

**THE UNEMPLOYMENT PANDEMIC:
ADDRESSING AMERICA'S JOBS CRISIS**

HEARING

BEFORE THE
SELECT SUBCOMMITTEE ON THE CORONAVIRUS
CRISIS
OF THE
COMMITTEE ON OVERSIGHT AND
REFORM

HOUSE OF REPRESENTATIVES

ONE HUNDRED SIXTEENTH CONGRESS

SECOND SESSION

JUNE 18, 2020

Serial No. 116-98

Printed for the use of the Committee on Oversight and Reform



Available on: *<http://www.govinfo.gov>,*
oversight.house.gov or
docs.house.gov

U.S. GOVERNMENT PUBLISHING OFFICE

41-891 PDF

WASHINGTON : 2020

COMMITTEE ON OVERSIGHT AND REFORM

CAROLYN B. MALONEY, New York, *Chairwoman*

| | |
|---|---|
| ELEANOR HOLMES NORTON, District of Columbia | JIM JORDAN, Ohio <i>Ranking Minority Member</i> |
| WM. LACY CLAY, Missouri | PAUL A. GOSAR, Arizona |
| STEPHEN F. LYNCH, Massachusetts | VIRGINIA FOXX, North Carolina |
| JIM COOPER, Tennessee | THOMAS MASSIE, Kentucky |
| GERALD E. CONNOLLY, Virginia | JODY B. HICE, Georgia |
| RAJA KRISHNAMOORTHY, Illinois | GLENN GROTHMAN, Wisconsin |
| JAMIE RASKIN, Maryland | JAMES COMER, Kentucky, |
| HARLEY ROUDA, California | MICHAEL CLOUD, Texas |
| RO KHANNA, California | BOB GIBBS, Ohio |
| KWEISI MFUME, Maryland | CLAY HIGGINS, Louisiana |
| DEBBIE WASSERMAN SCHULTZ, Florida | RALPH NORMAN, South Carolina |
| JOHN P. SARBANES, Maryland | CHIP ROY, Texas |
| PETER WELCH, Vermont | CAROL D. MILLER, West Virginia |
| JACKIE SPEIER, California | MARK E. GREEN, Tennessee |
| ROBIN L. KELLY, Illinois | KELLY ARMSTRONG, North Dakota |
| MARK DESAULNIER, California | W. GREGORY STEUBE, Florida |
| BRENDA L. LAWRENCE, Michigan | FRED KELLER, Pennsylvania |
| STACEY E. PLASKETT, Virgin Islands | |
| JIMMY GOMEZ, California | |
| ALEXANDRIA OCASIO-CORTEZ, New York | |
| AYANNA PRESSLEY, Massachusetts | |
| RASHIDA TLAIB, Michigan | |
| KATIE PORTER, California | |

DAVID HICKTON, *Select Subcommittee Staff Director*

RUSS ANELLO, *Chief Oversight Counsel*

SENAM OKPATAH, *Clerk*

CONTACT NUMBER: 202-225-5051

CHRISTOPHER HIXON, *Minority Staff Director*

SELECT SUBCOMMITTEE ON THE CORONAVIRUS CRISIS

JAMES E. CLYBURN, South Carolina, *Chairman*

| | |
|------------------------------|--|
| MAXINE WATERS, California | STEVE SCALISE, Louisiana, <i>Ranking Minority Member</i> |
| CAROLYN B. MALONEY, New York | |
| NYDIA M. VELÁZQUEZ, New York | JIM JORDAN, Ohio |
| BILL FOSTER, Illinois | BLAINE LUETKEMEYER, Missouri |
| JAMIE RASKIN, Maryland | JACKIE WALORSKI, Indiana |
| ANDY KIM, New Jersey | MARK E. GREEN, Tennessee |

C O N T E N T S

| | |
|--|-----------|
| Hearing held on June 18, 2020 | Page 1 |
| WITNESSES | |
| William E. Spriggs, PhD, Chief Economist, AFL-CIO, Professor, Department of Economics, Howard University Oral Statement | 5 |
| Michele Evermore, Senior Researcher and Policy Analyst, National Employ- ment Law Project Oral Statement | 7 |
| Rachel Greszler, Research Fellow in Economics, Budget and Entitlements at the Heritage Foundation Oral Statement | 9 |
| Jason Furman, PhD, Professor, Harvard Kennedy School of Government and Department of Economics at Harvard University Oral Statement | 11 |
| <i>Written opening statements and the written statements of the witnesses are available on the U.S. House of Representatives Document Repository at: docs.house.gov.</i> | |

INDEX OF DOCUMENTS

*Documents entered into the record during this hearing and Questions for
the Record (QFR's) are listed below / available at: docs.house.gov.*

* *Politico*, "GOP Memo Urges Anti-China Assault Over CoronaVirus", arti-
cle; submitted by Rep. Raskin.

* *CNN Politics*, "The Many Times Trump Has Praised China's Handling
of the Coronavirus Pandemic", article; submitted by Rep. Raskin.

* *The New York Times* "Bolton Book Says Trump's Offenses Exceed
Ukraine", article; submitted by Rep. Raskin.

THE UNEMPLOYMENT PANDEMIC: ADDRESSING AMERICA'S JOBS CRISIS

Thursday, June 18, 2020

HOUSE OF REPRESENTATIVES
SELECT SUBCOMMITTEE ON THE CORONAVIRUS CRISIS
COMMITTEE ON OVERSIGHT AND REFORM
Washington, D.C.

The subcommittee met, pursuant to notice, at 12:07 p.m., via WebEx, Hon. James E. Clyburn (chairman of the subcommittee) presiding.

Present: Representatives Clyburn, Waters, Maloney, Velázquez, Foster, Raskin, Kim, Scalise, Jordan, Luetkemeyer, Walorski, and Green.

Mr. CLYBURN. The committee will come to order.

Without objection, the Chair is authorized to declare a recess of the committee at any time. I now recognize myself for an opening statement.

Today, the select subcommittee is holding our first official hearing which builds on the productive committee work briefings we have held over the last several weeks. Today's hearing will address the catastrophic levels of unemployment the American people are facing.

Our Nation's job crisis is a direct result of a public health crisis. As the virus spread throughout our communities in January and February, we failed to control it, leading to an unprecedented outbreak that has killed more people in the United States than in any other nation on Earth.

By March, only drastic measures could slow the spread, and states were forced to shut down, severely limiting economic activity. The result has been the worst unemployment in more than 80 years. More than 45 million Americans have lost their jobs in just a few months, jobs that they relied on for their incomes, their health insurance, and their sense of security.

This jobs crisis has not hurt all Americans equally. The burden has fallen hardest on those who can least afford it, people earning the lowest wages and with the least wealth. This disproportionately includes women, African Americans, and other people of color. According to a Federal Reserve survey, nearly 40 percent of those earning \$40,000 a year or less experienced job loss in March and early April.

Today, many states are trying to reopen and put people back to work. But without a nationwide plan to stop the virus, nearly half of the states are now facing climbing rates of infections. Some cities, like Houston, Texas, are considering closing businesses again

to protect their residents. In other areas that have reopened, economic activity is still far below normal, as many people remain rightly concerned about the virus.

So, the jobs crisis is far from over. I was pleased to see an uptick in jobs in May, but we are still facing an unemployment rate worse than anything this country has faced since the Great Depression.

Just last week, 1.5 million Americans applied for unemployment benefits for the first time. One-third of the jobless are still waiting to receive the unemployment benefits for which they applied.

If there is one piece of positive news today, it is that Congress acted and it worked. We came together on a bipartisan basis to provide enhanced unemployment benefits in the CARES Act in an effort to stave off an even worse economic decline.

But with those benefits set to expire next month and millions still out of work, Congress once again must act to extend these benefits. These \$600 a week are standing between many American families and financial ruin. And let's be clear: If millions of Americans cannot afford to buy groceries or pay their mortgages, it will only cause a humanitarian disaster, but it also risks a broader economic collapse.

In the long term, we can only resolve the unemployment crisis if we first address the public health crisis with a strong national plan for testing, tracing, isolation, and treatment. Only then will businesses and communities be able to reopen in a safe and sustained way.

As the Federal Reserve reported last week, prospects for the unemployed, and I quote here, will largely depend on the course of the COVID-19 outbreak and on actions taken to halt its spread, end of quote. I couldn't agree more.

Now, some have advanced a different view. The White House has asserted that the economy is at a turning point and is now in the recovery stage. Unfortunately, the administration is refusing to release economic projections that every modern President, both Democrats and Republicans, has provided to Congress.

Today, I wrote to the White House, the Treasury, and the Office of Management and Budget and asked of them to release this information so we can work together on bipartisan solutions to help struggling Americans and prevent further economic damage.

That brings us to today's hearing. The question we will ask our witnesses is how to meet the urgent needs of the 45 million unemployed while also rebuilding our economy to put these Americans back to work in the future. As we discuss this important issue, I implore my colleagues to keep in mind that these numbers and statistics represent Americans. They represent mothers and fathers supporting their children, workers in our local shops and restaurants, and our neighbors and friends. We need a plan that recognizes that the only way to protect their livelihoods is to protect their lives.

I will now yield to my friend, the distinguished ranking member, Mr. Scalise, for his opening statement.

Mr. SCALISE. Thank you, Mr. Chairman.

I want to start off by first expressing my condolences to two of our colleagues, Jim Sensenbrenner, who recently lost his wife Cheryl, and of course Andy Barr, very shocking loss of his wife

Carol just a few days ago. We send our prayers and our love and support to them and their families. I also want to express my sympathies to Congresswoman Omar, who recently lost her father to COVID-19.

So, Mr. Chairman, I know we are all joining together in lifting our colleagues up in prayer at difficult times like this. I know Congresswoman Waters has experienced a similar loss, and we continue to extend our prayers to her too.

Mr. Chairman, I want to thank you for starting off with this hearing talking about the economic recovery and what we can do to continue to help people get back on their feet, get back to work. The American recovery has definitely entered a new phase.

Back in March and April, the country made a decision to shelter in place and to stop this novel unknown virus from overwhelming our healthcare system and from costing needless more life being lost. By necessity, that period required the government to step in and provide relief, and provide relief we did.

President Trump and a bipartisan majority in Congress, we all joined together to enact the CARES Act. As you mentioned, Mr. Chairman, that act, which included the Paycheck Protection Program, did just what we intended. It protected paychecks and it saved millions of jobs.

The average PPP loan has an amount of less than \$120,000, which means the majority of those loans went to small businesses so that they could keep paying their employees. As of June 12, there are more than 4.5 million PPP loans that have been approved, totaling more than \$512 billion.

Lenders of all shapes and sizes, including community banks, credit unions, and even large banks, have participated in this program, allowing the PPP to reach small business borrowers in every state and territory in our country and around these territories.

More than 5,400 lenders have participated to date. In fact, the majority of those lenders have less than \$1 billion in total assets, which means that most PPP lenders are local community banks that serve exactly the job creators we set out to help.

The program reached far and wide, including underserved and historically disadvantaged areas. 424 different community development financial institutions and minority depository institutions participated in this program. Those firms issued almost \$16 billion in PPP loans to their small business customers, many of which are in distressed areas.

The PPP will continue to be an important resource moving forward. President Trump just signed legislation that we passed a few weeks ago, with overwhelming bipartisan support, to further strengthen the PPP's ability to save jobs and help small businesses through this difficult time.

But America was not built to shelter in place. Americans do not hide in the face of crises. Americans want to get back to work. We want to care for our families. Students want to return to school. Our children want to play with their friends, and Americans demand the freedom to build a more prosperous country with greater upward mobility and, of course, equal opportunity for everybody who seeks it.

America has quite naturally entered a new phase, a recovery phase, led by the energy, hopes, and determination of the American people. The American people helped create 2.5 million new jobs in May, which completely shocked the experts who predicted the opposite, that there would be 7.5 million job losses. So, that's a 10 million job swing to the positive for our economy, which shattered post-World War II records.

Retail sales had the biggest one-month increase ever, rising 17.7 percent. We just got those numbers the other day. But make no mistake, we still have a great deal of work left to do. Over 40 million Americans, as the Chairman pointed out, filed for unemployment since the shutdown began.

As we have discussed in previous briefings, the steep economic costs were not borne equally. Low-income Americans have suffered disproportionately. Forty percent of individuals earning less than \$40,000 lost their jobs.

A recent study by the National Bureau of Economic Research found that the number of open Black-owned businesses fell 41 percent, Hispanic-owned businesses fell 32 percent, Asian-owned businesses fell 26 percent, and immigrant-owned businesses dropped by 36 percent.

Reopening and recovery are critical to bettering the lives of our fellow Americans. Unemployment Insurance can provide temporary relief, but it cannot provide upward mobility that people want. The recovery must include a resurgence of Made in America manufacturing. We've learned that too much of our PPE came from China, and China lied to us, while hoarding PPE, and the world suffered from that with the further spread of the coronavirus.

We can make ourselves better prepared while creating new jobs. This subcommittee could be helping by investigating China, trying to hold them accountable, and also finding out why they tried to corner the market on PPE, hoarding that vital equipment while lying to the rest of the world about the virus' dangers.

The House Foreign Affairs Committee minority staff just released a 42-page report detailing China's lies and coverup. I would, Mr. Chairman, call on this subcommittee to hear from the Chinese Ambassador to start focusing on holding China accountable for what they did. Americans died because of the actions of the Chinese, but the members of the majority will not let us bring that accountability to this committee. I hope we can change that.

Last week, my Republican colleagues and I raised the disturbing specter of the deadly decision by a handful of Governors to force COVID-positive patients back to nursing homes. This was in contradiction to CMS guidance. Those decisions led to thousands of unnecessary deaths across our country just in those five states.

The Governor of New York recently resorted to name calling to try changing the subject, rather than actually being transparent and answering our questions. But, Mr. Chairman, no one has disputed the facts that we raised last week. In fact, the fact checkers have even called Governor Cuomo's excuse false.

Once again, I would ask that this committee hear from those Governors who violated CMS guidelines, resulting in thousands of unnecessary nursing home deaths. We owe it to our Nation's seniors and their families who want to know why their parents and

grandparents died who shouldn't have died. So, hopefully we can work to get to the bottom of that to find out what happened, hold people accountable, and prevent it from happening again.

With that, Mr. Chairman, I look forward to hearing from our witnesses, and I yield back.

Mr. CLYBURN. I thank the gentleman.

Now, I would like to introduce our witnesses. Our first witness today is chief economist for the AFL-CIO and Howard University economics professor, Professor William Spriggs.

We are also joined today by Michele Evermore, senior policy advocate with the National Employment Law Project.

We welcome Rachel Greszler, research fellow in economics, budget, and entitlements at the Heritage Foundation.

And, finally, we will hear from Professor of the Practice of Economics Policy at Harvard University, Dr. Jason Furman.

The witnesses will please unmute themselves so we can swear them in.

Please raise your right hands. Do you swear or affirm that the testimony you're about to give is the truth, the whole truth, and nothing but the truth, so help you God?

*Witnesses all testify "I do."

Mr. CLYBURN. Thank you.

Let the record show that each one of the witnesses replied in the affirmative.

Without objection, your written statements will be made part of the record.

With that, Professor Spriggs, you are now recognized for your testimony.

STATEMENT OF WILLIAM E. SPRIGGS, CHIEF ECONOMIST, AFL CIO, PROFESSOR, DEPARTMENT OF ECONOMICS, HOWARD UNIVERSITY

Mr. SPRIGGS. Thank you, Chairman James Clyburn and Ranking Member Steve Scalise, and also thank you to committee Chairwoman Maloney. I appreciate this invitation to give testimony before your committee today on the issue of our Nation's unemployment crisis.

I'm happy to offer this testimony on behalf of the AFL-CIO, America's house of labor, representing the working people of the United States, and based on my expertise as a professor in Howard University's Department of Economics.

My written testimony focused heavily on the \$600 pandemic unemployment compensation benefit, and I will mention briefly the key points of that, but I also want to discuss other paths forward in my oral testimony.

So, despite a slight improvement in May from the records reported in April of unemployment, we remain in the worst crisis the American labor market has faced on record. We faced this dilemma because the United States chose to lay off workers and use the unemployment service as its labor policy when companies were closed to practice social distancing.

Most other industrialized nations instead chose to subsidize employers to keep workers on payroll while they shut down or reduced hours to comply with social distancing. This is going to be a test

of what workers call just transition. A large segment of our workers are unemployed because of a policy choice from which we all benefit. Emerging studies show huge benefits from social distancing. It has limited hospitalizations and deaths.

In an early attempt, beginning in March, to estimate the value of this, it's clear that we have saved \$8 trillion conservatively. We have saved \$8 trillion because of the projected lives that we have saved through social distancing.

The clear benefits mean we have large latitude at implementing economic policies to mitigate the economic cost and still come out ahead as a society, and the room to properly account for and address the racial and gender inequalities that are becoming apparent, and that will slow the recovery if not correct it.

I just want to highlight some parts of why the \$600 is important and these distortions that are ahead. First, clearly from the macro policy perspective, as Chair Clyburn mentioned, the swift action by Congress to step in and fix or at least amend a broken unemployment insurance system helped to save the economy.

In 2018, a typical labor market and the most recent data we have from the Bureau of Labor Statistics, and a normal labor market, only 7.8 percent of unemployed workers in leisure and hospitality industry, the industry most affected by this shutdown, received unemployment benefits. Had Congress not stepped in, we would have been in for a much worse situation.

The pandemic unemployment assistance helps those workers with low wages that would not otherwise have received benefits. And looking at the difference between March when that policy was not in place and April when it was, the clear recovery of wages and lost personal income is huge and significant and very different than the experience we had in the 2009 recession.

So, this benefit is necessary for maintaining aggregate demand and bolstering the economy. But it's also necessary on a set of other dimensions, key among them is maintaining equity. If you are one of the workers in the affected industries, the effect of unemployment rate, the unemployment rate to workers in those industries is 34 percent. If you are Black or Latino in those industries, it's 38 percent.

So, it is fairer to interpret the experience that those workers are having as if we were watching a massive plant shutdown. In that event, we know that these workers have likely incurred permanent income loss. So, despite people being concerned that they are being overcompensated because the benefits may be higher than their replacement rate of wages lost, their wages lost need to be compared to their permanent income loss, not just to weekly income loss.

I would also want to mention that because these workers face discrimination, because disparately they are Black and Latino and female in the labor market, they will have a harder time regaining employment.

Further, we have to understand we do not want to reshift the balance away from American workers in this labor market. Employers are at a huge advantage. Workers are going to work with symptoms because they are so desperate to keep their jobs. A high share of workers, particularly women, particularly Hispanic women, are going to work despite saying that they have symptoms.

So, workers are fearful. The idea that workers facing such a high unemployment rate do not want to return to work misses the risk they face in this job market. So, a fair modeling of the job search model would say that these workers are at high risk of not being able to find employment. And they return to work.

I see the Chair leaning in. Let me conclude with this point. Going forward, we have two recessions. We have the pandemic response, but we also have a massive regular recession. We need a jobs program to address the young people who are disproportionately affected by this downturn. We need a jobs program because hiring now is at a record low level, much lower than during the Great Recession.

We need, going forward, a jobs program to make sure that young people can be absorbed to do the things we know we need to contain the virus, to do tracing, to help isolation, and we need that now. We need that put in place now.

Thank you, Chair.

Mr. CLYBURN. Thank you very much, Dr. Spriggs.

The Chair now recognizes Ms. Evermore. Ms. Evermore, you are now recognized.

**STATEMENT OF MICHELE EVERMORE, SENIOR RESEARCHER
AND POLICY ANALYST, NATIONAL EMPLOYMENT LAW
PROJECT**

Ms. EVERMORE. Good afternoon, Chairman Clyburn, Chairwoman Maloney, Ranking Member Scalise, and members of the committee. I'm grateful for the opportunity to testify today. I'm Michele Evermore, a senior researcher and policy analyst with the National Employment Law Project.

The unemployment rate, higher in the past two months than the highest month of the Great Recession, would have been higher had it not been for the bold action that Congress has taken. However, the difficulty states had paying benefits exposed a system that has been at best neglected and at worst undermined.

Now we must work together to fill in the gaps on unemployment insurance coverage, increase equity, and maintain benefits for those who are already eligible until the economy sufficiently improves. NELP applauds the bold action that Congress has taken, but more can and must be done.

Unemployment insurance was built to distribute funds during an economic crisis. Created in the wake of the Great Depression, UI succeeds in achieving several key goals: Helping workers make ends meet, supporting people in their job search, keeping people connected to work, upholding living standards, and providing macroeconomic stability in a recession by maintaining worker buying power which supports businesses in the economy.

It's also important to understand that our unemployment system is a patchwork of state systems, some of which have been intentionally modified to make it more difficult to get benefits. Since the last recession, states cut benefits by cutting benefit duration, creating confusing hurdles to access benefits, and narrowing qualification requirements.

As a result, too few workers qualify for benefits, and those benefits are inadequate. Systems have also been calibrated to prevent

overpayment at the expense of paying appropriate benefits, causing erroneous denials and false fraud accusations. That means slower benefits payments in a crisis like the one we've experienced.

The Urban Institute found that during the Great Recession, Black workers were 13 percent less likely than White workers to receive benefits, and Latinx workers were four percent less likely.

Structural racism inherent in occupational segregation in the U.S. plays a role in benefit access. But it's also clear there were hurdles in the UI system disproportionately affecting workers of color that have since been exacerbated by new cuts.

The new CARES Act program helped to cover over some of those inequalities by establishing PUA for workers who would've been left behind by UI. Currently, about a third of benefits paid are going to PUA recipients. It made up for the decline in benefit levels by providing a life changing \$600 PUC benefit, without which workers in communities would've been devastated.

Don't take my word for it. Listen to Cindy from Ohio. She's a self-employed painter who waited 10 weeks to get benefits, and said: After finally receiving the \$600 addition, my weekly backpay, which is less than my normal income, I can make sure my overdue mortgage can be brought close to current and that my taxes due in July will get paid, and that several other bills will get partially paid. That \$600 is the security that I need while trying to move forward into an unknown work scape. Due to the public health crisis, my projected work is about 30 percent of what's normal for the last three months. I have to protect my parents' health first, but without the \$600 benefit, we're being forced to choose between our health, the health of our loved ones, or our jobs when we did not choose this path. This is unacceptable and beyond cruel. I'm certain none of our public officials would choose to walk in our shoes, but I hope they can imagine being in them.

As the CBO has made clear and as evidenced by the unemployment rate not only not increasing but dropping in May, the \$600 kept the economy afloat and is not a disincentive to return to work. There's more to a job than a paycheck. In uncertain times, workers seek stability, and the reassurance of continued work is something many workers no longer have.

I would also stress the importance of employer-sponsored health insurance during a pandemic. Employers who want to bring workers back part time should consider using work sharing so that workers can get partial benefits plus the \$600 PUC.

There's no comprehensive plan to address the unemployment crisis. There can't be until the disease is addressed. It's important to remember that workers cannot refuse suitable work and receive UI benefits, but unsafe work is not suitable work. The DOL needs to clarify that workers can refuse work that endangers them and their loved ones and establish standards employers must abide by as they reopen.

This is both a workers' rights issue and a public health issue. If workers are forced to go back to unsafe conditions, employer negligence could result in workers getting sick and COVID spreading further throughout the community, prolonging the duration of the pandemic.

Moving forward in the near term, states need more administrative funding. The \$600 must remain in place until economic and health conditions improve. And we need an automatic way to scale benefit durations tied to the health of the economy.

Long term, we must focus on the inherent inequalities baked into the system and set a Federal floor for benefits with meaningful access to adequate benefits. Without comprehensive UI reform, states face greater pressure to cut lower taxes and cut benefits than they did after the last recession.

I look forward to working with you as we look to building a more just system in the future.

Mr. CLYBURN. Thank you. Thank you very much.

Next, Ms. Greszler. You're now recognized.

STATEMENT OF RACHEL GRESZLER, RESEARCH FELLOW IN ECONOMICS, BUDGET AND ENTITLEMENTS, THE HERITAGE FOUNDATION

Ms. GRESZLER. Good morning, and thank you for the opportunity to testify.

I'd like to look at what's happened in the labor market and then discuss how Federal unemployment benefits are both helping and hurting the recovery, consider some proposals to alter or extend those benefits, and then last, to propose policies that will foster flexibility and employment opportunities for all Americans.

America's economy was strong and the unemployment rate was at a half century low in February. But then came COVID-19, and the actions taken to mitigate the health pandemic led to a spike in unemployment unlike anything America has ever experienced.

Over the past three months, about one in four workers has filed for unemployment. But even as the shutdown's lasted much longer than planned, the economy added 2.5 million jobs in May as state and local lawmakers eased economic restrictions, and Americans showed their willingness to return to work, restaurants, and stores. The employment figures also indicate that Americans are weaning off of Federal support, and society is ready for a gradual and safe reopening.

The widely expanded unemployment benefits have both helped and hurt the recovery. Increased eligibility and larger-than-ever unemployment benefits provided an important bridge to workers whose livelihoods were put on hold and to those whose jobs were lost for good.

And because of the bonus \$600 per week benefit that has resulted in increased incomes for most unemployed workers, JPMorgan actually projects that personal income will be slightly up in 2020. That will help boost state and local governments and common sales tax revenues. And with households having saved a third of their incomes in April, many Americans will be ready to spend.

But the \$600 bonus benefit has resulted in about 70 percent of unemployed workers receiving higher unemployment checks than they did regular paychecks. It never makes sense for unemployment benefits to exceed wages because this incentivizes unemployment. It's bad for small businesses that are having a hard time getting their workers to come back. It's bad for local economies that count on business activity. And it's ultimately bad for unemployed

workers, because longer unemployment can increase the negative consequences of unemployment, such as a decline in physical and mental well-being and lower incomes and opportunities in the future.

This unemployment incentive can also have spillover consequences. For example, if childcare teachers don't go back to work, day cares can't open and many parents also can't go back to work. That's why it's not surprising that CBO's analysis of extending the \$600 bonus benefit into 2021, as was proposed in the HEROES Act, it showed that it would hurt instead of help the economy in the long run by reducing employment and output in 2021.

And the higher business cost that would come from it could contribute to increased prices and some business closures. Fraud and abuse have also been a significant problem in the expanded benefits. Washington state, for example, has an estimated \$650 million in fraudulent claims of which it's fortunately been able to recover about half.

But despite the problems that the \$600 bonus benefit created, trying to eliminate those work disincentives with one-time return-to-work bonuses or continuing to pay workers the \$600 benefit even after they go back to work would be inefficient and inequitable.

It doesn't make sense to use limited resources to benefit individuals who actually have job options, and it would be unfair to the individuals who have been on the front lines day in and day out to have their coworkers come back and receive \$600 more per week than they do.

Instead, policymakers should end benefits that exceed workers' paychecks and instead provide temporary and targeted support to workers who do not have job opportunities. This could include a partial Federal match, perhaps 40 percent or 50 percent on top of the state benefits. This would also ease the administrative burdens on the states and allow them to better meet their population's unique needs.

While unemployment benefits can alleviate the symptoms of unemployment, the cure is a job, and that requires environments that offer flexibility instead of rigidity and that open doors to work opportunities for all Americans.

Some helpful policies include providing liability protection for workers and employers who follow CDC guidance, encouraging instead of restricting freelance and gig economy work opportunities, ending wage restrictions and forced union dues, and repealing restrictions that limit flexibility in telework options.

By coupling employment opportunities and flexibility with temporary and targeted unemployment supports, policymakers can help limit the economic damage and personal hardships caused by COVID-19 and set the stage for a solid recovery.

Thank you.

Mr. CLYBURN. The Chair now recognizes Professor Furman.

**STATEMENT OF JASON FURMAN, PROFESSOR OF THE
PRACTICE OF ECONOMIC POLICY, HARVARD UNIVERSITY**

Mr. FURMAN. Thank you so much, Chairman Clyburn, Ranking Member Scalise, and members of the committee. My name is Jason Furman. I'm a professor of the Practice of Economic Policy at Har-

vard University. In my written testimony, I made eight points. I'm going to shorten and summarize the four most important.

The first is that the United States is facing a major jobs crisis. The unemployment rate in May was the second highest it's ever been, second only to what it's been in April—ever been on record. That unemployment rate of 13.3 percent was actually realistically around 17.1 percent, when you correct for a classification error and when you take into account all the people who left the labor force.

Even if all of the temporary laid off people were brought back to work immediately, a highly, highly optimistic scenario, the unemployment rate still would've been seven percent, a recessionary level.

Moreover, the unemployment rate was higher for Black Americans, for Hispanic Americans, for those with lower levels of educational attainment. And for Black Americans, the overall employment rate was below 50 percent.

My second point is that we have made some progress. In May, we saw record retail sales growth. We saw that helped support a decline in the unemployment rate and the creation of 2.5 million net jobs. That progress could only have happened with the tremendous support that this Congress gave through the CARES Act.

Disposable personal income would have fallen in the month of April but for expanded unemployment insurance and stimulus checks. With those, disposable personal income rose by a record amount, and that helped support the record consumption increase in May and the decline in unemployment.

So, policy is working, but make no mistake, the economy is not doing this on its own. It is doing this with a tremendous, tremendous amount of support from public policy.

That brings me to my third point, that prematurely ending the policies that did help foster the progress we saw in May would risk a terrible outcome for the economy. Ending any form of increased unemployment insurance after it expires by the end of July would not just hurt the tens of millions of people receiving those benefits; it would also reduce their purchasing power, hurting the small businesses that they buy from; hurting the workers at those businesses; hurting the banks whose mortgages they wouldn't pay, risking the increased probability of a financial crisis; and hurt the economy overall.

An analysis that I did in my written testimony using a methodology and parameters very similar to those used in the past by the Council of Economic Advisers, the Congressional Budget Office, and the Federal Reserve Board staff model, I estimate that ending unemployment insurance would subtract 2.5 percent from GDP in the second half of this year.

To put that in context, that's about one year's worth of economic growth, more than one year's worth wiped away. And over the next year, it would cost 2 million jobs spread throughout the economy.

My fourth point is that there is a much better way forward. Congress needs to continue to invest in the public health response, testing, tracing, isolation, and treatment, what it can in terms of treatment, vaccines, health system preparedness.

In addition, assistance to states and localities is essential. Nutritional assistance is essential. A plan for reconstruction and rebuild-

ing and job creation is essential, and extending expanded unemployment insurance benefits is also essential.

My recommendation, Mr. Chairman, would be that all of these measures are tied to economic conditions, so that when the unemployment rate goes up, they automatically scale up; when the unemployment rate goes down, they automatically scale down. But what's most important is that there continues to be a very vigorous, ambitious response and that response lasts as long as it is needed.

Thank you.

Mr. CLYBURN. Thank you. Thank you very much. And thanks to all of our witnesses.

Now, we are going to go into a series of questions. Each member will have five minutes to make whatever statement he or she may want to make and ask a question. Be sure to note, a five-minute statement means no time left for questions. So, you've got five minutes. Right, Mr. Ranking Member?

I'll now yield myself five minutes for questions.

My first question goes to you, Professor Furman. The most recent jobs report shows that unemployment declined slightly last month from 14 percent to 13 percent. Now, the White House has suggested that this means that our economy has reached a, and I quote, turning point, and I'm quoting, is now in the recovery stage.

Professor Furman, does the data indicate that unemployment will quickly snap back to pre-pandemic levels or should we expect continued economic pain?

Mr. FURMAN. Thank you, Mr. Chairman. In May, the United States was in among the worst economic positions it's been in since the Great Depression. Moreover, the job growth in May and the job growth that I expect us to see again in June, was in some sense the easiest economic progress to make, because it's some businesses calling back their workers.

Today we saw another 1.5 million people file for unemployment insurance. That's twice as large as the largest amount in any recession prior to the pandemic. So, economic conditions continue to be very difficult, and I know of no forecast that expects a rapid resumption of something like the 3.5 percent unemployment we had before this.

Mr. CLYBURN. Thank you.

Professor Spriggs, I'm particularly concerned about the disparate impact of the jobs crisis on communities of color and workers in low-wage jobs. The May jobs report shows unemployment for Black Americans is nearly 17 percent and rising. Unemployment for Hispanic women is even higher at 19 percent. What's causing this disparity?

Mr. SPRIGGS. Thank you, Chair Clyburn. So, a sign that we really weren't hitting a turning point is the fact that the Black unemployment rate went up. If we were actually in a turning point, the Black unemployment rate tends to fall even faster.

The rise in the Black unemployment rate is a sign that the portion of the experience of workers today is also from a regular recession. During a regular recession, the Black unemployment rate, unfortunately, is very sticky because of labor market discrimination.

As a result, that sign that the Black unemployment rate did not fall is a sign of things to come that are worse for Black workers.

For Hispanic women, there are all sorts of things working against them. They are the hardest hit by the closings due to the pandemic. They face a great deal of labor market discrimination and reconnecting, and as seen by their willingness to work despite evidencing symptoms. It's clear that they are fearful of job loss.

Added to that is the unprecedented jump in the lack of health insurance in the Hispanic community. This is the crises among Black and Brown workers. Black workers face a huge crisis because of the work-related COVID cases. In both the Black and Brown work forces, if you look at who's being hospitalized, you see it's working age Black and Brown people who are being hospitalized.

Mr. CLYBURN. Thank you.

I now yield to the ranking member.

Mr. SCALISE. Thank you, Mr. Chairman.

Again, I thank all of our witnesses for your testimony and for appearing before this committee.

I know we've talked about the health crisis, and clearly that is the biggest concern that we've had from the very beginning, but we've also seen now with data that's out there that's very clear, that scientists have shown that the shut-in, people staying at home, people not going back to their doctor and not going and getting their regular checkups, or just the depression that's tied to people losing their job, or losing their business has led to a dramatic increase in non-COVID-related deaths. A lot of medical studies have backed that up, have shown real numbers and in concerning data that shows that we need to reopen the economy. And that is the next step. That's where we are now. Each state is at some level of reopening, which is really important.

But, Ms. Greszler, I know there's been—we've had some conversations within our committee and some witnesses have said the reason we shut down is because there's not a cure for the virus or a vaccine or it might come back in the fall, but others have pointed out accurately that the reason that we had the shut-in is because we want to make sure our hospitals weren't overwhelmed. Can you address what, in your position, what the reason for the shutdown—shut-in was?

Ms. GRESZLER. Yes. Well, I think initially we didn't know much about this new virus and we didn't know what would be the most effective measures, and so we did want to protect lives, and we implemented, you know, very drastic, widespread shutdowns.

But as we have learned more over time about who is at risk, you know, the elderly population in particular and children not being at risk, and as we have learned what are the safety precautions that will be most effective, we've seen that you can have a safe reopening of society, you know, a gradual one and one that meets the needs of people who need additional protections.

That's really the only way that we can have a recovery. No matter how much money we pump into the economy, there are real services that have to be provided. And, you know, you brought up the healthcare of people. My grandfather's turning 90 years old today.

Mr. SCALISE. Happy birthday to him.

Ms. GRESZLER. But I've seen the impacts. You know, he has really been affected by the shutdown and just the decreased level activity and not, you know, receiving services that he otherwise would have. So, we can't ignore those consequences.

Mr. SCALISE. You know, hopefully—I appreciate that. Hopefully we balance all of that. And, again, there's a lot of data right now, very good scientific studies that have shown that the shut-in has had a very devastating adverse impact on so many millions of Americans and, again, loss of life there, a loss of life with COVID that we're focusing on.

Again, we've seen over 40 percent of all the American deaths from COVID-19 are seniors in nursing homes, which is 0.6 percent of our population. That obviously is something we want to continue to get the facts on, and we don't have all the data we need. We need to keep pressing to get the facts there because that was such a large population.

Obviously, we talked about the disparate impact on minority communities and people with underlying conditions like diabetes or hypertension or heart disease, and so those are all things that we can hopefully learn from and help prevent in the future.

But opening the economy is a big part of this. And I know we're seeing jobs numbers, we're seeing real numbers, we're hearing about projections. And I know some people want to see projections for the next 10 years, but as we saw just last week, the experts are usually way off right now in these volatile times.

The experts said we were going to lose 7.5 million jobs. We ended up gaining 2.5 million jobs. So, you know, getting projections from experts for what might happen years from now really doesn't tell us what's going on today and, in fact, usually is very different and wrong from what's happening. And that jobs report in May shows that.

Of course, we've seen 11 weeks in a row of declining jobless claims, which the jobless claim numbers are still high. And I agree with the Chairman, we want to keep bringing that number down. But the fact that it has been going down 11 weeks in a row shows you that as more economies are opening up, that really is paying off for those underprivileged people, the people that are impacted the most disparately from unemployment.

So, again, Ms. Greszler, in terms of what we've seen with reopening and what we see with unemployment, do you think that we need to keep pushing for more safe reopening to address the disparity on which communities are hit the hardest with unemployment?

Ms. GRESZLER. Absolutely. I mean, the only way that we can have a cure to this is to actually have people be going back to work as soon as it is safe for them to do so and to have actual things being produced and to go out there and reopen society. And if we continue these unemployment supports, there is a real disincentive in there.

I've talked to dozens of business owners across the U.S. who want to reopen and they want to start providing services to their community, and they have workers who are just reticent to come back or who have not returned their calls. There were even workers who walked out of the job after Congress passed this act.

So, while I know that the majority of people who, you know, are unemployed and want a job and they will take the job that's available to them, there are nevertheless a number of people out there who are using, you know, this additional benefit there to their financial gain. But in the end, it's not only going to negatively impact them but our economy as well.

Mr. SCALISE. Thanks. Hopefully we can—

Mr. CLYBURN. Thank you, Mr. Scalise.

Mr. SCALISE. Mr. Chairman, I yield back.

Mr. CLYBURN. Thank you. Let me remind all members that under the rules, we must keep our videos on. We must be able to see you. The rules are very clear on that, so please keep your videos on.

With that, I'd like to yield five minutes to Ms. Waters.

Ms. WATERS. Thank you very much, Mr. Chairman.

I too would like to send condolences to Mr. Sensenbrenner for his wife's passing, but also Mr. Andy Barr, who serves on my committee, lost his wife, only 39 years old, with two children. And, of course, Ilhan Omar, who lost her father. Our prayers and condolences go out to them.

I am so pleased about this discussion today because there are some issues that we must confront. And I want to address my questions to both Michele Evermore and Jason Furman. This business about getting rid of the \$600 in addition to the unemployment that a worker would receive must be addressed.

I hear on this committee right now that Ms. Greszler is talking about we must not continue that \$600 supplement because somehow this is a grave disincentive to work. I don't believe that. I believe that we have workers who really love their jobs, want to be back to work. I have many of them who like to serve as role models to their children, getting up going to work every day.

I believe that some were on the track for upward mobility, and they wanted to continue their work so that they could have more opportunities in their jobs. I also believe that, yes, some of these businesses are going to close down, and that \$600 that they're receiving is going to be the difference between whether or not they're going to be able to pay their rent and put food on the table.

So, this suspicion—because certainly there's no evidence that people don't want to go back to work because of \$600. But this lack of confidence in our workers that's demonstrated by those who are adamant against us having \$600 added to the unemployment is baffling to me, and I have more confidence in Americans than that.

We know and we have heard over and over again about the disproportionate number of Blacks who are suffering in this pandemic, the loss of jobs for Blacks and people of color, and many of these people are on unemployment and they're receiving the extra \$600, and it is making the difference between whether or not they can simply feed their children, pay their rent, and basically have at least a semblance of a decent quality of life.

So, I'd like to ask Ms. Michele Evermore and then Mr. Furman to comment on this lack of confidence we are hearing and this business about we must not have an extra \$600 supplement to the unemployed. Ms. Evermore first.

Ms. EVERMORE. Thank you so much for the question, Congresswoman Waters. Yes. So, first of all, I would point out that a lot of employers aren't fully opening up. They're only opening up part time. And in that case, work sharing is a perfect way to get the workers back to work part time and spread the income loss across workers and then they can get their unemployment insurance check plus the extra \$600.

In terms of the disincentive piece, as I mentioned in my testimony, people are really looking for stability right now. People know that unemployment is going to extend for quite a while, and attachment to work is important to them. But also, you know, that \$600 doesn't go very far toward buying a COBRA benefit, and people want health insurance during a pandemic, and that's something we also shouldn't overlook.

Ms. WATERS. Well, thank you.

Would you share your thoughts about that, Mr. Furman?

Mr. FURMAN. Yes. The main constraint on jobs in our economy now is that businesses aren't hiring, not that there are people who don't want to work. There are many millions of people who aren't covered even by unemployment insurance who are available to work. If an employer calls back a worker from temporary layoff, they have to go back. They cannot continue to receive their unemployment benefits.

Finally, unemployment benefits do have actually some benefits in terms of the labor force. They keep people attached to the labor force. They can prevent somebody from going on disability insurance, which is—often means you're lost to the work force. And for those workers that aren't going back to their old jobs, it gives them a little bit of extra time so that rather than taking the first job that comes along, they can take the one that's best for them, which will also probably be best for the economy as a whole.

Ms. WATERS. \$600 is not an awful lot of money. Do you believe that this \$600 is making a difference in the lives of people, many of them who were on very low-paying jobs, entry-level jobs? Do you think it's making a difference?

Mr. CLYBURN. Thank you very much, Ms. Waters. Your time is expired.

Ms. WATERS. Thank you.

Mr. CLYBURN. The Chair now recognizes Mr. Jordan.

Mr. JORDAN. Thank you, Mr. Chairman.

Ms. Greszler, I don't have lack of confidence in the American worker. I have lack of confidence in Democrat Governors in these states who did things like Governor Cuomo did, sending COVID-infected people back to nursing homes, and, more importantly—or as importantly, a lack of confidence in Democrat Governors who kept their states—who are keeping their states locked down.

So, Ms. Greszler, the ranking member, Mr. Scalise, talked about this earlier, why, in fact, did we lock down?

Mr. CLYBURN. Ms. Greszler?

Ms. GRESZLER. I'm sorry. I'm having connection issues here. Could you repeat the question?

Mr. JORDAN. Ms. Greszler, Ranking Member Scalise earlier talked about the reason we locked down the economy was to make sure our hospitals weren't overrun. It seems to me we met that—

you know, we accomplished that goal, because, in fact, what we did is our hospitals—if anything, we bankrupted some of our hospitals.

Ms. GRESZLER. I'm really sorry. I haven't been able to hear the question.

Mr. JORDAN. Mr. Chairman, could I go later? Because my questions are for Ms. Greszler. If I could go later.

Mr. CLYBURN. OK. Very good. We'll come back to you, Mr. Jordan.

Mr. JORDAN. Thank you.

Mr. CLYBURN. Mrs. Maloney, you are now recognized.

Mrs. Maloney, would you unmute yourself? Mrs. Maloney? We can't hear you.

Chairwoman MALONEY. Can you hear me now?

Mr. CLYBURN. I hear you now.

Chairwoman MALONEY. OK. Thank you, Mr. Chairman.

I, first of all, want to be associated with the comments of my colleagues with my condolences to our colleagues who have lost loved ones, including a member of our committee today, Mrs. Waters, and to welcome all of our distinguished panelists, particularly Mr. Furman, who is a constituent in the district I am honored to represent.

So, first of all, I'd like to say that in New York, the state that I represent, we have seen some of the highest rates of infections and deaths from this terrible crisis. And thanks to the sacrifices of New Yorkers and the bravery of our frontline essential heroes, we have finally bent our curve, and we are cautiously seeking to return to some increased activity.

But I'm very concerned for other communities all over the country that are witnessing dangerous increases in infections and hospitalizations. We are still in the first wave, and clearly this virus is not contained.

Professor Furman, the steps we take over the next few weeks and months could have a direct and significant effect on our economy. If coronavirus continues to resurge, like it is doing now across the country, what effect will that have on the short-and long-term economic consequences for communities, states, and the Nation?

Mr. FURMAN. The damage to the economy has primarily been done by the virus, not by the lockdown orders to contain the virus. You saw people pulling back their consumption even before the lockdown orders went into effect, and they didn't raise it even when it was lifted. That means that taking more vigorous steps now to contain the virus is like an investment, an investment that would pay off not just in lives saved, but a stronger economy down the line.

Chairwoman MALONEY. Thank you.

When people who lose their incomes, they lose the ability to afford necessities like housing, food, and healthcare. That's why we work so hard to ensure that the CARES Act included additional benefits for unemployed workers. And here in the House, we also passed an extension of those benefits in the HEROES Act. But the Senate has failed to act today.

Professor Spriggs, what does current economic data tell us about the impact of the enhanced unemployment benefits in the CARES Act for people?

Mr. SPRIGGS. Thank you, Congresswoman. The CARES Act has been a savior to the economy. The boost to personal income saved us in the month of April and launched us into the job gains we saw in May. But it's important to remember, with that extension, the large share of workers who are now getting Pandemic Unemployment Assistance because they would not otherwise have qualified, and disproportionately those are the low-wage workers in the industries directly affected, like the leisure and hospitality industry.

Unfortunately, as Ms. Evermore stated, states have been slow in building up to that, and, disproportionately, African Americans have not had access so far to the PUA and have been in states where states have been very aggressive at stamping out what they perceive to be people filing falsely, making it more difficult to apply.

So, currently, African Americans, as was the case in the Great Recession, are far less likely to be receiving unemployment benefits, even though they would otherwise qualify. This is one of the great tragedies of letting states have control of the policies. Again, as Ms. Evermore has mapped out for you, you can see that those states that have made it the hardest are the states where Black workers live disproportionately.

These benefits are necessary for the economy, and they are saving the economy because, after all, if people don't pay rents, that's debt building up in banks because somebody else isn't getting paid who isn't getting paid. We don't want to turn this into a financial crisis as well as to a real economy crisis.

Chairwoman MALONEY. Now, in New York, while being hit hard by the coronavirus, unemployment rates in April went up to more than 14 percent. At the May jobs report from the Bureau of Labor Statistics show that we still have dire levels of unemployment throughout the country.

Yesterday, Fed Chairman Powell warned our Financial Services Committee about the dangers of cutting off assistance to the unemployed at this point in the crisis. He said, and I quote: People are right now, they're getting enhanced unemployment insurance. Perhaps many have gotten support checks as part of the CARES Act. But over time, they don't have a secure income. And to the extent they lose those benefits they're getting, then they are going to come under financial pressure right away, end quote.

Ms. Evermore, what will happen—

Mr. CLYBURN. Mrs. Maloney, your time has expired.

Chairwoman MALONEY. All right. I'll submit the question in writing to her.

Mr. CLYBURN. Thank you. Thank you.

Ms. Greszler, can you hear us? I can see you. Can you hear us? Well, we can't hear you.

Ms. GRESZLER. Can you hear me now?

Mr. CLYBURN. I can hear you now.

Ms. GRESZLER. OK. Great. Thank you.

Mr. CLYBURN. OK. Let's hope that we have got your—so I go back to Mr. Jordan.

Mr. JORDAN. Thank you, Mr. Chairman.

Ms. Greszler, Mr. Furman just said that the virus itself is the reason for the economic downturn, not the lockdown, not the idea

that we've locked down our economy. Do you agree with that statement?

Ms. GRESZLER. No. I think that was the problem at the beginning, but now that things have been reopening, that's no longer the case.

Mr. JORDAN. Yes. When you don't let people go to work, that has a negative economic impact, right?

Ms. GRESZLER. Yes.

Mr. JORDAN. And when you let them go to work, you have got a stronger economy. Shazam. Figure that one out. That means—that makes no sense to me that the lockdown has no impact on the economy? Well, how about states who opened up earlier, are they seeing higher economic growth in states that are still largely locked down?

Ms. GRESZLER. We've seen a bigger decrease in the unemployment rate in those states.

Mr. JORDAN. Of course. So, let me go back to something you said in your opening statement. Was our economy humming along? Was it doing well prior to the coronavirus?

Ms. GRESZLER. It was. And that's what's different here. We actually had seen the strongest gains among lowest income workers prior to this.

Mr. JORDAN. Wages were up, taxes have been cut, regulations reduced, unemployment at its lowest in 50 years, unemployment for African Americans, Hispanic Americans, stock market up, the best economy we've seen. I have had businessowners in our district say best economy they've seen in their entire 30, 35 years in business, best economy ever. And yet we're telling people—now we're saying, oh, oh, the idea that we won't let people go back to work when we had that great economy, somehow that's not impacting the numbers. That makes no sense to me.

So, is it time to let people go back to work?

Ms. GRESZLER. Absolutely. As I said, that's the only way that we're going to grow the economy is if people are actually doing work.

Mr. JORDAN. Yes. Time to reopen our economy.

And, again, remember, we shut down the economy because we said we didn't want to overwhelm our hospitals. We certainly didn't overwhelm our hospitals. This is where we started before we had technical difficulty. We didn't want to overwhelm the hospitals. We didn't do that. In fact, some hospitals are in financial trouble because they couldn't do elective surgery, couldn't do the scanning, and all the other things that they normally do. It was—in fact, we sent—the President sent a ship to New York Harbor to New York, and the ship's back in Virginia now. Been back for six weeks because we definitely met that goal.

So, it is time to reopen our economy. Let this thing that was happening so strongly prior to the coronavirus, let the great American comeback happen. Do you agree?

Ms. GRESZLER. I do. And we have to recognize that this is all the more reason we need flexibility. We need income opportunities to reopen. We can't be driving up the cost of employing people. We can't be closing doors to gig work and to people being their own bosses. There's going to be kind of a new shift here coming out.

People need more flexibility. We shouldn't be shutting options that prevent people from having that.

Mr. JORDAN. And you don't have any lack of confidence in the American worker, as one of my Democrat colleagues—I mean, I have the utmost confidence—like I said, I got the utmost confidence in the American people and the American worker. I have very little confidence—confidence, excuse me, in some of these Democrat Governors in these states that continue to keep things locked down, particularly after they've made the decision to send people with the coronavirus back into nursing homes, as Governor Cuomo did.

It's not about a lack of confidence in the American worker. We've got the utmost confidence in them. In fact, it's the American worker, the American people who gave us that great economy we had prior to the coronavirus outbreak.

Ms. GRESZLER. Absolutely.

Mr. JORDAN. Yes. So, we got to let them—we got to let them get back to work as quickly as we can.

Last thing, talk about this unemployment issue that has been discussed already in our hearing today. The concerns that some are raising. Look, people who were entitled to unemployment wanted to have them. But better than unemployment is back to work. It's almost like we got this at, oh, no, let's keep people—I would rather people be back to work. It's better for the individual. It's better for the family. It's better for the American economy. It's just better. But somehow it seems that that is a no, no, no, let's keep things locked down and let's keep people—that makes no sense to me. Let's let people go back to work.

Ms. GRESZLER. Absolutely. Let's let them, you know, go back in ways and consider, you know, certain targeted support. So, instead of just throwing \$600 to anybody, you know, if you have that partial match, and you talk about these unemployment programs that will provide for the short time comp or the work sharing that Ms. Evermore was talking about, that's a far better solution with more targeted provisions than just giving \$600 to everybody who remains unemployed.

Mr. JORDAN. Thank you, Ms. Greszler, I appreciate your time. I appreciate your input.

Mr. Chairman, I will yield back.

Mr. CLYBURN. I thank the gentleman for yielding back.

As I go to Mr. Luetkemeyer, let me just remind my friend Mr. Jordan that 21 states have seen a tremendous increase in infections over the last week, one of them being my state. Arizona, Florida, Oklahoma, Texas, all have got one thing in common—or two things in common: They set records last week, and all of them had Republican Governors.

Mr. JORDAN. Let me ask you this. Are the coronavirus cases, is it worse in states that have opened up versus states that have locked down? And, frankly, but for a few isolated incidents, it's not. So, there is no difference in overall numbers in states that opened up early. The difference is the states that opened up early, they have stronger economic growth. There has been, but for a few isolated places, it has been no difference in the outbreak of people contracting the coronavirus. But that's my point. Let's open up.

Mr. CLYBURN. I beg to differ. Florida, Texas opened up early, and they set records and have Republican Governors.

Mr. JORDAN.

[Inaudible.]

Mr. CLYBURN. With that, I will yield to Mr. Luetkemeyer.

Mr. LUETKEMEYER. Thank you, Mr. Chairman, and ranking member—

Ms. VELÁZQUEZ. Excuse me, Mr. Chairman. I think that I'm next.

Mr. CLYBURN. I'm sorry?

Ms. VELÁZQUEZ. Since Mr. Jordan was the one asking questions, isn't it my turn?

Mr. CLYBURN. No. We come to you next. We had to go back to Mr. Jordan because of a malfunction.

Ms. Velázquez, you are after Mr. Luetkemeyer, according to what I have here. Mr. Luetkemeyer now, then we come to you, Ms. Velázquez.

Mr. LUETKEMEYER. OK. Thank you, Mr. Chairman. And thank you, Ranking Member Scalise and all of those who are briefing the subcommittee today. We appreciate your attendance and your testimony.

In many parts of the country, including much of Missouri where I'm from, the effects of the economic downturn caused by blanket shutdowns have been just as, if not more, damaging to human health and safety than the virus itself.

Just to give you perspective, I speak regularly to a funeral director based in my district. During this pandemic, he has seen more deaths related to suicide than from COVID-19.

Scientists have repeatedly found that unemployment leads directly to things like substance abuse, depression, child abuse, domestic abuse, violent crime, and suicide. A study performed by the University of Missouri found that 1 in 5 suicides are related to unemployment. That same study showed, in 2009, the suicide rates jumped 12 percent due to the economic crash in 2008.

Additional studies that we have discussed in this subcommittee have found that for every \$17 million Americans lose in collective income, we lose in American life. That translates to 65,000 American lives lost each month due to the economic shutdown. Roughly, that's 50 percent more lives lost than due to the coronavirus.

I don't want to minimize the devastating impact the virus has had on many American families. It is important that we look at—but I believe it's important that we look at the whole healthcare picture on how many Americans have also been impacted by the forced shutdown of businesses across the country. With the curve flattening and all 50 states open in some capacity, it's time we focus on getting our economy back on track, and we are fortunately headed in that right direction.

Now, I would like to address a question to Ms. Greszler. Now, one of the things that everybody is talking about through this situation is we need to do—make the decisions based on data and based on science. I just gave you some statistics a minute ago with regards to data—65,000 deaths per month on the other side. The rest of our healthcare concerns with the rest of our society.

The CDC and Dr. Fauci both now believe we need to be opening up. The CDC indicates that our death rate on the coronavirus is

less than four-tenths of one percent, which is right in the area of the common flu that we get all the time.

Last week, in our hearing, one of the gentlemen that testified indicated that children now are at greater risk with the flu than they are with COVID, and the lockdown costs our economy over \$25 billion per day.

You know, one of the things also that came out that I read recently here in one of the journals is that University of Pittsburgh has made a cumulative study that said that the virus is now mutating to a less virulent strain. There are two separate doctors in Italy that now say that they recognize that the strain is much less virulent than it was. And, anecdotally, in the same article, there was a statement that New York also sees this happening as well.

We now know the disease is very targeted. You know, we see this for seniors and high-risk individuals. So, we have lots and lots of data. I can continue on. I've got reams of it in front of me. But we have the data. We have the scientific evidence and the scientists who tell us now how we can do to this responsibly.

Why do you think it is—there's a bunch of states that are very, very slow at reopening, when the data shows that we need to be reopened for the healthcare of the rest of our society, and that we can do it responsibly. Why do you think those states are not doing that?

Ms. GRESZLER. Yes. I think that there is a lot of fear about what the consequences will be, but those aren't acknowledging the non-COVID health-related consequences, things like talking about children not having great access to school. Your saving lives and livelihoods go hand in hand, as you pointed out here. And as we look forward, there's absolutely no reason why childcare centers and schools should not be reopening when we know now that the risks to children are actually less than the seasonal flu.

There are ways to provide, you know, a more data-driven and surgical approach to reopening things than to just keep these shut-downs in place longer term, as we really are taking away people's livelihoods. Because the longer that you have a business closed, the more likely it is they're never going to be able to reopen their doors.

Mr. LUETKEMEYER. One more quick question and comment here. I just got off a conference call earlier before this meeting with Larry Kudlow, National Economic director, and he made the comment that housing is strong; the last month, travel is up; new business apps are up; existing business, 80 percent of them now are up and running. And so his comment was, it's important that we don't put any sort of policy barriers in place to stop this recovery that we're in.

What do you see as a policy barrier that we should not implement, to make sure we continue along the line of a recovery?

Ms. GRESZLER. Well, I think that there shouldn't be barriers that keep businesses unnecessarily closed for longer, the schools closed longer. And we absolutely need to put some liability protections in place so that these smaller businesses, you know, have the assurance that if they reopen and they have their workers come back, they're not going to be sued for things that are really none of their own doing.

Mr. CLYBURN. Your time has expired. Thank you very much.

The Chair now recognizes Ms. Velázquez.

Ms. VELÁZQUEZ. Thank you, Mr. Chairman.

I want to briefly respond to the claim that extending the \$600 enhanced benefit is stopping people from going back to work. The evidence simply doesn't bear that out. Treasury Secretary Steve Mnuchin addressed this point in testimony before the Senate last week, and he was clear that additional \$600 benefit has not discouraged people from going back to work. He said, and I quote: I think we have seen from the recent numbers that didn't have a big impact because people want their jobs. The real reason people aren't going back to work is because the jobs are not there.

The Chairman of the Federal Reserve, Chairman Powell, testified just yesterday that in hard-hit industries, like hospitality and tourism, workers, and I quote, will struggle until the pandemic is written into the history books. He explained it may be difficult to find jobs in that industry at all.

So, the facts are clear. Americans want to work, and they will when given the chance. But until these jobs return, we must continue to support the millions of Americans who are out of work.

Ms. Evermore, consumer spending is at the heart of the U.S. economy, especially for millions of small businesses. With CBO projecting unemployment to reach 50 percent in the coming months, what potential harm could come to small businesses and our economy if Congress does not extend the unemployment insurance?

Ms. EVERMORE. Thank you for the question, Representative Velázquez. Yes, you're absolutely right, there is tremendous local spending effects when it comes to the \$600. In the last recession, it was estimated that every dollar spent in unemployment insurance benefits generated \$1.61 in local economic activity.

But to get to your point about people not returning to work, first of all, you know, we expected over 20 percent unemployment for the May jobs numbers based on initial claims. So, looking at an actual drop in unemployment, it looks like a lot of people went back to work.

For example, Alicia, a worker from the District of Columbia, she was laid off in March. She needed to be home to handle distance learning for her two children. She got the \$600 pandemic benefit. She said, I don't know how I'd do anything without it. She had to reach out to her mortgage lender, and they allowed her just one month of deferment. She wouldn't have been able to keep her mortgage if she hadn't got it. But she went back to work as soon as they made telework available for her job.

Ms. VELÁZQUEZ. Thank you. Thank you.

Dr. Furman, Chairman Powell testified this week that there is a reasonable probability that more will be needed from the Congress and the Federal Reserve. He stated that for those most impacted by the economy downturn, like Blacks, Latinos, and households making less than \$40,000, that fiscal stimulus is more beneficial than any actions that the Federal Reserve can take.

Do you agree with that statement and, if so, why?

Mr. FURMAN. Yes, I very much agree with Chairman Powell in that statement. The Federal Reserve, I think, has done a very good job, but its tools are really limited, especially because interest rates

are stuck at zero and they couldn't lower them very much. You can very directly get money to the households who are most in need, who are facing the greatest challenges, through unemployment insurance, through SNAP, through stimulus checks. And that has happened to be the same households that are most likely to spend the money. It has what economists would call the highest marginal propensity to consume, and that's the largest positive impact on the economy overall.

So, it's really—the Federal Reserve has mostly done its job. It's Congress that needs to do its job. And, of course, the House did its job by passing the HEROES Act.

Ms. VELÁZQUEZ. Thank you.

Ms. Evermore, a recent report noted that Black American businessowners plummeted from 1.1 million in February to 640,000. And that is why I as Chair of the Small Business Committee continue to call for funds to be set aside in the Paycheck Protection Program.

Can you talk about the need to prioritize minority business assistance and other policies we should consider to help them?

Ms. EVERMORE. Yes. I think, actually, Dr. Spriggs would be the most well-equipped to answer this. But, you know, building on a—considering decades of systemic and structural racism, targeting funds to the people who've most been left out means that you are going to build a policy that works best for everyone.

Ms. VELÁZQUEZ. Thank you. My time is up.

Mr. CLYBURN. Thank you very much.

The Chair now recognizes, Mrs. Walorski.

Mrs. WALORSKI. Thank you, Mr. Chairman.

I would also like to extend to my colleagues' sympathy and prayers toward the great losses that they have suffered just in the last couple of months, including my colleague Andy Barr as well.

The CARES Act provided \$600 per week in temporary supplemental unemployment benefits to support public health by allowing businesses and workers to get through closures, stay-at-home orders, and to flatten the curve. This was a necessary step back in March. But if we want a V-shaped recovery as states and cities safely reopen, we need to take a different tact on this benefit so that it doesn't inadvertently disincentivize people from returning to work.

So, for instance, in my home state of Indiana, workers receiving the \$600 Federal supplement will be getting about three times as much as they otherwise would on unemployment. So, factor in the comparatively low cost of living in my district and, in many cases, a worker would make more unemployment than they would if they return to work.

In fact, the University of Chicago estimates that over two-thirds of unemployment insurance recipients nationwide are in this situation, and over 20 percent are receiving double their salary.

I want to be clear; I have no issue with any worker who took this benefit. Congress made it available at a time when much of the economy was going to be shut down for an undetermined amount of time. That additional benefit did help workers pay rent, put food on a table, and have peace of mind as they found themselves unemployed or furloughed through no fault of their own. But now busi-

nesses are reopening and rehiring and shouldn't have to compete with a temporary government benefit.

That's why Ways and Means Ranking Member Brady and myself have supported looking at a back-to-work bonus proposal that would make work pay by allowing workers to keep up to 2 weeks' worth of that additional benefit after accepting a job, essentially a \$1,200 sign-on bonus. We also want to make sure that states provide clear notice to unemployment claimants about work, to work obligations, and good cause exceptions.

I also think there's a better policy than the Democrats' partisan bill, the HEROES Act, which would extend the \$600 work incentive through January 2021. The nonpartisan CBO said that doing this would weaken incentives to work, decrease economic output, and decrease employment. In short, it would kill our economic recovery.

Another misguided policy in the partisan HEROES Act is restoring unlimited deductions for state and local taxes, or SALT. The nonpartisan Joint Committee on Taxation has found that only one percent of the benefits of this policy would go to those making less than \$100,000 a year. So, instead, over half of the projected benefits would go to those with annual incomes of \$1 million or more. This does nothing to rebuild our economy. In fact, it gives the wealthiest a whole cake while the middle class is stuck with the crumbs. Tax experts on the left and right agree that restoring an unlimited SALT deduction is a bad policy.

Just a few weeks ago, Mr. Furman, who's with us today, reportedly said restoring SALT was a waste of money, that it would not help the economic recovery.

So, as we climb out of this crisis, we need serious substantive bipartisan proposals that incentivize people to go back to work and to rebuild, and to rebuild our economy and their lives, not bloated partisan bills that incentivize—disincentivize work and provide rich things as giveaways.

Ms. GRESZLER. Would we be more or less likely to see a V-shaped recovery if we extend the \$600 a week unemployment benefit for six more months and restore the SALT deduction as the Democratic HEROES Act does?

Ms. GRESZLER. No. I think the CBO report that came out evaluating that \$600 proposal shows that it will actually hurt the economy in the long run. We will see lower output employment next year. And all this push with the \$600 benefit is just keeping with the inertia.

But we have to recognize that when Congress established this benefit, it wasn't because it was the best-designed program. It was simply the quickest way to get the money out the door, you know, recognizing that we were going to have these problems. Now that we see what the problems have been, that's all the more reason to let that benefit expire and then to more properly target the benefits to people who actually need them, and talk about ways that if you have a reduction in hours of income, maybe you could have that partial benefit that's coming in, so that you go back to work 20 hours a week and you still get something from unemployment. But we don't want it to be manipulated.

There are too many cases, you know, Portland, Oregon, has what they call furlough Fridays. They're laying their teachers off or fur-

loughing them for one day a week so that they can collect the \$600 benefit, plus a partial unemployment benefit, the workers are better off. The taxpayers are better off. It's Federal taxpayers who are going to bear the brunt of that.

Mrs. WALORSKI. I appreciate it, Mr. Chairman. I yield back.

Mr. CLYBURN. Thank you very much.

The Chair now recognizes Mr. Foster.

Mr. FOSTER. All right. Can people hear me? My internet keeps coming and going.

Mr. CLYBURN. Yes.

Mr. FOSTER. All right. I'm now operating with my iPhone hotspot, so we'll see how that works.

Mr. CLYBURN. OK.

Mr. FOSTER. So, one of the things that struck me was the way that, one—some people have been using the \$600 benefit simply to be able to maintain their mortgage payments. And, you know, as was mentioned, so far, the residential housing market has held up all right. However, many people are very worried that if this is withdrawn, that there will be a wave of foreclosures and that we'll see the sort of downward spiral that we saw in the Great Recession where houses—people couldn't make their payments, they were foreclosed upon, the house was sold, this caused real estate prices to drop, and wiped out a huge fraction of the wealth of really a large fraction of Americans. And we may be very close to such a tipping point if we decide to pull back that \$600 suddenly.

Now, I was wondering, do the projections that are being made actually reflect that risk accurately and include the regenerative downward spiral that could result?

Mr. SPRIGGS. I would be willing to answer for you.

Mr. FOSTER. Please, Mr. Spriggs.

Mr. SPRIGGS. Absolutely, Congressman. There is that risk. We must remember that household income has to be maintained to maintain the rest of the economy. And we know from the Great Recession that unemployment benefits were important in diverting more foreclosures from happening. In this case, it's even more necessary because we don't want to complicate the current crises that is rising in the economy. Banks are amassing debts that it's not clear will be able to be paid off, and they're going to have to eventually write off some of this bad debt. We need to keep that level down. So, your concern is a very valid one and one that has to be added into the calculus.

Mr. FOSTER. Yes. And then what I've heard from many individuals is that, yes, you can get one month of forbearance or maybe two months, but you cannot get six months. So, if this is yanked away, I think we're going to be facing a wave of foreclosures here, and that could end badly.

I'd also like to draw attention to the words of the Chairman of the Federal Reserve yesterday in our Financial Services meeting. He said, quote: It's important to just keep in mind that some of the jobs are not coming back soon. And they're going to have a hard time finding a job, so I think it's better to keep them in their apartment, better to keep them paying their bills. And that this is a natural disaster. It isn't their fault. I think that we should find ways as a country to support these people.

And, you know, I really agree with that, that, this is, you know, it's not going to go away, you know, in a month, but it's probably not going to last a year. So, I think we really owe it to all of our fellow citizens to make sure that they're able to survive that year in reasonable shape.

But in the long term, there may be big structural changes. Many people have learned that working at home is a very efficient thing to do, and so they won't be going out to the restaurant for lunch, and on and on. There are some estimates that as many as 40 percent of the jobs that were lost will not come back.

So, how do we wrestle with that situation, if it takes place, because then reopening the economy won't be effective for those people?

Mr. SPRIGGS. Again, Congressman, you are absolutely on point, which is why I think the \$600 has to be compared to the loss of permanent income that many workers are experiencing, and looking at it as a replacement rate only on a weekly basis is an incorrect calculation. But we need more. We need to make sure that our state and local governments do not lay off more workers as they face creating budgets that will have to be balanced, realizing the loss in revenue they are currently suffering from. And we will lose even more jobs if the HEROES Act is not passed to stabilize state and local governments and ensure that schools can open so that we can get workers back to work.

The greatest fear isn't workers taking the \$600 and not returning to work. The greatest fear is workers being unable to return to work because we haven't done the things to reopen schools.

Mr. FOSTER. And when that happens, of course, that will depress the wages of everyone competing for those jobs being much scarcer than it needs to be.

Chairman, I yield back.

Mr. CLYBURN. Thank you very much, Mr. Foster.

The Chair now recognizes Dr. Green.

Mr. GREEN. Thank you, Chairman Clyburn and Ranking Member Scalise. And thank you to our witnesses.

Ever since the Democrats captured the House, the loudest voices in the Democrat Party have done nothing but work to take power away from people. Take House Resolution 1, for instance, the Democrats' flagship bill, For the People Act, or maybe more appropriately, "for the politicians act." This piece of legislation would mandate a colossal takeover of state election processes to empower big government levels. Or perhaps H.R. 5, which removes religious freedoms granted in previous legislation in the Constitution. Or what about their desire to dictate what vehicle we can drive or ride in in the Green New Deal? Now, AOC is out there pushing universal rent control. That's right out of Karl Marx.

Take a more recent bill, House Resolution 965. Through the Yellow Fever of 1793, the burning of the Capitol during the War of 1812, the Civil War, the Spanish flu of 1918, and 9/11, the House has always assembled in person to conduct votes.

And while the Republican-controlled Senate continues to do so, Speaker Pelosi forced through proxy voting without the minority's consent, further concentrating her power while disregarding the Constitution, over 200 years of historical precedent. Concentrated

power is tyranny. And despite flattening the curve, some Democrats have consistently urged for a slower reopening of the American economy.

What about the waitress, though, the bus driver, the construction worker, who are not sure how they're even going to make next month's rent or put food on the table? Why should the government force them not to work when we've already accomplished the goal of flattening the curve? It begs the question, why are some leaders in the Democrat Party willing to put power over people?

Let me explain. In an article in *Politico* titled, and I quote, "The general election scenario that democrats are dreading," end quote, the reporter quotes Jason Furman, Dr. Furman who's here today, and I quote, "We're about to see the best economic data we've seen in the history of this country," end quote.

The article mentions that Dr. Furman's comments regarding a strong economic recovery has caused some Washington Democrats, especially Dr. Furman's fellow Obama alumni, to panic. Quote, "This is my big worry," said former Obama White House official. Asked about the level of concern among top party officials, he said, "It's high, high, high, high," end quote.

Senior political operatives of the Democrat Party are dreading a massive economic recovery? Is it possible Democrats would rather the American economy not bounce back up so quickly so that they can see President Trump defeated? I hope everyone realizes what this article is saying.

Top Washington Democrats, some on Vice President Biden's campaign team, are lamenting a rapid economic recovery. They want unemployment to remain sky high: They want 401(k)'s of Americans to tank? They should be celebrating people getting their jobs back. These Democrats, not all, these are clearly more concerned about power than they are about people. They'd rather defeat President Trump than help their fellow Americans.

As a physician, I understand how the shutdown is severely impacting the health and well-being of Americans. Take our seniors, it's common knowledge in the medical community that social isolation and loneliness heightens mortality. According to one study conducted by researchers at Brigham Young University, loneliness increased the odds of mortality by 26 percent. It should be considered a risk factor, like obesity and high blood pressure.

Or take suicides. According to research from Well Being Trust, the coronavirus pandemic and related shutdowns will probably cause 75,000 additional deaths from suicide, drug overdose, and alcohol abuse. A poll by the Kaiser Foundation found that 45 percent of U.S. adults reported their mental health as already negatively affected. Additionally, diagnostic panels and cancer screenings plunged by as much as 68 percent, and even more in some coronavirus hotspots.

As a doctor and a cancer survivor myself, I know from both sides of the stethoscope that these screenings are crucial in diagnosing cancer before it spreads. There's more than an election at stake here. The lives of our fellow Americans are at stake.

I urge Speaker Pelosi and the entire Democrat Party to join us, encourage these states to speed up the opening of this economy. That's how we save lives, save jobs, and save Americans.

Thank you, and I yield back.

Mr. CLYBURN. Your five minutes have expired.

The Chair now recognizes Mr. Raskin.

Unmute yourself. Unmute yourself.

Mr. Raskin?

Mr. RASKIN. Yes. You got me?

Mr. CLYBURN. Got you now.

Mr. RASKIN. All right. Mr. Chairman, thank you.

And I also want to add my voice in sympathy and for condolences for our colleagues Sensenbrenner and Barr and Ilhan Omar for the losses in their family. And I also want to express my condolences to the families of 117,832 Americans that we've lost in the last four months of this nightmare.

I noticed that my colleagues and friends across the aisle never seem to mention the number of people that we've lost. And they're acting as if somehow this crisis is going away. But, you know, Florida and Arizona and California reported record highs today in number of cases. The hospitalization rate is up in Tennessee by 30 percent. Record rates going on in Alabama. Nothing can get away from blaming Governor Cuomo for what's taking place all across the Southern and Western parts of the United States.

Mr. Chairman, you know, I wish I could go right to unemployment, but there's too much disinformation and propaganda in there, and I've got to address some of these things.

The ranking member started off by going back to the tried and true China excuse, so I decided to do a little research on this to see where it's coming from. Turns out there's a whole article about it in *Politico*. I'm going to ask for unanimous consent at the end of the meeting to introduce it, called, GOP memo urges anti-China assault over coronavirus. It's all about how in order to deflect and divert people from President Trump's miserable and legal failure to develop a public health strategy for testing and contact tracing and public health containment of the disease, what needs to be done is to blame China over it. It's a 57-page memo that goes into things like what to do when people suggest that this is a racist strategy and so on.

One thing that's not addressed in the memo is the real glaring fault of this, which is that President Trump in January, in February, in March and in April, on 37 different occasions praised China and President Xi and his response to the pandemic and said he was working very closely with them. I don't have time to read all of it, but I'm going to introduce this for the record too. It's called, the many times Trump has praised China's handling of the coronavirus pandemic. And it's a collection of all of the President's statements about it. I'll read just a couple, because every time that our Republican colleagues go back to blaming China, I'm just going to continue reading the President's statement.

So, I will start at the beginning on January 22 when he's asked, do you trust that we're going to know everything we need to know from China? He says, yes, I do. I do. I have a great relationship with President Xi, and we just signed probably the biggest deal ever made.

Two days later, on January 24, he says, China has been working very, very hard at containing the virus. The United States greatly

appreciates their efforts and their transparency. January 27, We are in very close communication with China concerning the virus. Very few cases reported in the USA. And on and on and on.

So, either the greatest deal maker of all time, the master of the art of the deal got suckered by the Chinese Communist Party, or maybe he was in cahoots with them. I didn't think that was possible until I picked up today's *New York Times* and I read about the President's former National Security Advisor John Bolton, who says that President Trump actually approached President Xi about helping him win his reelection, saying that, If you buy crops from the United States, you're going to help me in the farm states, you're going to help me in agriculture states that have been hit very hard.

Well, that's the reality of the situation. If you guys want to keep talking about China, I would love to do it next time you do report on China. Please get into the President's absolute cooperation with the Chinese government and defense of Chinese government.

Now, it's also being said that somehow the cure to the pandemic is to get everybody back to work. But we don't have to choose between the economy and public health. On the contrary, the best way to get the economy going again is to address the public health crisis, which they now completely ignore. And it's not only the best way to do it, it's the only way to do it.

Mr. Furman, do you want to address the comments that were made about you and your role in trying to address this pandemic which makes America the leader in death count worldwide and the leader in case count worldwide now?

Mr. FURMAN. Yes. The United States economy is in a much worse place for the second half of this year because of the lack of success in containing the virus. Even with that, I do expect you'll see months like the month of May with very large numbers. I also expect, even with that, you will be in a very, very deep hole. And, you know, if major legislation is passed along the lines of the HEROES Act, that would speed the economic recovery and mean the economy was in better shape in the month of November, something that most Democrats seem more than happy to want to do, as judged by their vote for that act.

Mr. RASKIN. Ms. Evermore, what can we do to expedite relief right now in states where the unemployment system does not seem to be correctly addressing all of the findings that have come in from the people?

Ms. EVERMORE. Thank you for the question.

Mr. CLYBURN. Mr. Raskin?

[Inaudible]

You may go ahead and answer, Ms. Evermore.

Ms. EVERMORE. Oh, OK. Thank you.

The most important thing that I think Congress could do right now is just get additional administrative funding out. When the original billion dollars was passed in Families First, that was the first week in March, nobody had any idea how big this crisis was going to be. And a billion dollars only represented a 50 percent increase for state agencies who've seen a thousandfold increase in new claims. So, I think doing that, investing in technological infrastructure immediately would go a long way.

Mr. RASKIN. Thank you. I yield back, Mr. Chairman.

Mr. CLYBURN. The Chair now recognizes Mr. Kim.

Mr. KIM. Thank you, Mr. Chair, for pulling this together.

I want to start by just addressing that I think I can safely say that every single one of us here today wants to see our economy strong, wants to see American workers going back to work as soon as possible. Any type of false debates about that is really just distracting from the issues at hand here. We should not be getting into debates here about whether partisan politics is getting ahead of our desires for a strong economy. That is absolutely not true. Everyone here wants to make sure that we have a strong economy and getting people back to work. And I think that I can safely say that here today, and I want to be very declarative about the importance of making sure we're working out for the American people and that they can have confidence that their Congress is working for them.

When it comes to our issues of how do we get people back to work as quickly as possible, it comes a question of how do we do this safely and responsibly? And if that is where the debate is, then let us talk about that and talk about what we can do to be able to help the work standards of environment to be able to get the public health tools needed to be able to get us to that place.

Ms. Evermore, I wanted to ask you a question here, because last week, Secretary of Labor Scalia testified that the Trump administration had received, quote, several thousand workplace safety complaints during the coronavirus crisis. Yet the Department of Labor had issued only one workplace safety citation the entire time.

Now, this is worrisome, because as we're trying to get people back to work, we need to make sure we have a safe environment for them to be able to get back to. And it feels like based on this that the Department has failed to issue any enforceable safety standards to protect workers during this pandemic.

I want to ask you if stronger OSHA standards or other steps that the government and this administration should be doing right now would allow us to be able to reopen in a safer and more responsible and sustainable way, and how so?

Ms. EVERMORE. Absolutely. OSHA and the Employment and Training Administration should be working hand-in-hand first to issue workplace standards so employers know how they can open up in a safe way. And then also the Employment and Training Administration needs to give clear guidance to workers and the state agencies what standards apply in terms of refusing unsafe work. Because if workers are empowered to take a look at a workplace and decide that it's not safe to go back, and going back is going to exacerbate the public health crisis, then we go a long way toward mitigating some of these public health concerns regarding trying to reopen.

Mr. KIM. That's a huge part of the equation in terms of getting people back to work. All of us would like it if we're able to have people on unemployment insurance for less time and making sure that we can invest in the workplace and make that safe and responsible is critical.

When we look at the steps that we can take to try to help people get through this difficult time until they're able to get back in safe

and responsible way, it's not just about the kind of income that they're getting or support they're getting, whether through unemployment insurance or something else, but it's also about what costs they are still incurring and the difficulties that they'll have to be able to then provide for their family.

Ms. Evermore, you raised the question about healthcare, and I think that that's a huge one that we all feel particularly strong about given this pandemic. And I just recently saw that last month, the Economic Policy Institute estimated that over 16 million workers had likely lost their employer-provided health insurance since the start of the pandemic. And that is something that I'm deeply concerned about, not only because we want people to have health coverage during the pandemic, but because we know how much of an out-of-pocket expense that can be and could really draw down and negate some of the benefits that we're trying to provide through unemployment insurance and other means, like the Paycheck Protection Program.

So, I wanted to ask you here, you know, what steps can Congress be taking to reduce the burdens of these high healthcare costs for unemployed individuals and their families? You've also mentioned, you know, work share, and other efforts like that, how does that fit into sort of the puzzle that we already have here about the Paycheck Protection Program, partial unemployment, and how would work share protection fit into that?

Ms. EVERMORE. Sure. So, first, in past recessions, Congress had subsidized COBRA, which is a thing that I think would be worth considering again in order to help with the health insurance costs.

Second, when it comes to work sharing, this is a great program. It's criminally underutilized, but what it allows for is employers can say, instead of bringing back 30 percent of our work force, we're going to bring everybody back at 30 percent of time. And then they get—still get 70 percent of their unemployment insurance benefit, plus the \$600. It's win, win, win for everybody. And I just—I wish more employers knew about this great opportunity.

Mr. KIM. Well, I appreciate your time. I will end there. But all of us, again, just recommitting ourselves and trying to help us get through this time and get a strong economy. Thank you.

Mr. Chair, I yield back.

Mr. CLYBURN. Thank you.

The Chair recognizes Mr. Raskin for unanimous consent.

Mr. RASKIN. Thank you, Mr. Chairman.

I have three articles, the one—the aforementioned GOP memo urges anti-China assault over coronavirus in *Politico*. I can send you that one. In CNN Politics, The many times Trump has praised China's handling of the coronavirus pandemic, detailing those 37 occasions. And then I also mentioned today's *New York Times* where John Bolton alleges President asked President—Chinese President Xi to buy crops to help him win reelection, titled, Bolton Book Says Trump's Offenses Exceeded Ukraine.

If I could introduce those for the record.

Mr. CLYBURN. Reserving the right to object, though I do not intend to object. In order to minimize interruptions and to be fair to everyone, we requested that any exhibits be circulated in advance via the Oversight clerk's email circulated in the hearing notice. If

you have not sent the item yet, we ask that you do so now. We want to ensure that we have seen copies of all materials before they go into the hearing record. So, I'm going to hold off agreeing until after we have ensured that we've received and seen the documents.

I thank the member for the request. The member may be assured that his request will be dispensed with before the end of the hearing.

Mr. RASKIN. Mr. Chairman, thank you. I was not aware we were going to talk about China today. I was prepared to talk about unemployment, and that was why I went into my China folder. But I appreciate your indulgence. And now we'll have it on the record in the event this comes up again.

Mr. CLYBURN. Thank you very much.

With that, I would like to yield to the ranking member for any closing statement he would like to make.

Mr. SCALISE. OK. Thank you again, Mr. Chairman, and for the members and witnesses for all of the different information that we discussed today. Clearly, getting our economy reopen is where we need to be focused, because we've seen that the devastating consequences of people staying at home is costing lives.

We're going to continue to learn more about this virus. We know that China lied to us, hid information, corrupted the World Health Organization to say things like human-to-human contact wasn't happening. All of those things are things we're going to continue to call on this committee to investigate because it's a key part of how we got here. And then we want to focus on how we get back to a healthy economy.

We were in, as many of our members—I know Mr. Jordan talked a lot about how strong our economy was before. I would hope there are not people rooting against an economic recovery for their own political benefit. But we know that we're starting to see an uptick in people getting back to work and jobless claims dropping. The numbers are still high. We want to continue to see that number go down. And the number is going down. That's the direction we want it to go.

In terms of testing, I know everybody's been saying we need more testing. And, frankly, President Trump is putting strong emphasis in getting more testing. You know, if you just go back to March, we were struggling to get a thousand tests a day. Today, we are doing 450,000 tests a day. We should all be glad that we're increasing testing. Of course, the more tests you do, the more positives you're going to find. And so to just look at the number of positives doesn't really talk about the concern we've always had.

The reason for the shut-in, as all of our witnesses have confirmed, was to make sure our hospitals didn't get overrun. And, in fact, Mr. Chairman, they did not get overrun. Not one hospital denied anybody a ventilator. You know, we saw the ship in New York get returned because they didn't have that overrun at their hospitals, even in the states that had the highest numbers.

But we did see, Mr. Chairman, some states handle this worse than others. And this isn't a partisan issue. Forty-five Governors, Republican and Democrat, followed CMS guidelines in properly protecting their nursing home patients who would be most vulner-

able. Again, 42 percent of all the COVID deaths in America only resulted from 0.6 percent of America's population. And then as we have found out, thousands of those deaths should not have occurred because a few Governors, five Governors, chose to go against CMS guidelines.

I just got this letter, Mr. Chairman, from the Governor of New Jersey, just sent it in during this hearing, where he denied our request to give data, to be transparent. And he said, the minority can't request data for Oversight. It's got to come from the majority. So, I would ask the majority to join us. I don't know what the Governor of New Jersey is hiding. We have asked him for very specific information leading to deaths of thousands of his citizens.

Just like we've asked in those other four states where they went against CMS guidelines and said you have to take the patients back to the nursing home. Even if you don't have the ability to care for them, you, in fact, are prohibited, in New Jersey and New York, prohibited from testing them for COVID so that you can properly protect the other seniors. And it didn't happen, and thousands of people died unnecessarily.

We absolutely ought to get that information. And so we're going to continue to push for that as we try to seek answers to continue reopening our economy.

And I will finish with this. I know Mr. Jordan also talked about having full confidence in the American worker, which I share. And I have concerns about some of the Governors who went against protocols. By large, most Governors, Republican and Democrat, did the right thing. Eighty percent of our nursing homes didn't have these problems. But some Governors decided to ignore those CMS guidelines, and it led to death sentences for thousands of Americans. And we ought to get those answers. We're going to continue pressing for that.

And with that, I yield back, Mr. Chairman.

Mr. CLYBURN. Well, I thank the gentleman for his statement.

I would like to say, first of all, I want to thank the panelists for being here today. And I commend all of my colleagues for their participation. I would hope, though, that if it is true, as you said, my friend, that things are getting better, that we are at the turning point, I am failing to understand why it is we cannot get the data, why it is that they have stopped putting out the data. It would seem to me that if things are getting better and we are at the turning point, that Mr. Mnuchin and this administration would gladly share that data with us. Why is it that they are refusing to have—let the American people see the numbers? This has been a tradition for as long as any of us have been in government, but they're not giving it to us.

The experts' analysis we have heard today has made three things pretty clear. First, we are dealing with a widespread of employment of a magnitude that we haven't seen in generations. And the pain is not over yet. Tens of millions of American families have lost their livelihoods. While some may wishfully think we have turned the corner, the experts are clear, this job crisis will be with us for many months. And I suspect that's pretty clear with the administration as well, and I suspect that that's why they're not giving us the data that I've asked for as recent as this morning.

So, we cannot let critical, crucial support for unemployed Americans expire next month. It's clear that we need to do something for working men and women.

It's interesting to me, as we said when we were setting up this committee, to pattern this committee after the Truman Committee of 1941. Harry Truman said in that occasion that he found it very interesting that no matter how much money we spent, the big corporations, especially those doing business with defense contractors, nobody would say a word. But you try to get a little bit of money, a little bit of help to some poor soul, nearly unemployed, and all hell breaks loose.

All we can hear now is \$600 will be a disincentive for people to work. That's an insult. People want to work. The jobs are not there. And that's why—they're not there. That's why we passed the HEROES Act. And just after we passed that \$3 trillion HEROES Act in the House, without any—well, we did get one Republican to vote for it—when we passed it, Chairman Powell said at the time, \$3 trillion may not be enough.

And so I would hope that we would set aside all this partisan bickering and let's do what we can for the American people.

Now, the second thing to be made clear here is that without a comprehensive plan to combat the ongoing public health crisis, we will never have a solution to the unemployment crisis. I—, I don't blame this spike that's taking place here in South Carolina on my Republican Governor. Henry McMaster is a good guy. I'm not blaming him for the spike. But I see my state in the news every evening now for setting a record. I don't blame Texas Governor or Florida's Governor that they're setting records in this spike. This may not be a second wave, but it is definitely a spike in the first wave. And we need to do something about that.

Reopening without a clear nationwide plan to stop this virus will only lead to more infections, more deaths, and more economic harm. That's why Houston is now talking about shutting down businesses again.

Sky-high unemployment will continue until the economy can be opened in a sustained way that protects the health of all Americans.

I want to see this economy open back up. All of us want to see this economy open back up. But I don't want to see people dying like flies. I want to see people healthy. So, let's do it in a healthy way. And we can do that if we work together, talk about what we can do, talk about what we can do to fix the nursing home crises that we all talked about here last week. There's a lot that we could do together if we just stop the partisan bickering.

We need the administration to finally take the leadership role in developing that plan and getting states the testing and the protective equipment they need to beat this virus.

Last, the harms of this unemployment crisis have not been evenly distributed. The poorest Americans, Black Americans, and other people of color are facing the gravest impacts. We must work proactively to address racial and inequality in jobs, earnings, wealth, and prosperity. The comprehensive Federal response must provide the resources for retraining for workers whose jobs are simply not returning, after seeing the report that said that 50 percent

of the jobs lost during this pandemic will not be coming back. The HEROES Act that we have just passed in the House would be a good beginning.

So, let me just say to all of my colleagues, we cannot bury our heads in the sand and hope that our economy will miraculously recover. It won't. Congress and this administration must meet this moment to support Americans in need and prevent even more economic destruction.

And with that, this meeting is adjourned.

[Whereupon, at 2:11 p.m., the subcommittee was adjourned.]

