

ECONOMIC UPDATE

September 23, 2022

Economic Issue in Focus: New JEC District Data Underscore How the Rescue Plan, Inflation Reduction Act and Other Recent Policies Are Benefitting Americans

In the 117th Congress, Congressional Democrats and President Biden have enacted a number of laws and policies—including the American Rescue Plan, Infrastructure Investment and Jobs Act, Inflation Reduction Act, CHIPS and Science Act and student debt relief—that will lower costs for Americans, support businesses and promote economic growth.

The JEC [released](#) fact sheets that provide district- and state-level data on:

- Job gains, including manufacturing and clean energy
- Business growth
- Reduced health insurance premiums
- Lower drug prices
- Relief for student borrowers

Among the key takeaways:

Job growth has been strong across the U.S.: The United States has regained more than all the jobs that were lost during the pandemic recession thanks to policies like the American Rescue Plan. The U.S. has added 9.7 million jobs under President Biden—and more than 1 million jobs in the past three months alone—in communities across the country. The bipartisan Infrastructure Investment and Jobs Act, the Inflation Reduction Act and the CHIPS and Science Act will further boost job growth in clean energy and manufacturing.

Democrats in Congress brought down health insurance costs and are reducing prescription drug costs:

The American Rescue Plan and the Inflation Reduction Act are helping people get and keep free or low-cost health insurance plans through the Affordable Care Act (ACA) marketplaces. Nationally, this brought down annual ACA premiums by an average of \$800 and brought the uninsured rate down to a record low of 8%.

The Inflation Reduction Act enables seniors with Medicare prescription drug coverage to pay less for their medications. The law puts an annual \$2,000 cap on seniors' out-of-pocket drug costs and ensures that Medicare beneficiaries do not pay more than \$35 per month for insulin. The law also lets Medicare negotiate with drug companies to [keep prices down](#) on some of the most expensive prescription drugs.

The Biden administration's student loan relief is bringing big savings to borrowers: The Biden administration is providing up to \$20,000 in [debt cancellation](#) to Pell Grant recipients and up to \$10,000 for all other student loan borrowers with incomes below \$125,000 (\$250,000 for married couples). Many borrowers will also pay less going forward thanks to the administration's changes to income-based repayment plans.

Key Economic Indicators To Track

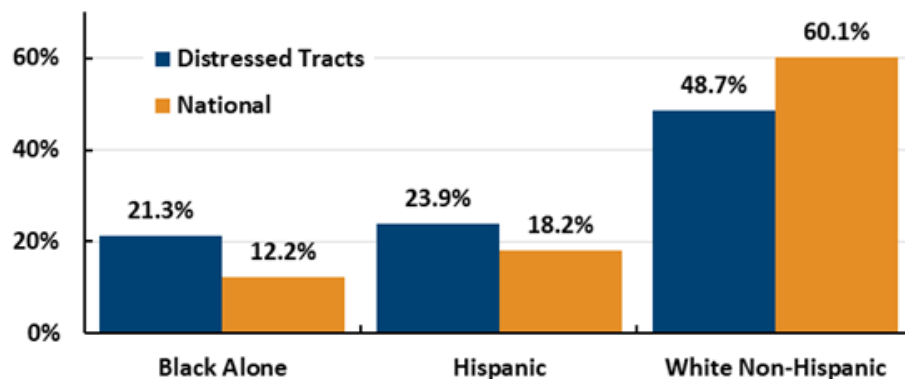
- **The Federal Reserve Raised the Federal Funds Interest Rate and Updated Its Economic Projections:** This week the Federal Reserve’s Open Market Committee (FOMC) [raised](#) the federal funds interest rate by three-quarters of a percentage point in order to fight inflation. Fed Chair Powell suggested that the Federal Reserve could follow this week’s rate hike with further increases, if necessary. The Fed’s [updated](#) economic projections estimate the economy will grow 0.2% this year and 1.2% in 2023.
- **Initial Unemployment Insurance Claims Ticked Up Slightly, but Remain Near the Lowest Levels Since May:** The [number](#) of Americans who filed new claims for unemployment insurance was 213,000 for the week ending September 17. Although claims ticked up by 5,000 from 208,000 for the previous week, they remain near the lowest levels seen since May. Over the last four weeks, the average number of Americans receiving unemployment insurance benefits is down by 73% since President Biden took office.

JEC Spotlight: Broadband Programs in the Bipartisan Infrastructure Law Will Help Close the Digital Divide and Expand Economic Opportunity

In 2020, the FCC reported that 14.5 million Americans did not have access to broadband. A recent JEC [brief](#) highlighted how affordability and accessibility restrict broadband internet availability for U.S. workers and families, who either live in areas that lack broadband infrastructure or cannot afford the service. Black and Hispanic people are more likely to experience digital distress, making up 21% and 24% of those who live in digitally distressed areas despite making up only 12% and 18% of the population, respectively. By comparison, non-Hispanic whites are less likely to live in areas of high digital distress relative to their share of the national population.

Black and Hispanic Americans Are More Likely to Live in Digitally Distressed Tracts

Population shares of census tracts experiencing high digital distress compared to national population shares, by race, 2020



Source: JEC Calculations, Gallardo, Roberto, "Digital Distress Index"
Note: Calculations are using 2016-2020 ACS data.



To address this divide and increase the availability and affordability of broadband internet throughout the country, the bipartisan Infrastructure Investment and Jobs Act commits nearly [\\$65 billion](#) to expand broadband services. Funds from the law will both invest in the physical infrastructure needed for new broadband service and subsidize internet plans for millions of low-income Americans.

Along with the expansion of physical broadband infrastructure, the law also includes over \$14 billion for the new Affordable Connectivity Program (ACP) that [provides](#) a discount of up to \$30 per month for low-income families to spend on broadband service.

Selected JEC Resources

- [*State by State Fact Sheets: August Employment Data*](#)
- [*The Economic Impact of the Inflation Reduction Act*](#)
- [*Unions Provide Major Economic Benefits for Workers and Families*](#)
- [*Abortion Access Is Key to Economic Freedom*](#)
- [*LGBTQ+ Americans Make Important Contributions to the Economy Despite Facing Unique Challenges*](#)
- [*People of Color and Low-Income Communities Are Disproportionately Harmed by Banking and Financial Exclusion*](#)

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