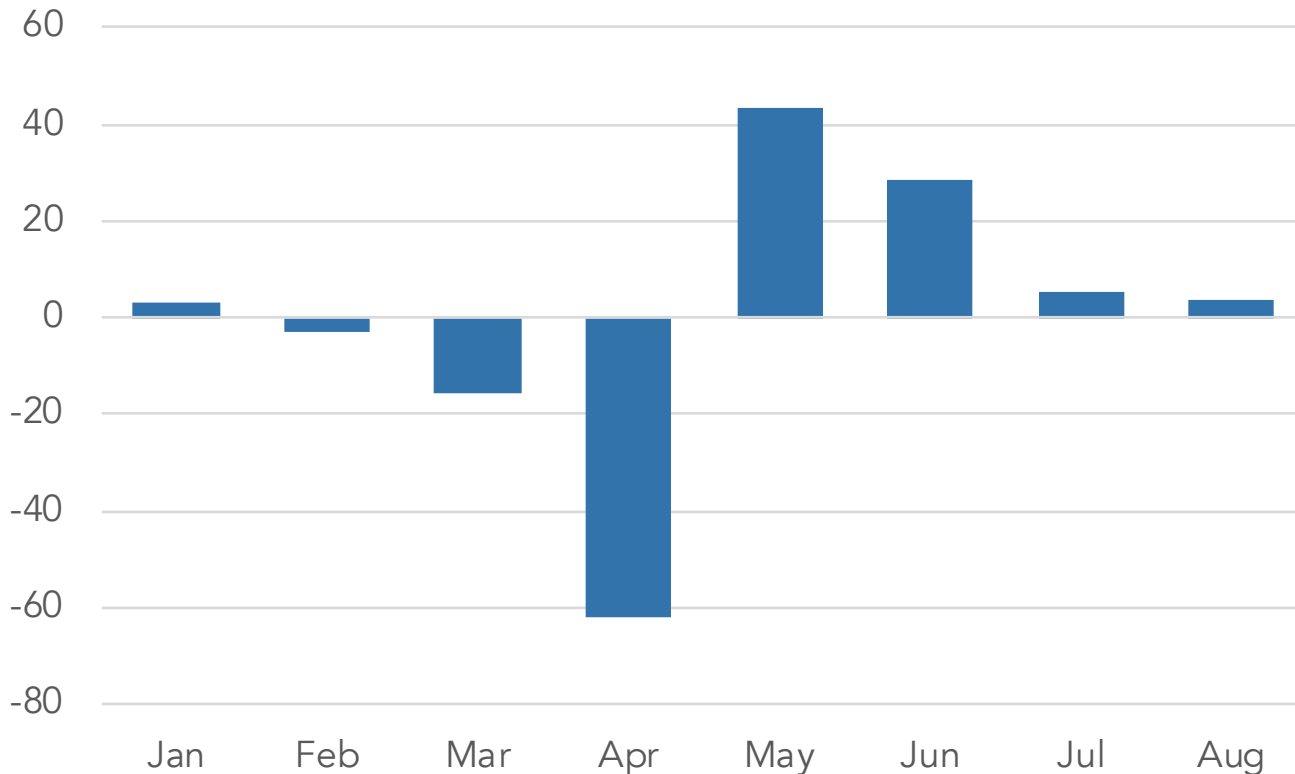
Nonfarm Payrolls (thousands)



Source: US Labor Department via [FRED](#)

And the pace of recovery is slowing

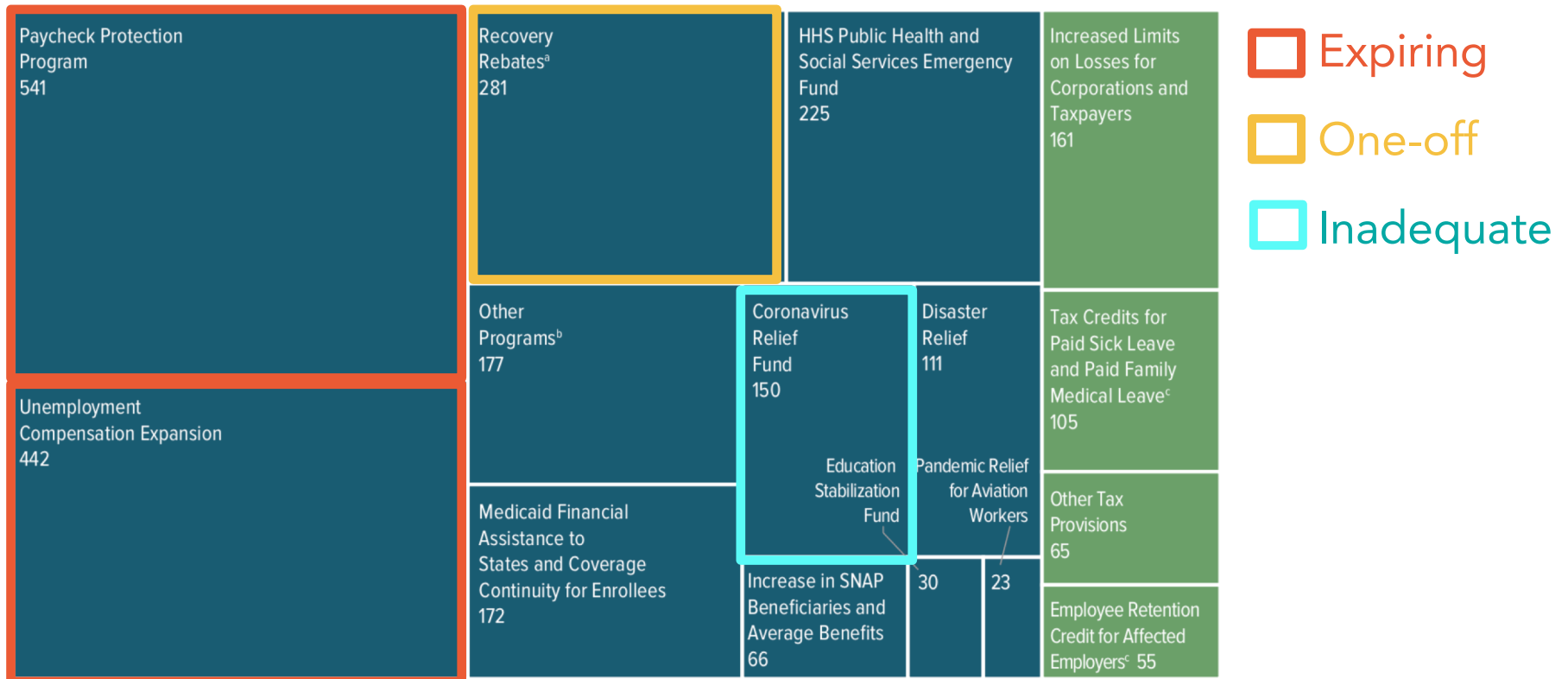
Change in Core Retail Sales* (billions of dollars)



* Retailers and food service businesses excluding auto dealers and building material stores
Source: US Census Bureau via FRED ([here](#) and [here](#))

The recovery is also fragile

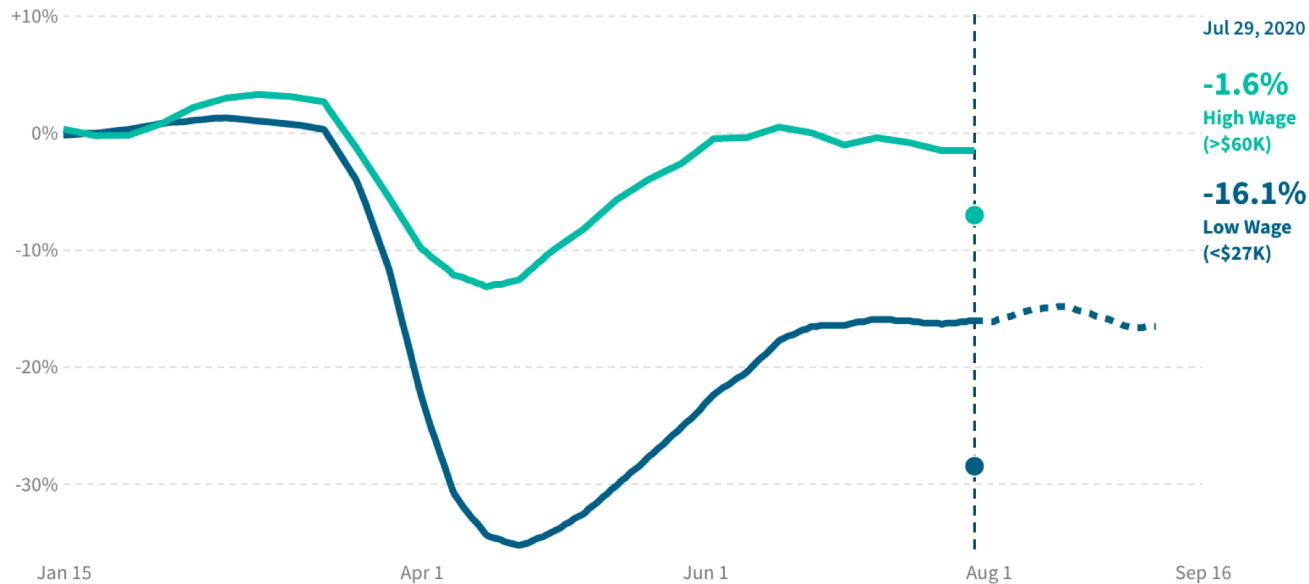
Federal Spending and Tax Measures to Address COVID Fallout
Billions of dollars



Screenshot from [CBO](#) (2020)

And the recovery is uneven

Change in Employment Rates Relative to January 2020



The recession was pretty much over for high-wage workers by early summer

Priorities for the economy

1. Protect public health
2. Sustain businesses that have long-term viability
3. Direct resources toward relieving hardship

Thank you!