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The U.S. economy suffered its biggest labor market shock on record last month, as government figures released Friday showed the COVID-19 pandemic erased 20.5 million jobs and sent the nation's unemployment rate to 14.7%, the highest since the Great Depression of the 1930s.

As recently as February, the United States had enjoyed record economic expansion and the lowest unemployment in half a century, 3.5%. Not only is that gone, but more bad news is almost certain in the weeks and months ahead.

“It’s just staggering,” said Holly Wade, director of research and policy analysis at the

been recalled in recent days as more states begin to relax lockdowns and lift stay-at-home orders.

Still, many layoffs have no definite end date, and more could become permanent as the impact of the pandemic continues to spread.

Many medical experts and government officials expect a second wave of infections as states begin to relax social distancing rules, though the new surge is not likely to show up in the data until late summer or early fall.

All that makes predicting the extent of the economic damage and the shape of a recovery very hard. But most analysts foresee deep damage and a very slow recovery.

Even where businesses are reopening, many are operating only partially, with limits on capacity and relatively few workers on hand. Customer demand remains unknown and start-up expenses may be wasted if new outbreaks occur, forcing another round of shutdowns.

Similarly, many employees are wary of returning when their own safety is uncertain. Polls suggest it may be months before most people are comfortable going out to shop at a mall, boarding an airplane or visiting restaurants and hotels and other public venues.

And the longer consumers hold back on spending, which accounts for 70% of total U.S. economic activity, the greater the chance that many employers will have cash flow problems and decide they can’t go on.

“A lot of the recovery is going to depend upon businesses being there to reattach the displaced labor,” said Nicholas Eberstadt, a political economist at the American Enterprise Institute. “And if the regiments aren’t there, the soldiers aren’t going to be able to come back.”

J. Crew, the preppy clothing seller that last month furloughed 11,000 employees, on

not sure he’s ready to go back to work.

“There are more people out and about, and you know, people can be careless. I don’t know. I’m just hesitant about working with that many people,” said Yu, who graduated from the University of Texas two years ago. “I’m not sure what job I can do, if it’s safe.”

Michael Bernick, former director of California’s Employment Development Department, said, “When you reopen the economy, you’ve got to do it with confidence and not with a lot of qualifications … . And until we have that, I think even a formal reopening of the economy is not going to bring back that many jobs.”

Friday’s grim jobs report was largely expected but will nonetheless add to the rancorous debate in Washington on what additional policies, if any, are needed in the face of a cratering economy.

In political terms, the sudden economic collapse has upended President Donald Trump’s reelection strategy that had counted on solid, positive performance in the jobs market and the overall economy. He regularly trumpeted the pre-pandemic economy as the best in U.S. history. Such claims are now likely to ring hollow in states such as Pennsylvania, Michigan and Wisconsin, where paper-thin margins were critical to his Electoral College victory in 2016.

As for the record low unemployment rates reported for African Americans and Latinos before the pandemic struck, those are history too. Those groups and others, including workers with only high school diplomas, have been hit especially hard, partly because of their larger representation in sectors slammed by the health crisis, such as food services, hospitality and other leisure businesses.

“In any economic downturn the most disadvantaged people are the ones that

have to find new work.

One of the authors of that report, Steven Davis of Chicago, pointed to two federal aid programs that might only serve to slow recovery, rather than speed it: loans to small businesses that can be forgiven for retaining or rehiring employees, and supplemental pandemic pay that adds $600 a week to recipients of unemployment insurance benefits through the end of July.

He argued that extra pandemic unemployment has incentivized workers not to return to their jobs because many are receiving more than they did in their paychecks, and that forgivable loans to tottering companies could actually make things worse.

“The danger is many of those businesses are not viable in the post-pandemic world, and that’s why there are going to be permanent job losses,” Davis said. “And so, using taxpayer funds to delay the inevitable is not only costly but actually slows the adjustment of the economy.”

Worker advocacy groups are pushing for extension beyond July of the $600-per-week add-on to unemployment benefits that Congress approved.

Some economists agree such an extension is warranted. They note that many states have slashed unemployment benefits over the years. Without the extra federal aid, state payments would not replace even half the average lost wages. The extra money in workers’ pockets will help boost demand for goods and services once the economy is back open, these economists said.

Susan Houseman, research director at the Upjohn Institute for Employment Research, said one pandemic relief measure that could help with employment and that has bipartisan support is so-called work-sharing or short-time unemployment.

Under such a program, an employer avoids layoffs by reducing work hours and

Independent Business have not been promoting the programs.

There's also broad support among economists and policymakers for Washington to provide more support to states and local governments, which are straining financially as they respond to the healthcare crisis and soaring unemployment.

State budgets have been squeezed from both sides: The economic crash has sent demand for services soaring while it has crushed many states' main source of revenue, the sales tax.

Jack Kleinhenz, chief economist at the National Retail Federation, took some comfort in knowing that a number of firms — Amazon, Walmart, Dollar General, Lowe's, to name a few — have hired hundreds of thousands of workers amid the pandemic. And the retail industry came off a strong Christmas sales season, and was doing fairly well through February.

What's happened since then, however, has been so unprecedented that Kleinhenz was reluctant to forecast the outlook for employment. Before the outbreak, he noted, 90% of retail sales were in physical stores. Some share of that will probably shift to online, which will mean more jobs at warehouses and transportation but not necessarily at retail outlets.

Then there's the whole question of the global recession and disrupted trade and supply systems. Right now, retailers should be putting in orders for back-to-school merchandise. But no one can say for sure whether students will be returning to schools this fall.

"We're all kind of sitting here wishing for things to get as normal as possible," Kleinhenz said. "But we have no playbook for this. There's no model out there we can turn to. We're just challenged."