

ECONOMIC UPDATE

May 27, 2022

Economic Issue in Focus: Democrats Are Working To Fight Inflation, Lower Costs and Address Supply Shortages

While U.S. workers and families continue to feel the burden of higher prices, Democrats in Congress and the Biden administration are working to bring down costs for families now and for the long term.

Higher inflation underscores the importance of making investments to lower out-of-pocket costs, ensure households can make ends meet now and build overall economic resilience. President Biden and Democrats in Congress are using every tool at their disposal to help lower these costs.

To help fight inflation head on, Democrats are deploying a wide range of tools:

- **Increasing the oil supply:** After Russia’s invasion of Ukraine drove up gas prices this spring, President Biden [announced](#) that the United States would release one million barrels a day from the Strategic Petroleum Reserve for six months. The United States also coordinated with other countries to collectively release a total of 240 million barrels of oil, an unprecedented total that includes the largest release from the United States and the largest release from other International Energy Agency countries in history. These actions will increase oil supply in the immediate term and help bring down gas prices, so households are not footing the bill while oil companies bring in [record-breaking profits](#).
- **Boosting food production:** The Biden administration [announced](#) a series of actions to lower costs for farmers, maximize yields to boost production and increase food affordability and availability for U.S. workers and families. These actions include expanding access to insurance for double cropping, providing assistance to farmers for more efficient nutrient management and doubling funding for fertilizer production in the U.S. to \$500 million—all of which will enable farmers to grow more crops and lower their costs.
- **Clearing supply-chain backlogs and improving resiliency:** The Biden administration has made significant [progress](#) in working with ports, particularly two of the largest U.S. ports in Los Angeles and Long Beach, to clear container backlogs and ease supply-chain disruptions in order to get goods to consumers faster. Additionally, the Bipartisan Infrastructure Law invests \$550 billion to help reverse years of inadequate investment in critical infrastructure and improve supply chain resilience.
- **Bolstering domestic manufacturing:** The bipartisan innovation bills would make critical investments in innovation, research and manufacturing. The bills would also encourage domestic production of and [invest](#) in supply chains for critical technologies such as semi-conductors with \$52

billion dedicated to domestic chip manufacturing. This will make the United States less reliant on semi-conductor chips from abroad, which will lower prices for things like new cars and electronics.

Republicans have not provided *any* policy solutions to fight inflation and have repeatedly blocked or voted against measures that would help families weather the impact of increased prices or that would lower inflationary pressure long term. This includes the American Rescue Plan, which provided tax cuts to families and reduced household expenses, the Build Back Better Act, which would have reduced household spending on essentials like health care and child care and the Consumer Fuel Price Gouging Prevention Act, which would ensure that U.S. consumers are not paying excessive prices for fuel.

Key Economic Indicators To Track

- **Latest Federal Reserve Survey Showed Self-Reported Financial Well-Being Rose to the Highest Rate on Record in 2021:** The Federal Reserve’s survey on households’ economic well-being showed that a record [78%](#) of adults—the highest in survey history—reported they were either “doing okay” financially or “living comfortably” in 2021. According to the survey, 75% of parents said they were doing at least okay financially, an increase of 8 percentage points from 2020. Additionally, 68% of adults said they could cover a \$400 emergency expense solely by using cash or its equivalent, up by almost 20 percentage points from those who could pay this way when the survey began in 2013.
- **17 States Now Have Their Lowest Unemployment Rate in History:** The Bureau of Labor Statistics released state unemployment data for the month of [April](#) last Friday. All 50 states and the District of Columbia saw unemployment decline or remain stable in April, and all added jobs or saw their payrolls hold steady. Seventeen states now have their lowest unemployment rate in recorded history.

JEC Spotlight: High Asian American, Native Hawaiian and Pacific Islander Family Income Masks Disparities Within the Community

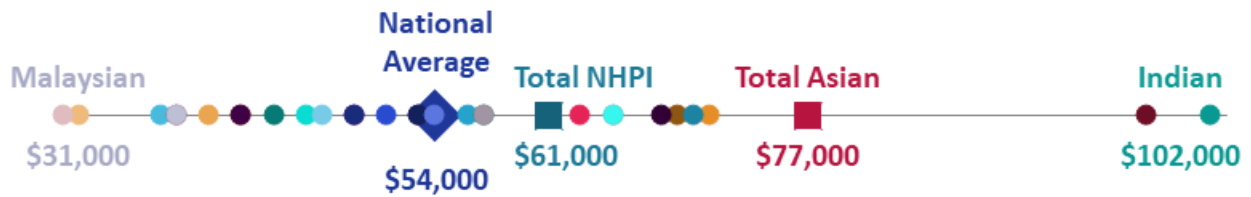
In recognition of Asian American, Native Hawaiian and Pacific Islander (AANHPI) month, the Joint Economic Committee and the Congressional Asian Pacific American Caucus (CAPAC) co-released a [report](#), which highlights the economic disparities in the AANHPI community, their contributions to the U.S. economy and the need for more disaggregated data.

The AANHPI community was hit hard by COVID-19 and the economic recession that followed but has made a strong recovery thanks to pandemic relief. Discrimination, fear of violence and high death rates took a toll on the quality of life and economic state of the AANHPI community during the pandemic. Yet, assistance in the American Rescue Plan and other pandemic relief provided necessary support and spurred a broad-based economic recovery. By early 2022, the unemployment rate for Asian Americans had fallen to an average of 2.8%, after peaking at 14.3% in 2020. Similarly, only 3.8% of Native Hawaiians and Pacific Islanders on average were unemployed by early 2022, compared to 9.3% at the pandemic’s peak.

However, aggregate measures of economic well-being mask the diversity of the AANHPI community, causing it to seem uniformly prosperous despite having the highest level of income inequality of any major racial group. For example, Indian Americans’ median family income is nearly twice the national median, while refugee populations such as Malaysian Americans and colonized populations such as Native Hawaiians and the indigenous people of the Pacific Islands have significantly lower income.

High AANHPI Income Obscures Major Inequalities

Median family income by AANHPI origin group, 2015-2019



Source: JEC analysis of American Community Survey data

Note: NHPI signifies Native Hawaiian/Pacific Islander. Unlabeled data points are other origin groups.

Selected JEC Resources

- [*Oil Companies Are Enjoying Market Influence and Record Profits, While U.S. Families Foot the Bill for High Gas and Energy Prices*](#)
- [*State-by-State Fact Sheets: April Employment Data*](#)
- [*Native American Communities Continue to Face Barriers to Opportunity that Stifle Economic Mobility*](#)
- [*Congress and the Biden Administration Are Putting Policies in Place to Continue the Strong Wage Gains Workers Experienced in 2021*](#)
- [*Senator Rick Scott's Plan to Raise Taxes on Working Families and Slash Essential Programs Would Cost Jobs and Reduce Economic Growth*](#)

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