

The US economy officially exited the recession in April 2020

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The official body tasked with [declaring recessions on Monday](#) said that the pandemic-induced recession in the U.S. ended in April 2020.

The National Bureau of Economic Research said the 2020 recession, at just two months long, is the shortest recession on record. The NBER in June of last year declared that the recession had [begun](#) in February 2020.

“The recent downturn had different characteristics and dynamics than prior recessions,” the NBER said.

The NBER’s [business cycle dating committee calls](#) recessions based on broad checks on employment and production activity.

The committee said that it had determined that economic activity had troughed in April 2020, when employment data showed the highest unemployment rate and lowest nonfarm payroll levels since the pandemic began.

“[T]he committee concluded that the unprecedented magnitude of the decline in employment and production, and its broad reach across the entire economy, warranted the designation of this episode as a recession, even though the downturn was briefer than earlier contractions,” the NBER wrote.

The dating committee noted that measures of economic activity, such as real Gross Domestic Product (GDP) and real Gross Domestic Income (GDI), could not give a clear picture on the timing of the recession because the quarterly data was too infrequent to capture the speed of the downturn.

Instead, the NBER turned to income-based monthly measures (such as real personal income minus transfers).

The NBER said that any future downturn of the economy, if there were to be one, would be a new recession instead of a continuation of the February 2020 to April 2020 recession.

“The basis for this decision was the length and strength of the recovery to date,” the NBER wrote.

Although the [definition of a recession](#) is generally perceived to be two consecutive quarters of negative growth in real GDP, the NBER makes it clear that there are other criteria that can constitute a recession.

The committee's guidelines note that it looks for “significant decline in economic activity” across an economy, which covers not just GDP but factors like real income and employment, as well as retail and manufacturing sales.

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