

## ECONOMIC UPDATE

July 15, 2022

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### Economic Issue in Focus: Inflation Data Show Prices Remain High for Workers and Families, But Do Not Reflect the Recent Drop in Gas Prices

The Bureau of Labor Statistics reported the June Consumer Price Index increased 1.3% on a seasonally adjusted basis, up from 1.0% in May, and indicating prices are up 9.1% from a year ago.

June's CPI report confirms that prices are too high for U.S. workers and families as a result of Putin's invasion of Ukraine and strained supply chains still adjusting to the robust economic recovery.

However, June's numbers do not reflect the recent drop in energy prices. Crude oil dropped below \$100 per barrel—the lowest since February—and gas prices have fallen for 30 straight days and are expected to keep falling. While the full effects of lower gas prices will not show up until next month's inflation report, the relief to consumers nationwide has been immediate.

As inflation remains elevated globally, the Fed remains best positioned to address short-term inflation in the United States, and the strong economic rebound has given it the flexibility to raise interest rates to tamp it down. Congressional Democrats and the Biden administration have taken a number of steps to reduce costs [now and for the long term](#) for U.S. workers and families.

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### Key Economic Indicators To Track

- **Retail Sales Data Continue to Highlight Strong Consumer Spending and Underscore Steady Growth:** Retail sales [data](#) released by the Census Bureau show that overall retail sales rose by 1.0% in June, above analysts' expectations. These data indicate that core sales, which strip autos, gasoline and food, rose at an 8.0% annualized rate in Q2 2022, which remains close to the 9.1% increase in Q1. The assessment of Pantheon macroeconomics, a macroeconomic forecaster, is that robust savings have enabled consumers to maintain normal levels of discretionary spending.
- **The Number of Americans Receiving Unemployment Insurance Held Steady at the Lowest Level Since 1970:** The four-week moving average of Americans receiving unemployment insurance benefits remains near the lowest level since 1970. For the week ending July 9, the [number](#) of Americans who filed new claims for unemployment insurance was 244,000. Although the new claims number has ticked up recently, it is 69% lower than when President Biden took office and is indicative of a strong labor market where workers are able to find jobs.

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## JEC Spotlight: Upcoming Roundtable Discussion to Highlight The Significant Economy-wide Costs of Alzheimer's Disease

Alzheimer's disease, a chronic brain disease that affects memory, thinking and behavior, represents a growing health crisis with significant health and economic costs. Over [6 million](#) Americans currently live with Alzheimer's disease, and without intervention, this number is expected to grow to 13 million by 2050. It is also the [sixth](#) leading cause of death in the United States according to the Centers for Disease Control and Prevention, and one of the most common [chronic conditions](#) for older adults.

Because of its degenerative nature, Alzheimer's disease requires high levels of care, creating significant costs for patients and their families. In 2022, the [cost](#) of Alzheimer's disease care is estimated to reach \$321 billion dollars; by 2050, the cost is estimated to nearly triple. These estimates do not include the unpaid care work performed by family and friends, which was valued at \$272 billion in 2021. To provide support, many of these caregivers must [reduce](#) their working hours or stop working entirely, creating additional financial losses.

To more fully examine the costs generated by Alzheimer's disease and what can be done to address them, JEC Chairman Don Beyer will host a [roundtable discussion](#) on July 19 at 11:00. Panelists, which include experts in the fields of Alzheimer's disease and care-related research as well as an individual living with Alzheimer's disease, will discuss the economic tolls of the disease, both direct and indirect, and how the government is working to reduce its prevalence.

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## Selected JEC Resources

- [\*Democrats Are Working to Fight Inflation, Lower Costs and Address Supply Shortages\*](#)
- [\*Oil Companies Are Enjoying Market Influence and Record Profits, While U.S. Families Foot the Bill for High Gas and Energy Prices\*](#)
- [\*Expanded ACA Tax Subsidies in the American Rescue Plan Helped 5.8 Million Americans Newly Enroll in ACA Plans\*](#)
- [\*New Data and Studies Confirm the Enormous Economic Benefits Provided by the Expanded Child Tax Credit\*](#)
- [\*State-by-State Fact Sheets: May Employment Data\*](#)
- [\*LGBTQ+ Americans Make Important Contributions to the Economy Despite Facing Unique Challenges\*](#)
- [\*The Bipartisan Infrastructure Law Funds a Historic Effort To Remove Lead Pipes That Threaten Public Health and the Economy\*](#)

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