

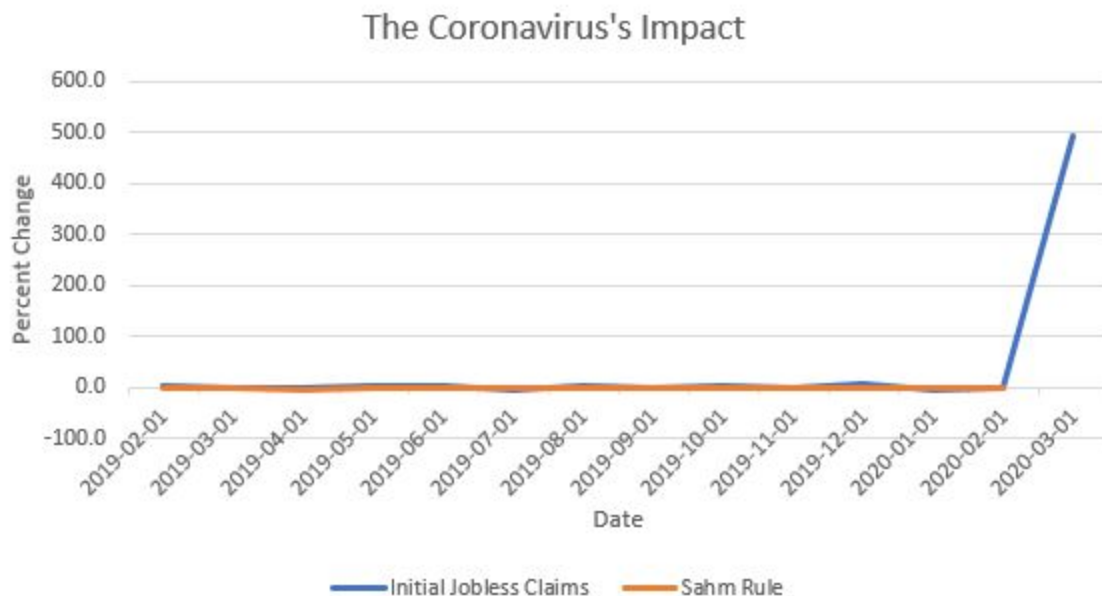
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### Weekly Submission 1



The graph above shows the percent change in both Initial Jobless Claims and the Sahm Rule over the past year. The Initial Jobless claims is a statistic reported weekly from the US Department of Labor that counts the people filing to receive unemployment insurance benefits. This week in particular is the highest spike seen in all of the data (from 1965 to present). Not only is it the highest spike, it is significantly the highest spike. The highest spike before this was 22% and this past week was 495%. That is nearly 23 times higher than any time previously. According to FRED, “the Sahm rule identifies signals related to the start of a recession when the three-month moving average of the national unemployment rate (U3) rises by 0.50 percentage points or more relative to its low during the previous 12 months.” While the Sahm

Rule has not yet been calculated for the recent spike in initial jobless claims, it will be incredibly high. Even though the previous three months would be relatively normal in terms of unemployment rate, this huge spike in initial jobless claims is sure to change the unemployment rate enough that it will influence the Sahm Rule. I believe there is an incredibly high chance of their being a recession in the US in the next three months. The coronavirus does not seem to be going away anytime soon as projections have social distancing lasting for up to a year or even longer. This means the job lost due to lockdown and quarantine measure would not be back within the year. Even with the proposed stimulus package, I believe the economy will fall into a recession that lasts until these lockdown and quarantine measures can be taken down.