

ECONOMIC UPDATE

October 14, 2022

Economic Issue in Focus: New Investments in Resilience and Clean Energy Will Help Protect Communities From the Impact of Climate Change

The devastating consequences of Hurricane Ian have become clearer in the two weeks since the storm made landfall. Killing more than 100 people, Ian is the deadliest hurricane to hit the United States since Katrina in 2005. While the immense human suffering brought by the storm is immeasurable, the storm's overall economic damage is expected to surpass \$100 billion.

Extreme weather events resulting from climate change are becoming increasingly frequent. In 2021, the U.S. experienced [20 separate](#) billion-dollar weather and climate disasters, including the February deep freeze that likely cost the Texas economy between \$80 billion and \$130 billion, [according](#) to the Dallas Federal Reserve.

The tragic impact and staggering costs of these extreme weather events [underscore the urgency](#) of investing in climate resilience and clean energy to mitigate the economic effects of climate change. A hotter planet will constrict overall productivity, slow economic growth and lower living standards. Even modest warming will shrink the economy by hundreds of billions of dollars: Economists estimate 2 degrees of warming would lower GDP by 0.5% per year. Left unchecked, these costs will continue to compound, harming workers and families through reduced wages, property loss and worse health outcomes.

Democrats in Congress and the Biden administration have taken important steps to make U.S. infrastructure more resilient to extreme weather and spur the transition to clean energy. The bipartisan Infrastructure Investment and Jobs Act will protect communities from climate-related damages by investing [\\$50 billion](#) to make infrastructure safer and more resilient, and the Inflation Reduction Act makes a [historic investment](#) of \$369 billion in clean energy innovation and production.

Key Economic Indicators To Track

- **Retail Sales Held Steady, Reflecting Continued Consumer Spending:** On Friday, the Census Bureau [released](#) data that showed retail sales totaled \$684 billion in September—the third highest level on record—and were flat from the previous month. While retail sales were slightly below market expectations, consumers have maintained high levels of spending, even as inflation remains high and the Fed has raised interest rates. Overall retail sales were up 8.2% from September 2021, demonstrating that consumer spending—the primary driver of economic growth—remains high.
- **New Inflation Data Show That Annual Inflation Slowed to 8.2% in September:** Data from the Bureau of Labor Statistics [showed](#) annual inflation slowed to 8.2% in September from 8.3% in the previous month, but it remains much too high. The Consumer Price Index rose by 0.4% in September

after increasing by 0.1% in August and staying flat in July. Core inflation, which excludes volatile food and energy prices, was up 0.6% for the second consecutive month.

- **70 Million Americans Will Receive the Largest Social Security Cost-of-Living Increase in Over 40 Years:** The Social Security Administration [announced](#) Thursday that starting in January, monthly benefits will increase by 8.7%. This cost-of-living adjustment is the largest increase in four decades, benefitting approximately 70 million people who will receive an average increase of \$146 each month.

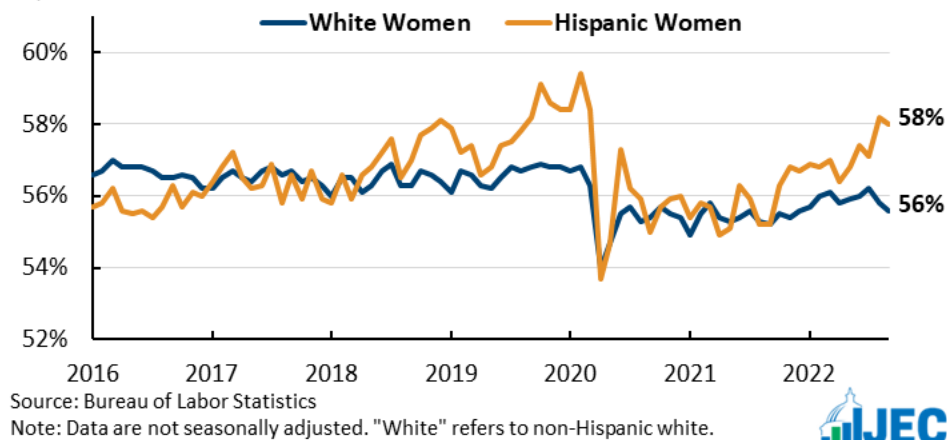
JEC Spotlight: Latina Workers Are Playing a Growing Role in the U.S. Economy, But Continue to Face Barriers to Economic Security

In recognition of Hispanic Heritage Month (HHM), a new [issue brief](#) co-released by the JEC and the Congressional Hispanic Caucus examines the outsized contributions Latina workers make to the U.S. economy and highlights barriers to inclusive prosperity that undermine overall economic growth and stability.

Latinas make up the second-largest group of female workers in the U.S. labor market—after white women—and represent more than 17% of all women in the labor force. In 2021, the labor force participation rate of Hispanic women exceeded that of their white counterparts. The economic contributions of Hispanic women are expected to grow as the share of Americans identifying as Hispanic is projected to increase from 18% in 2017 to 28% in 2060. In fact, the Bureau of Labor Statistics [estimates](#) that Hispanic Americans will account for 78% of new workers between 2020 and 2030.

Latina Labor Force Participation Rate Now Surpasses That of White Women

Labor force participation rate among women aged 16+, by race/ethnicity, Jan. 2016-Sept. 2022



However, Hispanic women continue to be overrepresented in low-wage occupations and face barriers to economic opportunity, which have economy-wide impacts. Latina workers are more affected by the gender wage gap than any other major racial or ethnic group in the U.S. labor market, regardless of education, leaving many Latinas economically insecure and subject to poor working conditions.

This new brief builds on the JEC and CHC's previously released [report](#) that highlighted the economic contributions of Hispanic Americans to U.S. economic growth and how Hispanic families are faring in the current economy.

Selected JEC Resources

- [*Repealing the Inflation Reduction Act Would Increase Costs for Families, Drive Up the Deficit and Hurt Job Growth*](#)
- [*By the Numbers: How Democrats Are Creating Jobs and Cutting Costs, *State Data* and *Congressional District Data**](#)
- [*States That Most Restrict Access to Abortion Have Worse Economic Conditions for Families*](#)
- [*The Economic Toll of the Opioid Crisis Reached Nearly \\$1.5 Trillion in 2020*](#)
- [*Electrifying Commercial Transportation Will Generate Significant Climate Benefits, Save Companies Money and Reduce U.S. Dependence on Foreign Oil*](#)

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Contact: nita_somasundaram@jec.senate.gov