

An unequally distributed depression

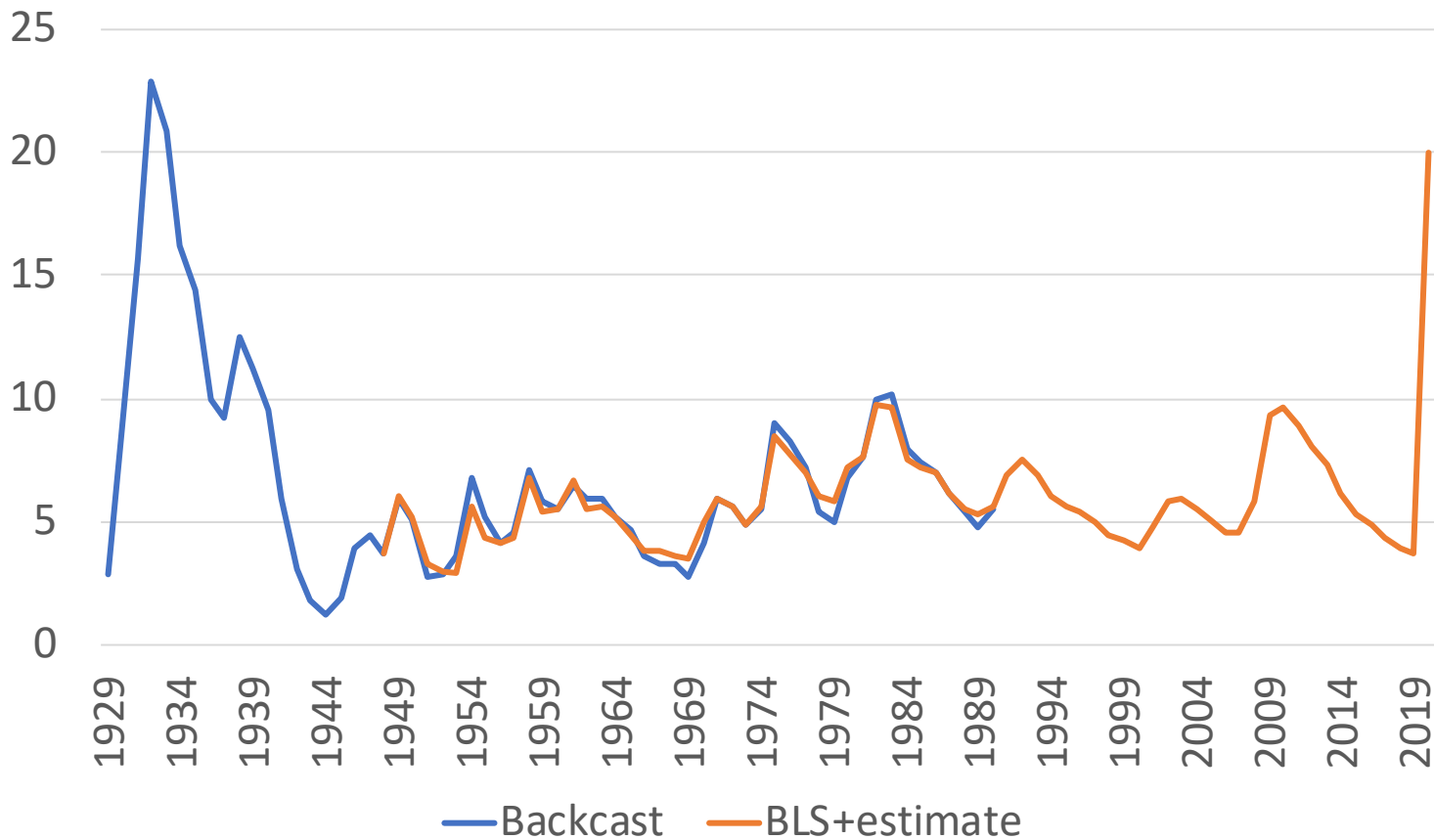
Paul Krugman

Professor of Economics

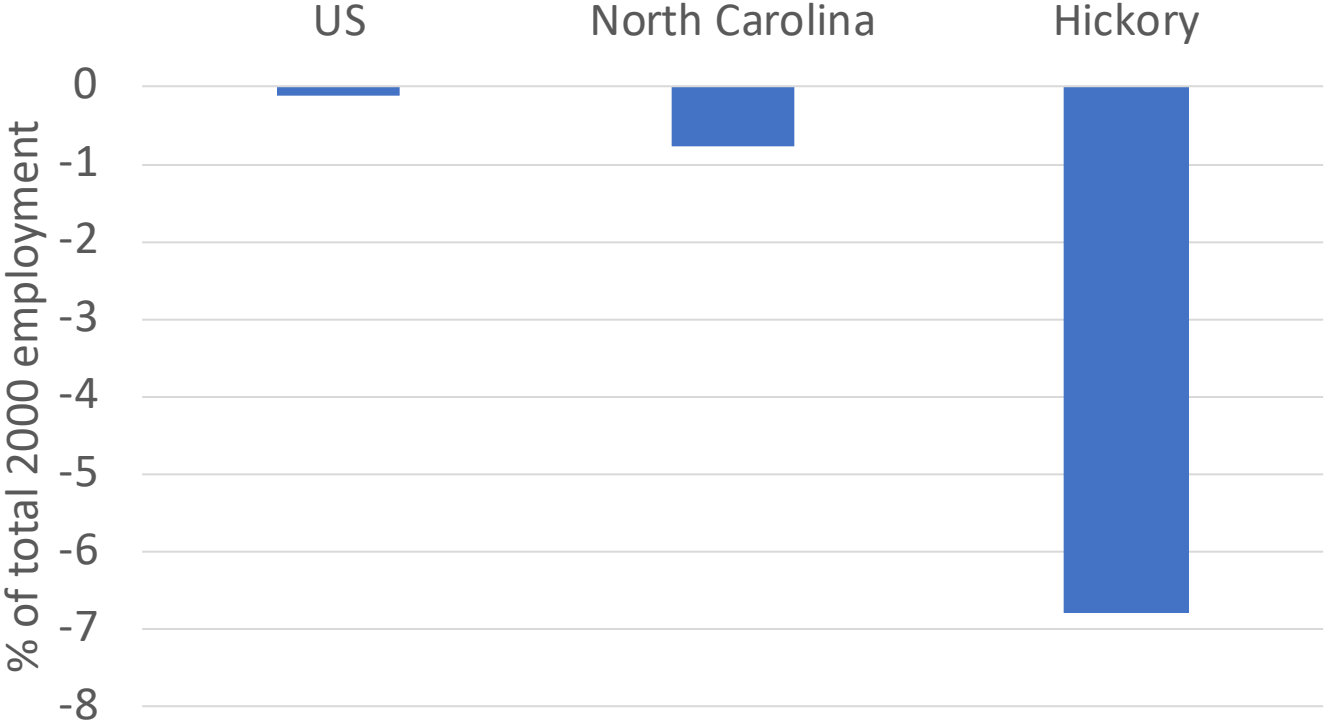
The Graduate Center, CUNY

Stone Center on Socio-Economic Inequality

Unemployment over the long run



Change in furniture employment, 2000-2007



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The U.S. Labor Market During the Beginning of the Pandemic Recession

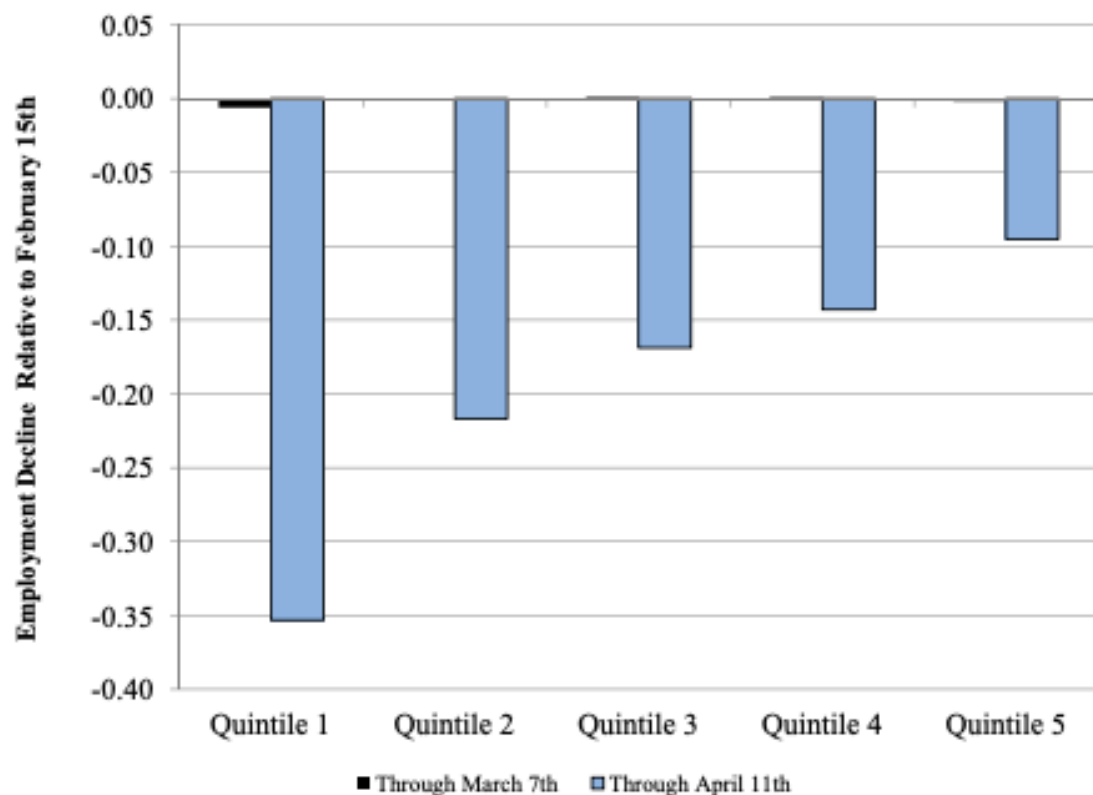
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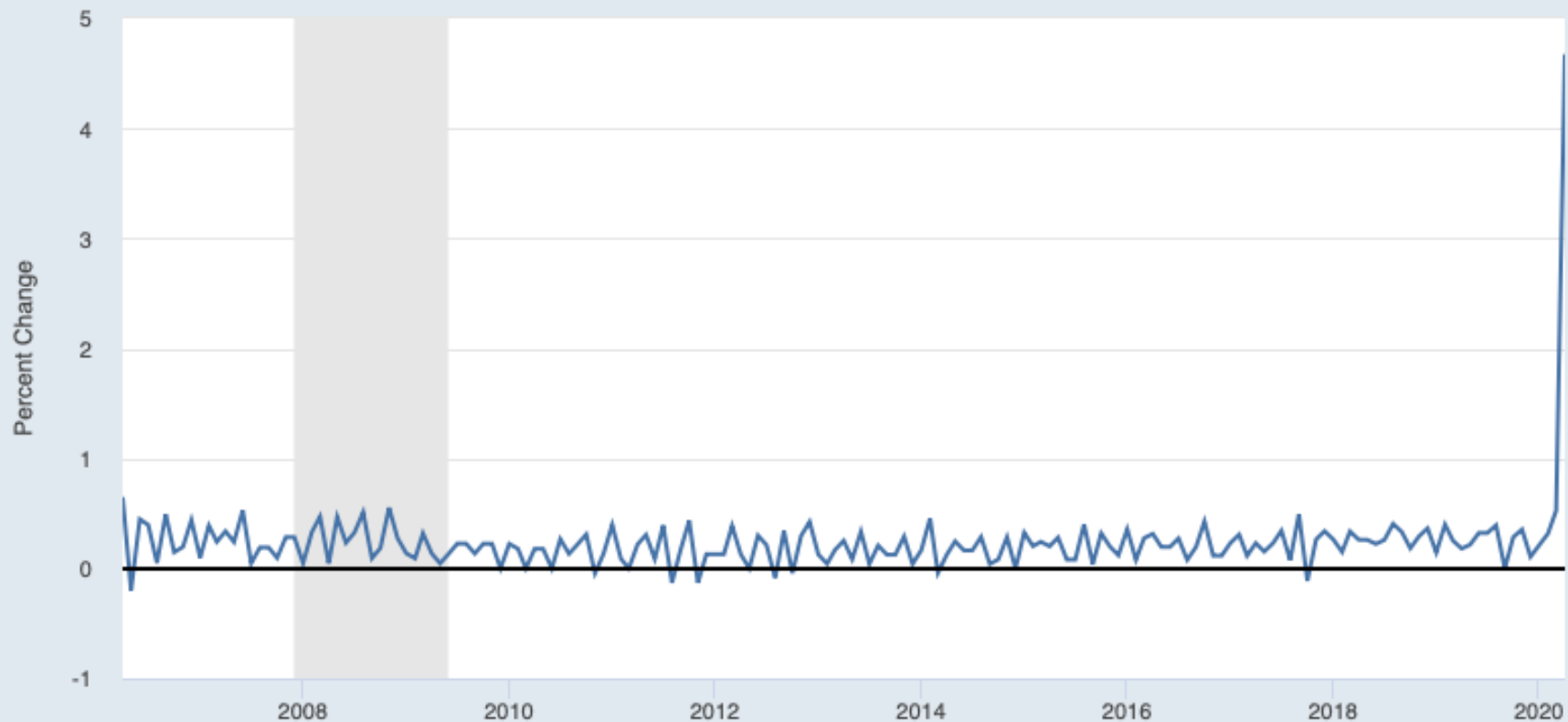
MAY 2020

Table 3: Paid Employment and Hours Changes By 2-Digit Industry

Industry	Paid Employment Change: All	Hours Change: Continuing Hourly Workers
Arts, Entertainment and Recreation	-56.4%	-19.2%
Accommodation and Food Services	-52.9%	-18.6%
Other Services	-23.6%	-8.6%
Administrative and Support	-19.8%	-5.1%
Real Estate, Rental and Leasing	-19.8%	-5.8%
Transportation and Warehousing	-17.8%	-2.8%
Manufacturing	-17.5%	-8.0%
Information Services	-16.1%	-2.1%
Educational Services	-15.9%	-4.0%
Retail Trade	-13.3%	-10.0%
Construction	-12.9%	-4.3%
Health Care and Social Assistance	-12.9%	-3.4%
Wholesale Trade	-10.9%	-9.4%
Professional, Scientific, and Tech Services	-8.9%	-4.3%
Public Administration	-8.2%	-2.5%
Finance and Insurance	-3.3%	-0.9%
Agriculture	0.5%	-1.2%
Utilities	3.8%	-0.5%

Figure 12: Employment Changes By Initial Wage Quintile





The CARES Act:

\$1200 one-time checks

“Payroll protection”: Forgivable small-business loans

Expanded and enhanced UI, \$600/week supplement

PPP in action





The CARES Act v UBI

Consider just the supplemental UI: \$600/week, would be \$30K/year if extended

US nonelderly adults ~200 million

So unconditional grants — UBI — on the same scale would cost \$6 trillion/year

= 30% of GDP, which is inconceivable

UBI would have to be much less generous => extreme hardship for laid-off workers