Official jobless rate nears 15 percent as CT readies for reopening

By Alexander Soule
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The U.S. unemployment rate shot up to 14.7 percent as of mid-April, an increase of more than 10 percentage points in a single month that was the biggest spike dating back to 1948.

Connecticut’s labor commissioner predicted Thursday that the state’s unemployment rate is likely as high as 20 percent or more as of early May. Gov. Ned Lamont has set May 20 as the date many businesses can resume operations with safeguards to limit the transmission of the coronavirus.

“We had a very strong economy that was knocked off its kilter by a COVID pandemic,” Lamont said Thursday afternoon. “If we get this health [policy] right, if we do this in a deliberate way, we’re going to be coming back. Your job’s going to be coming back, and our economy will be coming back — perhaps even stronger for a state like Connecticut.”

Lamont authorized the release on Friday afternoon of an initial set of specific protocols for businesses to reopen in Connecticut, under recommendations from a panel led by Dr. Albert Ko of the Yale School of Public Health and former Pepsico CEO Indra Nooyi of Greenwich.

Many businesses have been walking a tightrope in gauging the timing for a resumption of commerce in their sectors, and what kind of a drop off they will see in accustomed cash flow.

Nationally, more than 18 million people were on temporary furloughs pending a possible resumption of their normal hours, but with the possibility their layoffs could become permanent depending on how long it takes for prior revenue levels to recover and other factors.

There was one group that saw a positive trend line — those who have been out of work for seven months or more, which dropped by 19 percent to below 940,000 people. But almost across the board otherwise, the news was grim, including 15 million full-time workers who have been reduced to part-time hours as a result of business disruptions, technically classifying them as employed but with their income reduced significantly.

Employment in the leisure and hospitality industry was down by half, with many more of those workers keeping their jobs only by virtue of the Paycheck Protection Plan which extends employers loans to cover eight weeks of payroll that is forgiven if they do not lay off workers.

On Thursday, the CEO of Booking Holdings indicated the company plans to lay off an unspecified number of workers, with the travel website giant headquartered in Norwalk and owning Stamford-based Kayak. CEO Glenn Fogel added he expects it will take years for the travel industry to recover fully.

“We believe that either a vaccine or effective treatment is needed before people will feel fully comfortable traveling the way they did before the pandemic started — and even after ... it may be some time before there is sufficient quantity and distribution to give people and governments confidence for people to travel freely,” Fogel said Thursday afternoon during a conference call. “That
will be dependent on the overall economy, [with] consumers’ financial health having gone through a very deep recession.'