

Christian Financial Expert: Do March's Numbers Point to Economic Ruin?

Nationally syndicated host and biblical investing authority Dan Celia is looking this morning at new economic data for March—its significance for the present and what it will mean for the future.

First off, new jobless claims out just a few hours ago were on par with expectations, Celia said, with an additional 5.2 million filing claims.

“The real unemployment number right now has to be between 15% and 19%,” he added. “Oddly enough, markets are up on the news, since numbers were just about what was expected. The concerning number here for me is that housing starts are down 22.3%. That is a huge number, and it’s basically saying that the construction industry will be at a complete standstill, and it doesn’t look like it will pick up anytime soon since we are also seeing building permit numbers down 7 million.”

Likewise, other areas of economic data have been every bit as bad as everyone thought it might be, Celia added.

“Some are saying the economy is in ruins. I don’t know about ‘in ruins,’ but the economy and the economic data will be worse than most feared. March retail sales also fell 8.7%, which shouldn’t be a surprise to anyone. Manufacturing activity declined to a shocking negative 86%—that is a surprise because these numbers are for the month of March. I would expect that for April, but not for March. That is a huge decline. And then industrial production saw a 5.4% decline—the largest since 1946. Manufacturing was down 6.3%, reflecting, in part, the 28% decline in auto production, as plants are shut down.”

Revisiting the housing realm, homebuilder sentiment hit a 35-year low, Celia noted. Builder confidence for single-family homes plunged 42 points to 30—the lowest level seen since 2012, according to the National Homebuilders Association.

“I don’t think anyone saw a 42-point drop coming in the homebuilder index, and, of course, mortgages will be impossible to get if people don’t have a job,” he said. “Homebuilders obviously realize that and are concerned, as they should be. Some are also saying the unemployment rate will hit 13% in June. I have to believe it’s already at 13%, and the April numbers are only going to get worse. These are huge numbers, and certainly a lot worse than many had calculated. These look more like what we would expect in April, so my concern is what we will see for April, especially with the numbers so horrible for March.

“Nonetheless, this is a one-time event,” Celia concluded. “We know that it’s a one-off. It’s a worldwide pandemic that no one could have anticipated, but all of that aside, it is still pulling the economy down extremely low, and the lower it goes, the longer it will take to recover. I’ve said this before, but the odds of the economy really starting to turn around anytime soon are pretty slim, and each day it will get tougher and tougher. Without coronavirus treatment or, better yet, a vaccine, it will be very difficult for the economy to get any kind of a quick start since workers won’t have any confidence that the people they are working alongside are clear of any virus, which means we need widespread testing in the absence of clear treatment or a vaccine, but even that won’t be as effective as a treatment or vaccine.”

Celia discusses these and other global and economic headlines on his daily, three-hour *Financial Issues* program, heard on more than 660 radio stations and several television networks nationwide, including , viewed on several post-cable television platforms and online.