



ECONOMIC UPDATE

May 10, 2021

Quote of the week

“Basically if we can deliver water and electricity and internet to every home in this country we should be able to create good care options for everyone.”

- [Ai-jen Poo](#), director of the National Domestic Workers Alliance and Caring Across Generations

What you need to know

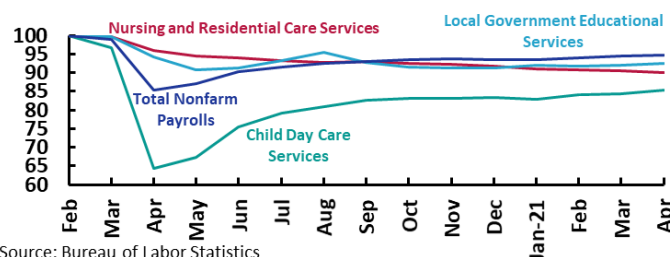
- [The economy added 266,000 jobs in April](#) – gaining back 63% of the over 22 million jobs lost during the worst of the pandemic. The unemployment rate was 6.1%, with an unemployment rate of 9.7% for Black workers and 7.9% for Hispanic workers. The labor force grew by 430,000 workers in April, showing that Americans want to work.
- To bolster international efforts to address the pandemic globally, [the Biden administration announced its support of waiving patent protections for COVID-19 vaccines](#) to give vaccine manufacturers across the world access to how successful vaccines against the virus are made.
- [The Labor Department is rescinding the Trump-era “Independent Contractor” rule](#) that restricts the ability of gig and contract workers to argue they are entitled to minimum wage and overtime protections as a result of being misclassified as contractors.
- Despite the current chip shortage, some industry experts expect [the U.S. semiconductor chip industry will experience more long-term growth](#), due to surges in investment and innovation.

Chart of the week

As payrolls in many sectors continue to rise, employment in the care sector continues to lag behind. Until more Americans are vaccinated and children return to schools and day cares across the country on a full-time basis, there will be people who are unable to return to work. In April, job gains were concentrated among men while the number of women who are looking for work fell by 64,000. Caregiving responsibilities fall predominantly on women making it harder for them to return to work, which underscores the need for subsidized child care under the American Families Plan.

Care Work Jobs Lag Behind Overall Payroll Numbers in Recovery

Employment by industry and overall, normalized to Feb 2020



Source: Bureau of Labor Statistics

Note: Normalized so February 2020 numbers equal 100. A value of 80 now indicates a 20% decline in employment since February.

New reports and research

- Moody's Analytics finds that the American Families Plan, "[provides meaningful longer-term economic benefits by increasing labor force participation and the educational attainment of the population.](#)"
- Analysis conducted by the Institute for Women's Policy Research shows that [investments in child care under the American Families Plan will save families \\$96 billion in one year](#) and \$957 billion over the course of 10 years with families saving \$2 for every \$1 invested in child care.
- A report from the Center on Budget and Policy Priorities explains how [a national paid leave program could benefit workers and families](#), especially low-wage workers and workers of color.

Recommended

- "[What Drove the First-Quarter Economy: Spending on Goods](#)" *The New York Times*
- "[The Professional Women Who Are Leaning Out](#)," *The Atlantic*
- "[It's Not a 'Labor Shortage.' It's a Great Reassessment of Work in America](#)," *The Washington Post*
- "[How Mothers Spend Their Time](#)," a recent episode of the Brookings Institution's podcast *The Brookings Cafeteria*, discusses some of the ways that work, time use and caregiving have changed for mothers with young children over the last year, featuring Lauren Bauer, a fellow in Economic Studies and The Hamilton Project.

What to watch during the week

- The Joint Economic Committee is scheduled to host a hearing, "[Examining the Racial Wealth Gap in the United States](#)," at 10 a.m. ET on Wednesday. The hearing will explore the magnitude of the racial wealth divide and the diverse set of policies that can help us begin to address this challenge.
- *Tuesday*: The Bureau of Labor Statistics releases [Job Openings and Labor Turnover](#) data for March.
- *Friday*: After rising by almost 10% in March, April [Retail Sales](#) data are an indicator of the economic recovery's progress and whether confidence in public safety continues to grow.

Selected JEC resources

- [Immigrants Are Vital to the U.S. Economy](#)
- [The Student Loan Debt Crisis is Reinforcing the Racial Wealth Gap](#)
- [Criticisms of Minimum Wage Increases Lag Behind Latest Research](#)
- [Women's History Month Chart Packet](#)

More information for Members and staff: www.jec.senate.gov/resources

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Contact: nita_somasundaram@jec.senate.gov