

This Is the Worst Employment Collapse in U.S. History by a Very Wide Margin

By [Michael Snyder](#)

Global Research, April 22, 2020

[The Falling Darkness](#) 17 April 2020

Region: [USA](#)

Theme: [History](#), [Intelligence](#), [Poverty & Social Inequality](#)

We have never seen an “employment apocalypse” in the United States like we are witnessing right now, and it is not going to end any time soon. Over the past several days, “coronavirus shutdowns” have officially been extended all over the nation, and the longer these shutdowns last the more jobs our economy is going to lose. And because most Americans were living paycheck to paycheck before this pandemic hit us, many unemployed workers are already unable to pay their bills. Yes, our authorities may be slowing down the spread of the virus, but in the process they have [absolutely killed the economy](#). On Thursday, I was stunned to learn that another 5.2 million Americans filed initial claims for unemployment benefits last week. That brings the grand total for the last four weekly reports [“to a staggering 22 million”](#)...

About 5.2 million people filed for unemployment benefits last week, the Labor Department said Thursday. Jobless claims provide the best measure of layoffs across the country. Economists surveyed by Bloomberg had estimated that 5.5 million Americans would file initial applications for unemployment insurance last week.

That brings the total claims over the past four weeks to a staggering 22 million. By comparison, the labor market added 21.5 million jobs since the Great Recession.

Just think about that.

22 million jobs wiped out in one month.

And the true number of jobs lost is actually even higher, because not everyone that loses a job files for unemployment benefits.

Prior to this year, the highest number of initial claims for unemployment benefits during any four week period that we had ever witnessed was [2.7 million](#) during the fall of 1982.

So 22 million in four weeks truly puts us in uncharted territory. Just look at [this chart](#).

We aren't just beating the old records, we are absolutely obliterating them.

You know that things are really, really bad when even [NBC News](#) sounds just like The Economic Collapse Blog...

“The labor market is obviously very, very important, and has a high correlation

with what is going on in the economy,” Jay Bryson, the acting chief economist at Wells Fargo, told NBC News. “It is showing us what I think we all know, that the economy is falling off a cliff at an unprecedented rate.”

In other words, the chief economist at Wells Fargo is saying that the U.S. economy is completely and utterly collapsing.

[According to Zero Hedge](#), “we have lost 710 jobs for every confirmed US death from COVID-19 (30,985).” Our politicians have prioritized saving lives over saving the economy, and many people out there seem convinced that was the right choice, but the economic devastation has been immense.

The socialist “stimulus payments” and unemployment benefits will help all of these unemployed workers temporarily, but the payments from the federal government are supposedly just a one time deal, and it won’t be too long before many states [start running out of unemployment money](#)...

Six states — including New York, which has the highest number of cases in the US — can only fund up to 10 weeks of unemployment benefits from their state coffers before money runs out and they have to turn to the federal government for additional funding, according to a recent estimate from the Tax Foundation.

Another 15 state trust funds don’t meet the federal Department of Labor’s recommended minimum solvency standard, which requires being able to pay benefits for a year in an economic downturn similar to the Great Recession.

So what will the federal government do once we get to that point?

I imagine that Congress will eventually want to borrow and spend trillions more dollars that we don’t have, and it is likely that “conservatives” and “liberals” will both be quite eager to vote for another pork-filled bill.

But it is probably going to take some time for Congress to get through the process of passing another crazy spending package, and meanwhile deep economic suffering is erupting all over the nation.

On Thursday, vehicles were lined up for two miles in Miramar, Florida as needy individuals waited for hours to get handouts [from a local food bank](#). We are starting to see food lines like this [all over the country](#), and if things are this bad already, what will things look like a few months from now?

The chief economist at Grant Thornton in Chicago is calling this [“the deepest, fastest, most broad-based recession we’ve ever seen”](#), and I can’t argue with that assessment one bit.

For a moment, I would like for you to consider just a few of the economic news items that we have seen over the past few days...

-United Airlines has reduced its schedule of flights for May and June [“by about 90%”](#) as demand for air travel has absolutely plummeted.

-U.S. retail sales were down [8.7 percent](#) in March.

-J.C. Penney is [“considering bankruptcy”](#).

-Housing starts just collapsed by the most that we have seen [in 36 years](#).

-The mayor of Los Angeles says that large gatherings in his city will likely be banned [until 2021](#).

-Facebook has canceled all large events [until June 2021](#).

-Chinese GDP just experienced [the largest drop ever recorded](#).

Of course nearly every nation will soon report absolutely staggering declines in GDP. The shutdowns have brought economic activity to a standstill all over the globe, and no region is immune.

The following is how [the Daily Mail](#) is describing the current state of global trade...

The coronavirus pandemic is crippling global trade because crews on transport ships have been stranded at sea for months and food processing plants have been forced to close, threatening to bring the world's supply chain to a grinding halt.

Shipping workers at sea are denied entry into ports, truckers can't get to work in some countries or are confronted with complications at borders, food plants are closing and farm harvests going to waste in the crisis.

Does that sound like a [“perfect storm”](#) to you?

Well, the truth is that it is just getting started.

Eventually this pandemic will subside, but now that all of the economic dominoes are starting to tumble it will be exceedingly difficult to reverse that momentum.

And as I pointed out [the other day](#), most Americans are not likely to resume all of their normal daily activities once the restrictions are finally lifted, and fear of this virus is going to be a dominant economic force for the foreseeable future.

What all of this means is that we are facing incredible economic pain for the short-term, the mid-term and for a long time to come.

At this point, we should no longer speak of “economic collapse” as something that will happen in the future.

It is here.

It is now.

And it is going to get a lot worse.

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Michael Snyder is the publisher of [The Economic Collapse Blog](#), [End Of The American Dream](#) and [The Most Important News](#), whose articles are republished on dozens of other prominent websites all over the globe. He has written four books that are available [on Amazon.com](#) including [The Beginning Of The End](#), [Get Prepared Now](#), and [Living A Life That Really Matters](#).

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