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## Layoffs intensify, leading to soaring unemployment claims as coronavirus closures continue

States are seeing applications for unemployment benefits mount by tens of thousands



A closed sign hangs in the door of a Converse shoe store in Phoenix. Treasury Secretary Steven Mnuchin warned lawmakers that the U.S. unemployment rate could spike to almost 20 percent, from its current level of 3.5 percent. (Matt York/AP)

By

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Layoffs are continuing to mount by the tens of thousands, prompting a surge of applications at unemployment offices nationwide as [coronavirus](#) brings more of the U.S. economy to a standstill. Just [a week ago](#), hundreds of people had been laid off, but those numbers are skyrocketing. As Trump administration leaders, industry officials and economists project dire warnings of millions of jobs vanishing this year, an increasingly grim picture of the U.S. labor market is emerging for the months to come.

The deluge into unemployment offices is beginning to strain systems. In Ohio, the Department of Job and Family Services said 36,645 claims were filed Monday. That's typically what the department receives each month, [The Columbus Dispatch noted](#).

Pennsylvania experienced more than 50,000 on Monday and more than that on Tuesday, according to [a tally](#) from economist Jacob Robbins and the [Pittsburgh Post-Gazette](#). Minnesota officials saw more than 31,000 applications on Monday and Tuesday, the [Star Tribune](#) reported. In New Jersey, 15,000 applications arrived on Monday, causing the state's website to crash, local affiliate [WHYY reported](#).

Treasury Secretary Steven Mnuchin warned lawmakers that the U.S. unemployment rate could spike to almost 20 percent, from its [current level of 3.5 percent](#), three people familiar with his comments told The Washington Post on [Tuesday](#). Kevin Hassett, a former Trump administration economist, [told CNN](#) on Monday that the United States could lose up to 1 million jobs in March.

The U.S. Travel Association [forecasts](#) a loss of 4.6 million travel-related jobs this year, most of them in hotels, but also in air travel, retail, food services and entertainment. Those losses would, by themselves, nearly double the U.S. unemployment rate, from 3.5 percent to 6.3 percent, the industry group said.

For the week ending March 7, unemployment insurance claims totaled 211,000, according to [data](#) by the Department of Labor. Figures through Saturday, March 14, will be released Thursday morning. But economists caution that those tallies will only reflect the beginning of widespread layoffs, which ramped up in the past several days as government leaders started imposing stricter restrictions on restaurants, bars, hotels, casinos and other venues with large crowds.

Economists are warning that the coronavirus is pushing the global economy into recession.

Of the travel industry job losses, hotels have been particularly hard hit. The American Hotel & Lodging Association said Tuesday that 4 million jobs have been eliminated already or are on the verge of being lost in the next few weeks. Chip Rogers, president and chief executive of the AHLA, said the hospitality industry faces the possibility that half of U.S. hotels could close this year.

Marriott International, the world's largest hotel brand, has started to furlough what it expects to be tens of thousands of employees. Some managed properties began closing last week. Those who lost their jobs will not be paid while on furlough, but they would continue to receive health-care benefits, the company [said](#).

The left-leaning Economic Policy Institute is putting job losses at 3 million by the summer, even with moderate fiscal stimulus. That pace would be comparable to the very worst months of the Great Recession, EPI's Josh Bivens [wrote](#).

Manufacturing jobs tend to be the first to go during a recession. But Bivens noted that coronavirus has sharply targeted low-wage and low-hours jobs in the service sector. "Given that workers in these sectors are likely to have very little savings to tide them over the economy's downturn, the ripple effect from the first round of job losses are likely to be far greater," Bivens wrote.

A poll released Wednesday by the Pew Research Center found that a third of Americans said they would not get paid if they are unable to work for two weeks or more because of the coronavirus and that it would be difficult to keep up with expenses. Among adults with family incomes of \$50,000 or less, about half said they would struggle with day-to-day expenses.

The White House is working with congressional Republicans on a [stimulus plan](#) that could send two \$1,000 checks to many Americans and allocate \$300 billion to help small businesses avoid layoffs, according to two senior administration officials and a Treasury Department fact sheet. Much has yet to be finalized on the \$1 trillion emergency plan.

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