



ECONOMIC UPDATE

February 17, 2021

Quote of the week

“...the burden of the crisis has fallen unevenly across groups and has increased inequality. Workers with less education, youth, women and those informally employed have suffered disproportionate income losses.”

—[Gita Gopinath](#), IMF chief economist

What you need to know

- Federal Reserve Chair Jerome Powell said if Americans who have left the labor force since last February were counted as unemployed and if the misclassification of some unemployed workers as employed was corrected, [the unemployment rate would be “close to 10 percent.”](#)
- [Chairman Powell also underscored the Fed’s commitment to achieving maximum employment](#) by pledging not to tighten monetary policy in response to a strong labor market.
- During the week ending Jan. 23, [8.7 million self-employed and gig workers filed new claims for Pandemic Unemployment Assistance \(PUA\)](#), an increase of 1.5 million from the previous week. The increase in PUA claims pushed the total number of workers receiving unemployment benefits above 20 million for the first time since early December.

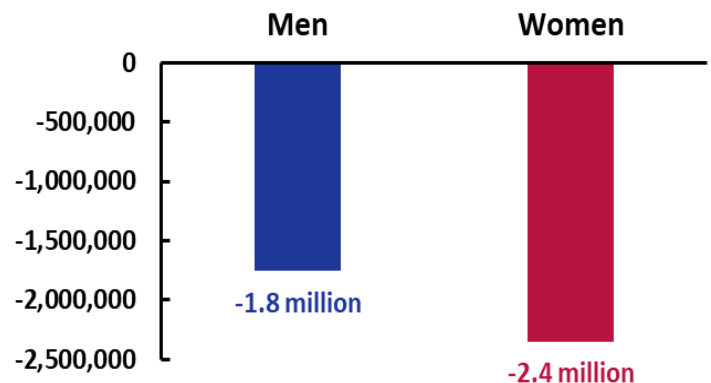
Chart of the week

[The coronavirus pandemic has resulted in the largest 12-month decline](#) in labor force participation since at least 1948.

Since Feb. 2020, a larger number and larger share of women have left the labor force than men. There now are 2.4 million fewer women in the workforce and 1.8 million fewer men. The labor force participation rate for women over 20 has fallen by 2.2 percentage points compared to 1.9 percentage points for men.

More women than men work in sectors most affected by the pandemic, such as leisure and hospitality. Increased child care responsibilities, due to school closures and shuttered child care centers, have fallen disproportionately on women.

Change in Labor Force numbers by gender since February 2020



Note: Seasonally Adjusted; people ages 20 and over
Source: Bureau of Labor Statistics

New reports and research

- The Democratic staff of the Joint Economic Committee released [*The Trump Presidency: a Final Economic Scorecard*](#), a chart-based look at the former president's economic record.
- The Democratic staff of the Joint Economic Committee released an issue brief which demonstrates how much real value [the minimum wage has lost since it peaked](#) in 1968.
- The Century Foundation finds that [the delay in extending unemployment benefits has cost workers \\$17 billion in January alone](#). One month after the enactment of the Consolidated Appropriations Act of 2021, which extended certain pandemic unemployment benefit programs, nearly one-quarter of the states have yet to re-start federal pandemic aid payments.

Recommended

- [“What to Tell the Critics of a \\$15 Minimum Wage,”](#) *The New York Times*
- [“The Fed Gives Democrats the Green Light on Large Stimulus,”](#) *New York Magazine*
- [“Some Young Americans Fight Economic Unease by Using Stimulus Checks to Pay Down Debt,”](#) *The Wall Street Journal*
- An interview with University of Massachusetts economist Arindrajit Dube: [“Let’s Do the Numbers On a \\$15 Minimum Wage,”](#) *Marketplace*

What to watch during the week

- *Wednesday*: The Federal Open Market Committee (FOMC) releases [minutes from the January FOMC meeting](#).
- *Thursday*: Census Bureau releases [New Residential Construction](#) for January, which offers insight on the economy's health as consumers are more likely to purchase new homes in a strong economy.
- For a comprehensive list of economic indicators, see the *MarketWatch* [U.S. Economic Calendar](#).

Selected JEC resources

- [National and State-Level Data on the Economic Status of Black Americans](#)
- [Response of the Joint Economic Committee Democrats on the 2020 Economic Report of the President](#)
- [Further Support for Restaurants and Restaurant Workers Is Needed](#)
- [We Need to Save Child Care Before It’s Too Late](#)

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