



ECONOMIC UPDATE

April 19, 2021

Quote of the week

“The key to rebuilding the economy isn't trickle-down baloney; it's investing in the American people, in health care, education and infrastructure.”

—Robert Reich, former Secretary of Labor

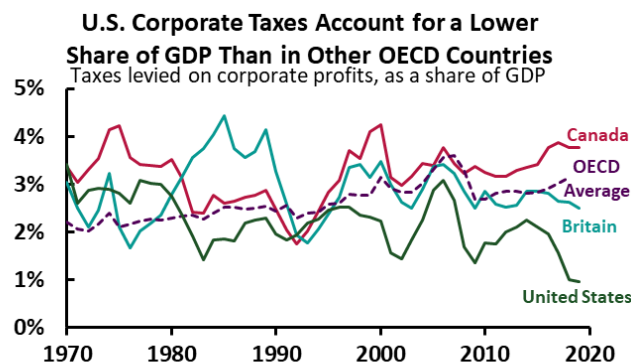
What you need to know

- Recent polling conducted by The New York Times finds [two in three Americans support President Biden's infrastructure plan](#), which includes spending on roads, water pipes, the electrical grid and care for older and disabled Americans. Seven in 10 independent voters support the plan, as well as three in 10 Republican voters.
- [Some Republican state legislators have proposed bills to reduce the number of weeks jobless Americans can get unemployment pay](#) once extra federal unemployment benefits expire.
- [Over 87,000 Americans died of drug overdoses](#) during the 12-month period that ended in September, according to preliminary federal data. This is the largest toll on record, demonstrating that another increasingly urgent public health crisis is occurring, albeit one that has drawn less attention and fewer resources.
- [Treasury Secretary Janet Yellen is expected to decline to name China as a currency manipulator](#) in her first semiannual foreign-exchange report.

Chart of the week

In 2019, U.S. corporate taxes accounted for only 1% of gross domestic product compared to 3% in 1970. This is lower than the 3% average in other OECD countries in 2018 and substantially below Canada's 4% in 2019.

Increasing the U.S. corporate tax rate would help to bring it more in line with corporate tax rates in other advanced economies. As Treasury Secretary Yellen recently said, if corporate tax rates and revenues “continue to drop lower, we will have less money to invest in roads, bridges, broadband and R&D.”



Source: Organization for Economic Cooperation and Development
Note: Tax on corporate profits is defined as taxes levied on the net profits of enterprises. It also covers taxes levied on the capital gains of enterprises.

New reports and research

- Analysis from the Federal Reserve Bank of New York demonstrates that [American households were consistent with how they used the three rounds of stimulus checks](#), with most of the funds going toward saving and debt payments.
- A report from the Institute for Women’s Policy Research finds that [young women \(aged 16 to 24\) are more likely than their male peers](#) to identify care responsibilities as the main reason for not working for pay during the pandemic.
- For the median worker, [declining unionization amounts to a loss of \\$1.56 per hour worked, the annual equivalent of \\$3,250 for a full-time worker](#), according to research from the Economic Policy Institute.

Recommended

- [“Signs of Economic Hope are Growing, Some With Superlatives,”](#) *The New York Times*
- [“College isn’t the Solution for the Racial Wealth Gap. It’s Part of the Problem,”](#) *The Washington Post*
- [“How to Develop Vaccines Faster Before the Next Pandemic,”](#) *Vox*
- [“How Jacob Loud’s Land Was Lost,”](#) Thomas Mitchell, law professor and 2020 MacArthur Fellow, discusses his work to reform the laws governing heirs’ property, which have resulted in the loss of millions of acres of Black-owned land, on a recent episode of *Planet Money*.

What to watch during the week

- *Tuesday*: The Senate Finance Committee is scheduled to host a hearing, [“Combating Inequality: The Tax Code and Racial, Ethnic, and Gender Disparities,”](#) at 10 a.m. EST. Witnesses include Professor Dorothy Brown who is the Asa Griggs Candler professor of law at the Emory University School of Law.
- *Thursday*: The Senate Banking Committee is scheduled to host a hearing, [“21st Century Communities: Capitalizing on Opportunities in the Clean Energy Economy,”](#) at 10 a.m. EST. Witnesses include the Honorable Ernest Moniz, president and chief executive officer of the Energy Futures Initiative and former U.S. energy secretary.

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](#)

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