

ECONOMIC UPDATE

April 22, 2022

Economic Issue in Focus: Investments in Clean Energy Will Strengthen Our Economy and Fight Climate Change

In celebration of Earth Day on April 22nd, the Joint Economic Committee released a [series](#) of products which analyze the economic and environmental benefits of fighting climate change by transitioning to clean energy and technology.

- A new JEC [fact sheet](#), **11 Ways Inaction on Climate Change Will Have Devastating Consequences for the American Economy, Communities and Families**, highlights that even modest warming could shrink the economy by [hundreds of billions of dollars](#), and higher temperatures are becoming increasingly costly. Economic estimates indicate even two degrees of warming would lower GDP by [0.5%](#) per year, and four degrees would cut GDP by 2.0% annually.
- The JEC [discusses](#) the economic benefits of household electrification in **How Electrifying Homes Will Reduce Energy Costs for Families and Help Communities Transition to Clean Energy**. Approximately two-thirds of households rely on fossil fuels for home heating or cooking, which is dangerous and costly for American families. Household electrification will help to lower greenhouse gas emissions and save households between \$1,050 and \$2,600 in energy costs per year.
- **Investments in Wind Energy Will Help to Create A Fairer and More Resilient Economy** [examines](#) how wind energy can bolster America's resilience against climate change, as well as create high-quality clean-energy jobs nationwide. Job growth within the wind energy sector is projected to increase by almost 70% over the next decade with the industry supporting 600,000 jobs by 2050.

Key Economic Indicators To Track

- **Unemployment Continued to Fall In Most States, Underscoring the Strength of the U.S. Labor Market:** State employment [data released](#) this past week show that the unemployment rate declined in 37 states in March, while remaining stable in the other 13 states and the District of Columbia. The U.S. labor market has experienced a robust recovery under President Biden, with 7.9 million jobs added and the national unemployment rate falling to 3.6%, nearly the pre-pandemic low. The jobs recovery had been widespread across the U.S, with 49 states and the District of Columbia experiencing job growth from one year ago. The Joint Economic Committee [compiled](#) state-by-state fact sheets for all 50 states and the District of Columbia.

- **Fed Survey Shows the U.S. Continues to Experience Strong Economic Growth:** The most recent [release](#) of the Federal Reserve’s Beige Book, which provides qualitative information from each of the Fed’s 12 regional reserve bank districts, indicates that the economy and employment have continued to grow since February. Despite solid growth, there are questions regarding the outlook for economic growth going forward given the ongoing Russian invasion of Ukraine and the lockdowns in China which have contributed to price increases and supply-side pressures.

JEC Spotlight: Republican Senator Rick Scott’s Plan to Raise Taxes on Working Families and Cut Essential Programs Would Cost Jobs and Reduce Economic Growth

Joint Economic Committee [analysis](#) of a plan from Senator Rick Scott, the chair of the Senate Republicans’ campaign committee, shows how his policies would raise taxes on millions of workers and families and put vital programs in peril. The Scott plan proposes instituting a federal minimum income tax, defunding federal support for state and local programs and sunseting all federal legislation, including Social Security and Medicare.

The proposed federal minimum income tax would [raise](#) taxes on almost 43% of individuals and families. Middle-income households would see their taxes increase by an average of \$450 per year, and approximately 97% of the cost would fall on households making under \$100,000. It would create financial pain and hardship by raising taxes on families, workers and seniors who already shoulder a disproportionate share of state, local and payroll taxes.

This proposal would sunset all legislation every five years, creating uncertainty for Americans who rely on Social Security, Medicare, Medicaid and veterans’ benefits. Forcing Congress to vote every five years to re-enact every law would create the opportunity for these vital programs to be used as pawns of political gamesmanship, thereby putting these programs and the people who depend on them in peril.

Selected JEC Resources

- [*The Bipartisan Innovation Bills in Congress Invest in Critical Supply Chains, Support Manufacturing Jobs and Maintain America’s Competitive Edge*](#)
- [*Direct Investments Are Needed to Improve Upward Social Mobility*](#)
- [*The U.S. Economy Experienced a Record Rebound During President Biden’s First Year in Office*](#)

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