

## ECONOMIC UPDATE

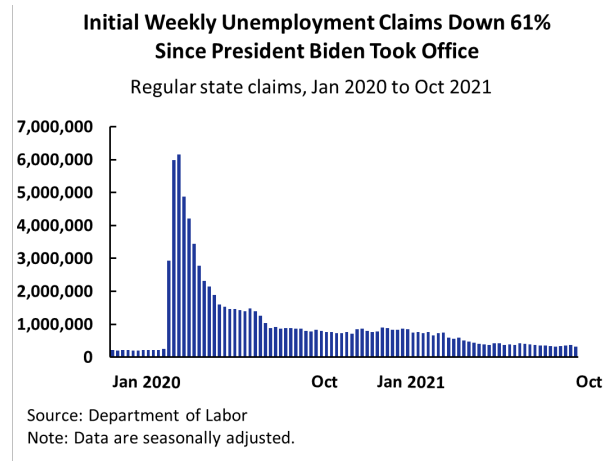
October 8, 2021

### Economic Issue in Focus – Extending Health Insurance Tax Subsidies in the Build Back Better Act Will Provide Affordable Health Insurance for Over 4 Million Americans

The Build Back Better Act (BBB Act) under consideration in the House would increase health care access for low-to-middle income families by extending increased health insurance tax credits expanded under the American Rescue Plan. These enhanced tax credits, which make health insurance sold on federal and state marketplaces more affordable, have already lowered families’ monthly premiums and out-of-pocket costs and have helped boost total enrollment on marketplace plans to a record high. A new JEC [issue brief](#) estimates the number of newly insured Americans by [congressional district with the extension of these credits](#). If Congress makes these subsidies permanent through the BBB Act—instead of letting them expire at the end of 2022—researchers estimate that [4.2 million](#) more people will be insured compared to before the ARP was passed, helping millions of families access health care, maintain more stable household finances and keep more money in their pockets to spend on other necessities.

### Key Economic Indicators to Track

- Payrolls and Employment:** The Bureau of Labor Statistics reported the unemployment rate dropped to 4.8% in [September](#). As the Delta variant peaked in September, private sector jobs grew by 317,000, while public hiring slowed, and overall payrolls increased by 194,000. The unemployment rate went down for adult men (4.7%), adult women (4.2%), white workers (4.2%) and Black workers (7.9%). The unemployment rate among Asian workers (4.2%) and Hispanic workers (6.3%) remained stable in September. Almost 5 million Americans have returned to work under President Biden, an average of over 600,000 per month.
- Unemployment Insurance Claims:** [Data](#) released by the Department of Labor show that new unemployment claims fell to 326,000, beating analysts’ estimates in the week ending October 2. Initial claims are now 61% lower than when President Biden took office and 95% lower than during the peak of the pandemic.



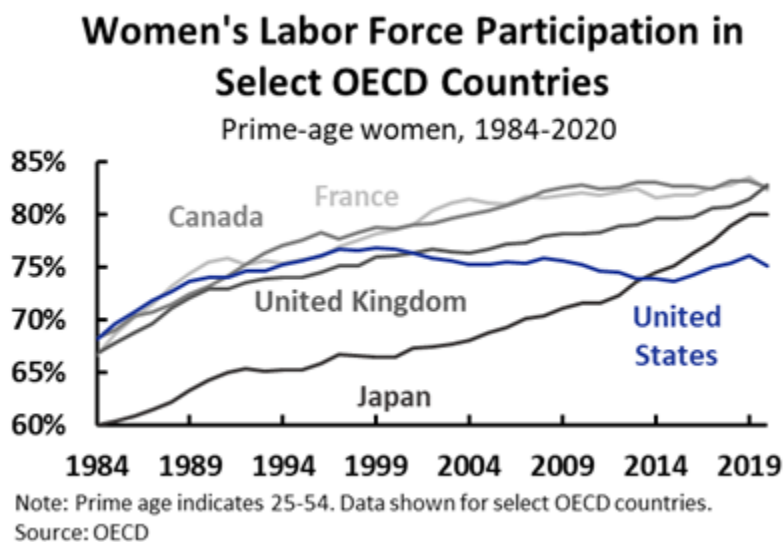
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## JEC Spotlight – Paid Leave Boosts Household Income and Fuels Economic Growth

As explained in a new JEC [issue brief](#), the Build Back Better legislation being considered by the House would provide 12 weeks of universal paid family and medical leave for all U.S. workers. Researchers from the University of Massachusetts Amherst estimate that 12 weeks of universal paid family and medical leave could increase household income by as much as \$28.5 billion: \$19.1 billion through wage replacement and \$9.4 billion through income earned by other workers as those receiving the wage replacement spend it on goods and services. The researchers state that “for every dollar spent on wage replacement as part of the paid leave program, other workers would earn an additional \$0.50.”

Universal paid family leave will help boost [labor force participation](#), particularly among women. This will have economy-wide benefits that boost economic growth. Analysis by the National Partnership for Women & Families estimates that if the prime-age labor force participation of women in the United States had kept up with that of women in select other advanced economies—all of whom have some form of paid leave policies—annual GDP would be \$650 billion more, or nearly 3% higher, every year.

The need to take leave is inevitable over the course of a lifetime, whether to care for a new family member, as in the birth or adoption of a child, or to handle a personal health crisis, and yet the United States is the [only](#) OECD country that does not require paid leave for new mothers and is one of only two OECD countries that does not require paid medical leave. Among other OECD countries, total paid leave available for mothers averages [more than](#) a year, for fathers 8 weeks, and 28 OECD countries provide [at least 6 months](#) of paid medical leave.



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### Selected JEC Resources

- [Education Can Help Narrow the Racial Wealth Gap, but Structural Solutions Are Needed to Close It](#)
- [National and State Level Data on the Economic Situation of Hispanic Americans](#)

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- [\*Strong Care Infrastructure Is Critical to Increasing Labor Force Participation and Driving Future Economic Growth\*](#)
- [\*Updated SNAP Benefit Levels Will Help 42 Million People and Add \\$31.8 Billion in Local Economic Activity Every Year\*](#)
- [\*Hispanic Workers Kept the U.S. Economy Moving During the Coronavirus Pandemic but Face Lower Wages and Poor Working Conditions\*](#)