

# United States Senate

WASHINGTON, DC 20510

June 12, 2020

The Honorable Steven T. Mnuchin  
Secretary  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, N.W.  
Washington, DC 20220

Dear Secretary Mnuchin:

Earlier this week, Americans were given the tremendous news that, although analysts predicted May would see 7.5 million jobs lost, the country instead saw 2.5 million jobs gained. While an unemployment rate of 13.3% and a labor-force participation rate of 60.8% mean the nation still has a long road to recovery, we hope the additional 2.5 million jobs, as estimated by the Bureau of Labor Statistics (BLS), is an indicator that the labor market may have turned a corner. Understanding exactly how and why the economy added these several million new jobs will be key to helping Congress understand how to best craft additional relief legislation.

When looked at broadly, lockdown orders, supply constraints, and a massive demand shock created wide job losses during the last three months. However, it is less evident how the labor market may have turned the corner in May, particularly with states and localities reopening at different paces. The Paycheck Protection Program (PPP), which originally provided two months of payroll costs, is currently covering the wages for tens of millions of workers who are therefore counted as “employed,” but we have no idea how many of them would be unemployed in the absence of that support.

As Congress debates future recovery options, it is crucial lawmakers understand the decisions made by employees and employers alike, including how they responded to the incentives created by the *CARES Act*, and what Congress should expect as its provisions expire. An accurate understanding allows further legislation to be better tailored to successful policies for America’s workers.

Please provide answers to the following questions, which we believe will be central to the debate over any possible Phase 4 legislation. Note, for purposes of these questions, “unemployed” refers to people who are not employed, whether counted in or out of the labor force.

1. Reconnection to the Labor Force
  - How many workers were unemployed in April, but employed in May?
  - Of these “reemployed” workers, how many had been employed as of February?
  - Of these “reemployed” workers, how many returned to the firm that employed them in February?
2. Effect of the Payroll Protection Program on the Labor Market

- How many of the 137 million Americans counted as “employed” in May worked for firms that received a PPP loan?
  - How many of these workers were on furlough or otherwise not actively working, but kept on payroll by PPP recipients?
  - How many firms receiving PPP loans hired new workers in May, and how many total workers did they hire?
3. Effect of Unemployment Insurance on the Labor Market
- How many “reemployed” workers received Unemployment Insurance in April?
  - Of these workers reemployed from UI, how many earned a weekly wage in May lower than the weekly UI payments they received in April?
  - How many workers have received UI who otherwise would not have been eligible for benefits without the UI provisions enacted in the *CARES Act*?
4. Status of Small Business
- How many workers were unemployed in April and then employed by small businesses (fewer than 500 employees) in May? Of these, how many were hired by PPP recipients?
  - How many workers were unemployed in May, but were employed by small businesses in April? Of these, how many had worked for PPP recipients?

Finally, for any answers you are unable to provide due to a lack of access to or unreliability of data sources, please identify actions that would need to be taken in order to make such data available for analysis.

Thank you in advance for your cooperation, and the dedicated service of your department, working to achieve an economic recovery for all Americans.

Sincerely,



Senator Mitt Romney



Senator Christopher A. Coons

CC:

The Honorable Jerome Powell  
Chairman  
Board of Governors of the Federal Reserve System

The Honorable Wilber Ross  
Secretary  
U.S. Department of Commerce

The Honorable Eugene Scalia  
Secretary  
U.S. Department of Labor

The Honorable Jovita Carranza  
Administrator  
U.S. Small Business Administration