



ECONOMIC UPDATE

April 13, 2021

Quote of the week

“Vaccine policy is economic policy.”

—[Kristalina Georgieva](#), Managing Director of the International Monetary Fund

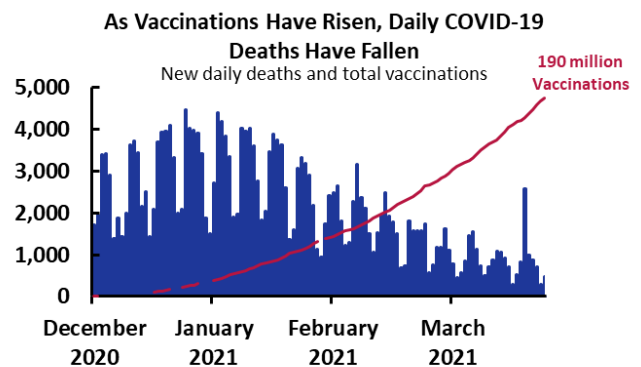
What you need to know

- Treasury Secretary Janet Yellen called for accelerating the distribution of coronavirus vaccines in poorer nations, arguing that [the U.S. and global economies are threatened by the impact of COVID-19 on developing nations](#).
- [The Biden-Harris administration’s FY22 discretionary funding request offers critical investments to tackle urgent needs](#), including boosting education in low-income areas, combating homelessness, fighting climate change and addressing future global health crises.
- The Treasury Department announced that [the Biden administration’s tax proposals, including its plan to increase the corporate tax rate to 28%, would raise \\$2.5 trillion in revenue](#) over 15 years, if enacted.
- [The Biden administration will provide \\$1 billion per month in additional food assistance](#) to an estimated 25 million people in very low-income American households. This is a reversal of the Trump administration’s opposition to emergency nutrition assistance for households that are at or close to receiving the current maximum benefit.

Chart of the week

COVID-19 vaccinations have increased as the number of daily COVID-19 deaths has fallen. While mask-wearing and social distancing likely also contributed to the decrease in deaths, higher vaccination rates, especially among older Americans, have been one of the main drivers.

Vaccine rollout is central to ensuring that the economy can reopen safely. Recent increases in new cases, as mask mandates are relaxed and new variants emerge, remind us that, as President Biden says, “We aren’t at the finish line...”



Source: Our World in Data

Note: Total vaccinations is the total number of vaccine doses given.

New reports and research

- A report from the Center on Budget and Policy Priorities finds that [an increase in the corporate tax rate would promote an equitable economic recovery](#), as it would help to generate the revenue required to fund investments that will strengthen the economy.
- Research from the Institute on Taxation and Economic Policy (ITEP) finds [at least 55 of the largest corporations in America paid no federal corporate income taxes](#) on their 2020 profits.
- Analysis from the Center for American Progress examines how [ending the subminimum wage will help to reduce poverty](#), particularly as workers in subminimum wage industries have been disproportionately impacted by the coronavirus pandemic and resulting recession.

Recommended

- [“Life on the Minimum Wage,”](#) *Vox*
- [“A K-Shaped Recovery, This Time on a Global Scale,”](#) *The New York Times*
- [“Warrior of Light,”](#) Mary C. Daly, the president and chief executive officer of the Federal Reserve Bank of San Francisco, discusses how the pandemic has magnified existing racial and economic inequities in a recent episode of the regional bank’s podcast, *Zip Code Economies*.
- [“Beyond Pandemic’s Upheaval, a Racial Wealth Gap Endures,”](#) *The New York Times*

What to watch during the week

- *Wednesday*: The Joint Economic Committee is scheduled to hold a hearing on [“Vaccinations and the Economic Recovery”](#) at 2:30 p.m. EST. The hearing features Nobel Prize-winning economist Paul Romer; Assistant professor of Economics at Barnard College Belinda Archibong; Clinical assistant professor of Medicine and Infectious Diseases at the NYU School of Medicine Céline Gounder; and Bartley J. Madden Chair in Economics at the Mercatus Center and professor of Economics at George Mason University Alexander Tabarrok.
- *Thursday*: After falling by 3% in February, March [Retail Sales](#) could help gauge whether American consumers continue to have confidence in the economy by using stimulus payments to make retail purchases.

Selected JEC resources

- [Criticisms of Minimum Wage Increases Lag Behind Latest Research](#)
- [The Student Loan Debt Crisis is Reinforcing the Racial Wealth Gap](#)
- [Women’s History Month Chart Packet](#)
- [Raise the Wage Would Increase Pay for One in Five U.S. Workers](#)

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

Sign up to receive JEC publications at bit.ly/JointEconMailingList

Contact: nita_somasundaram@jec.senate.gov