

ECONOMIC UPDATE

July 8, 2022

Economic Issue in Focus: The U.S. Added 372,000 Jobs in June, with Private-Sector Jobs Now Fully Recovered from the Impact of the Coronavirus Pandemic

The United States added 372,000 jobs in June, the seventeenth consecutive month of job growth under President Biden, according to the latest [data](#) from the Bureau of Labor Statistics. Since President Biden came into office, the U.S. has [added](#) nearly 9 million jobs and has recovered jobs faster than in the two most recent recessions. Unemployment remains at 3.6%, the lowest since before the pandemic.

The private sector has fully recovered from the pandemic with more than 100% of these jobs lost due to COVID-19 disruptions being regained. Sectors essential to fixing supply chain backlogs—such as manufacturing, construction, and transportation and warehousing—have seen particularly strong gains and have fully recovered from the impact of the pandemic.

But Russia's invasion of Ukraine and fragile global supply chains have driven up inflation, depriving workers and families of the full benefits of the U.S. recovery. Even as current wage growth—particularly strong among the lowest earners, who had been overwhelmingly excluded from previous wage gains—is helping to offset higher prices for families, inflation remains too high. President Biden and Democrats in Congress have made addressing it their top economic priority, deploying a [range of tools](#)—and continuing to do more—to bring down out-of-pocket costs for workers and families now and in the future.

Key Economic Indicators To Track

- **Job Openings, Hires and Separations Data Show the Labor Market Remains Hot:** [Data](#) from the Bureau of Labor Statistics show that labor market strength continues. High levels of job openings and low levels of layoffs continue to demonstrate strong employer demand for workers, while workers remain confident enough to continue to quit their jobs at elevated levels. In May, the number of job openings decreased slightly to 11.3 million, but openings remain still well above their pre-pandemic level. Hires showed little change over the month, staying steady at 6.5 million. The layoff rate (a subset of total separations) remained low at 0.9%, just 0.1 percentage points above the lowest rate in the last 20 years.
- **The Number of Americans Receiving Unemployment Insurance Remained at the Lowest Level Since 1970:** The four-week moving average of Americans receiving unemployment insurance benefits remains near the lowest level since 1970. For the week ending July 2, the [number](#) of Americans who filed new claims for unemployment insurance was 235,000. Although the new claims

number has ticked up recently, it is 71% lower than when President Biden took office and is indicative of a strong labor market where workers are able to find jobs.

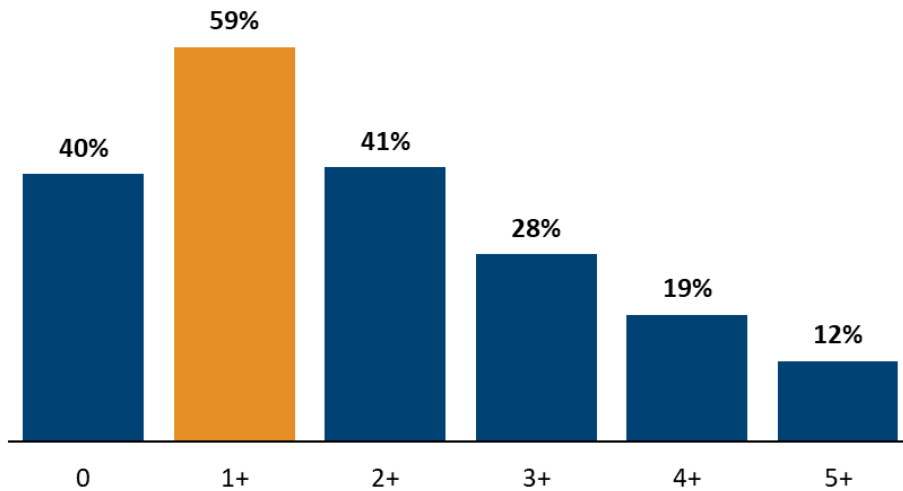
- **FOMC Minutes Show the Federal Reserve Is Prioritizing Bringing Down Inflation:** [Minutes](#) from the Federal Reserve Open Market Committee’s June Meeting, when they raised interest rates by 0.75 percentage points, show officials believe inflation “warranted moving to a restrictive stance of policy” and they acknowledge that monetary policy tightening “could slow the pace of economic growth for a time.” Ultimately, Fed officials see returning to inflation of 2% as critical for the economy, as is signaling to the public their commitment to bring inflation down. Fed officials also signaled that a 0.50- or 0.75-percentage-point increase is likely in July.

JEC Spotlight: Chronic Conditions Pose Growing Health, Economic and Equity Challenges

In recognition of Chronic Disease Day (July 10), the JEC released an [issue brief](#) on the prevalence of chronic conditions in the United States and their economic costs to individuals and society. The CDC reports that nearly 6 out of every 10 adults has at least one chronic illness—led by heart disease, diabetes and cancer—and this number has been rapidly rising over the past few decades. Chronic conditions are now the leading cause of death and disability in the United States, resulting in 7 out of every 10 deaths in the country. Heart disease in particular is now the leading cause of death for Americans and is responsible for over 650,000 deaths each year. The aging of the U.S. population overall is expected to drive these numbers even higher.

Nearly 60% of Americans Live With a Chronic Condition

Percent of adults with chronic conditions, by number of conditions



Source: Rand Corporation, "Multiple Chronic Conditions in the United States"



In 2020, the latest year for which the CDC has calculations, 90% of the \$4.1 trillion spent on health care in the United States was used to treat chronic and mental health conditions. In addition to direct costs, chronic conditions can reduce earnings and increase financial insecurity for patients and their caregivers. Chronic

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conditions are also disparately prevalent for communities of color and individuals living in poverty due to continuing systemic barriers, imposing higher costs for these groups and widening existing inequalities.

With the number of chronic conditions expected to rise, key investments that improve care and discover cures for these illnesses can have a significant positive impact on the country's health and economic stability. Making needed care more accessible and affordable would save lives and reduce the prevalence of chronic conditions. These investments would help decrease the economic strain that these conditions cause for individuals, families and the broader economy and would help address racial-, ethnic- and income-based inequalities in the U.S. health care system.

On Tuesday, July 17th at 11:00 AM, JEC Chairman Don Beyer will host a roundtable discussion examining the economic impact one chronic condition, Alzheimer's disease, has on patients, their families and caregivers and broader society. Over 6 million Americans are currently living with Alzheimer's disease, which costs the U.S. economy \$355 billion per year, in addition to an estimated \$257 billion in unpaid caregiving. By 2050, the number of Americans living with Alzheimer's is expected to reach 13 million, bringing the total cost to more than \$1 trillion each year. Tune in [here](#) to watch live.

Selected JEC Resources

- [*Democrats Are Working to Fight Inflation, Lower Costs and Address Supply Shortages*](#)
- [*Oil Companies Are Enjoying Market Influence and Record Profits, While U.S. Families Foot the Bill for High Gas and Energy Prices*](#)
- [*Expanded ACA Tax Subsidies in the American Rescue Plan Helped 5.8 Million Americans Newly Enroll in ACA Plans*](#)
- [*New Data and Studies Confirm the Enormous Economic Benefits Provided by the Expanded Child Tax Credit*](#)
- [*State-by-State Fact Sheets: May Employment Data*](#)
- [*LGBTQ+ Americans Make Important Contributions to the Economy Despite Facing Unique Challenges*](#)
- [*The Bipartisan Infrastructure Law Funds a Historic Effort To Remove Lead Pipes That Threaten Public Health and the Economy*](#)

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