



## ECONOMIC UPDATE

March 3, 2023

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### Fact of the Week

In an effort to attract women to work in semiconductor chip manufacturing, the Biden administration is [requiring manufacturers](#) to provide workers with affordable child care as a requirement to receive \$150 million or more in funding from the CHIPS and Science Act.

Only about 3 in 10 U.S. manufacturing workers are women. The National Association of Manufacturers wrote in a [recent report](#) that the lack of child care availability is part of why women do not seek more jobs in manufacturing.

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### What You Need to Know

- **In 2022, annual average unemployment rates decreased in 49 states and the District of Columbia.** The Bureau of Labor Statistics [reported](#) that the largest unemployment rate decreases occurred in New Mexico and California, where the unemployment rate declined by 3.1 percentage points each.
- **U.S. home price gains dropped for the sixth straight month.** The Case-Shiller Index [reported](#) that new data for December 2022 show a 5.8% annual gain from the previous December. This is down from a 7.6% annual gain in November 2022.
- **The Departments of Labor and Health and Human Services announced new efforts to combat the exploitation of child labor.** Since 2018, child labor law violations have increased by 69%. In response, both departments [announced](#) a series of steps to address this increase, including the establishment of an interagency task force aimed at curbing child labor exploitation, vetting sponsors of migrant children, increasing scrutiny of sub-contractors' use of child labor, and strengthening penalties for those who violate child labor laws.
- **Research from Pew found the “fatherhood wage premium” plays a greater role in widening the gender wage gap than the decline mothers see in their pay.** New research from the Pew Research Center [found](#) that an increase in pay experienced by fathers, known as the “fatherhood premium” has a larger effect in widening pay disparities between men and women than the penalty that mothers experience. This premium is so significant that fathers aged between 25 and 54 outearn both women and men without children.
- **President Biden has nominated Julie Su to head the Department of Labor.** President Biden [announced](#) Ms. Su's nomination on February 28. If confirmed, Ms. Su would be the first Asian American cabinet secretary in the Biden administration.

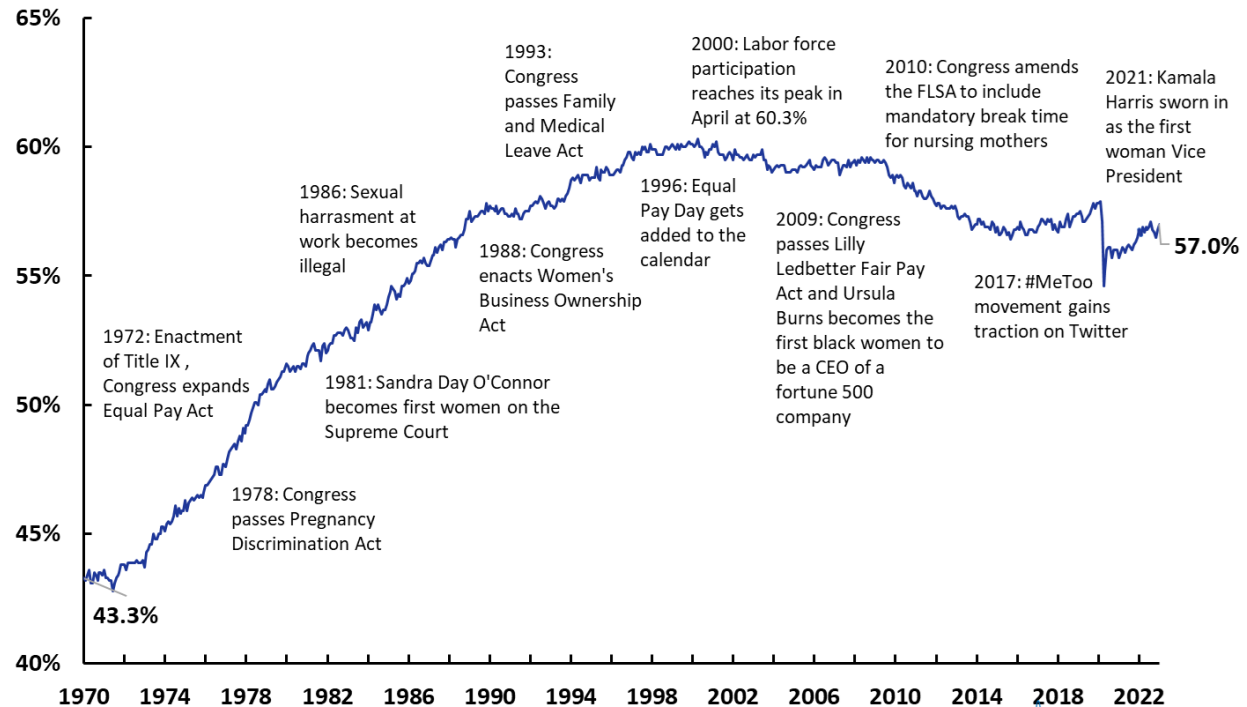
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## Chart of the Week

Over the past 75 years, women's participation in the labor force has risen significantly. Today, over half of women (57%) participate in the labor force, compared to just 32% when record-keeping started in 1948. Looking particularly at women aged 25-54, or those in their prime working years, an impressive three-quarters are working or looking for work. Additionally, the unemployment rate among all women in the labor force is very low—just 3.3% in January 2023 compared to 3.6% for their male counterparts.

### Women's Labor Force Participation Has Grown, But Obstacles Remain

Monthly labor force participation rate for women, 1970-2023



Source: BLS Current Population Survey



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## What to Watch Next Week

- *Tuesday, March 7:* Federal Reserve Chair Jerome Powell will [testify](#) before the Senate Banking Committee and provide the Semiannual Monetary Policy Report. Chair Powell will also provide [testimony](#) before the House Financial Services Committee on March 8.
- *Wednesday, March 8:* The Bureau of Labor Statistics (BLS) [releases](#) monthly Job Openings and Labor Turnover Survey (JOLTS) for January. Job openings [increased](#) to 11 million at the end of December, a number which is expected to fall to 10.25 million.
- *Friday, March 10:* The Bureau of Labor Statistics (BLS) [releases](#) monthly employment situation estimates. The latest [BLS](#) employment situation reported a total gain of 517,000 jobs with job growth driven by leisure and hospitality, professional and business services, and health care. Forecasts project that 210,000 jobs were added in February and that the unemployment rate remained stable at 3.4%.

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## New Reports and Research

- In honor of Black History Month (BHM), the JEC released a series of products about the economic realities facing Black Americans. These include national and state-level data on the [economic status](#) of Black Americans, an [overview](#) of the barriers to economic opportunity which remain despite progress made, and a [fact sheet](#) that highlights some of the most profound disparities.
- [Research](#) from the Tax Policy Foundation finds the FairTax plan proposed by Republicans would increase federal deficits by \$10-28 trillion over the next decade.
- [New analysis](#) from the Center on Budget and Policy Priorities (CBPP) explains that economic developments in the second half of 2022 were encouraging and should give pause to Federal Reserve officials before deciding whether to further raise interest rates. The CBPP warns that overly aggressive anti-inflation measures increase the risk of recession with outcomes that will likely fall disproportionately on low-paid workers, particularly Black and Latino workers.
- [Research](#) from the New York Federal Reserve finds that wage growth is showing signs of moderation. Their model suggests that wage growth increased substantially over the course of 2021, peaked in early 2022, and then started to decline.
- [New data](#) from the Kaiser Family Foundation show over 16.3 million Americans enrolled in Affordable Care Act (ACA) health care plans in 2023. This represents an increase of nearly 2 million Americans from 2022.

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## Recommendations

- [“Low-Income Families Brace for End of Extra Food Stamp Benefits,”](#) *The New York Times*
- [“Consumer Bureau Future At Stake As Supreme Court Takes Up Funding Challenge,”](#) *Politico*
- [“The Campaign to Make Insulin Less Expensive Just Scored A Major Victory,”](#) *Vox*
- [“Julie Su, Advocate for Immigrant Workers, Is Biden's Pick for Labor Secretary,”](#) *NPR*

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