



ECONOMIC UPDATE

November 19, 2021

Economic Issue in Focus: Build Back Better and the Bipartisan Infrastructure Deal will grow the economy and add jobs, while asking the wealthy and corporations to pay their fair share

Today, the House voted to pass the Build Back Better Act. This fully paid-for legislation includes investments in paid family leave, affordable child care and health care, universal pre-k, lower prescription drug prices, extension of the expanded Child Tax Credit and provisions to address the harmful effects of climate change. Together with the bipartisan Infrastructure Investment and Jobs Act, BBB will build economic resiliency, [grow the economy and create jobs](#).

Analysis by Moody's Analytics projects that passing both bills will add an average of 1.5 million jobs each year over ten years, including 1.7 million jobs in 2024 and 2.4 million in 2025. Similarly, they estimate that GDP will grow by 4.8% in 2022 and 3.2% in 2023 after both bills pass into law. The Build Back Better and infrastructure investments will build more resilient supply chains in critical sectors like transportation, agriculture and public health, easing inflationary pressures. Additionally, Build Back Better investments will increase the availability and reduce the cost of child care, elder care and housing, so more workers can enter and re-enter the workforce, increasing our output and helping to keep prices down.

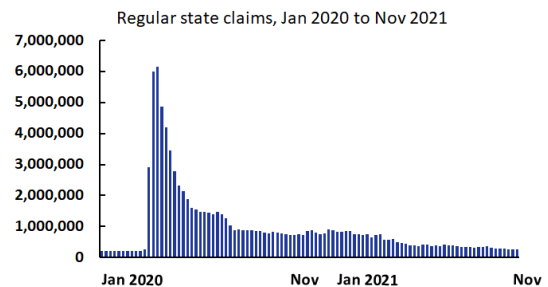
The Build Back Better Act is fully paid for by asking the wealthy and big corporations to pay their fair share, reducing the cost of prescription drugs by allowing Medicare to negotiate with drug makers and consistently enforcing the law to fight tax evasion. Experts, including [17 Nobel Prize winners](#) and [economists](#) at Moody's Investors Service and Fitch Ratings, two of the leading bond rating agencies, agree that Build Back Better and the bipartisan Infrastructure Investment and Jobs Act will reduce inflationary pressures in the long term.

Despite supply chain bottlenecks and global economic pressures that have pushed up prices for households, the U.S. economic recovery is strong. Since President Biden took office, 5.6 million jobs have been created, an average of 620,000 jobs each month. The unemployment rate dropped to 4.6%, a new pandemic-era low, and unemployment claims, which have dropped 68% since President Biden took office, are also at a pandemic-era low. GDP has surpassed its pre-pandemic peak, making the U.S. the only nation among its peer countries to reach this milestone.

Key Economic Indicators to Track

- **Unemployment Insurance Claims:** [Data](#) released by the Department of Labor show that new unemployment claims continued to fall to 268,000, a new pandemic-era low, for the week ending November 13. Initial claims remain 68% lower than when President Biden took office and 96% lower than during the peak of the pandemic. The four-week moving average, which smooths week-to-week volatility in the data, also fell to a new pandemic-era low of 272,750.

Initial Weekly Unemployment Claims Hit New Pandemic-Era Low, Remain Down By 68% Since President Biden Took Office



Source: Department of Labor
Note: Data are seasonally adjusted.

- **Retail Sales:** [Data](#) released by the Census Bureau showed that retail sales rose by 1.7% during the month of October—exceeding analysts’ expectations—and are now 21% above pre-pandemic levels. This demonstrates that American families have seen an increase in real disposable income, and stores and restaurants have the supplies to drive this recovery. The U.S. economy continues to strengthen, as the administration strives to address the challenges stemming from elevated inflation, including the issues supply chain bottlenecks pose for Americans’ pocketbooks.
- **State and Local Jobs:** [Data](#) released by the Bureau of Labor Statistics show that unemployment rates in October were lower in 28 states and the District of Columbia, underscoring that the economy continues to strengthen across the country.
- **Child Tax Credit:** The Treasury Department distributed the fifth round of advance CTC payments, totaling nearly \$16 billion to the families of over 61 million children on November 15th. The Joint Economic Committee [released](#) its updated estimates for the number of qualifying children, total number of payments and total payment amount by congressional district.

JEC Spotlight: The Bipartisan Infrastructure Deal will create jobs, make supply chains more resilient and reduce inflationary pressure

The Bipartisan Infrastructure Deal, which will provide \$550 billion in new federal investments in critical infrastructure such as roads, bridges, rail, broadband, airports, cargo ports and water pipelines, is a significant step forward after years of inadequate federal investment in infrastructure harming the American economy. Recent Joint Economic Committee analysis showed that federal infrastructure investment over the past two decades has regularly fallen below 3% of total federal spending; yet before 1980 federal investment in infrastructure often exceeded or came close to 5% of total federal spending.

Analysis by Moody’s Analytics projects that passing both the bipartisan Infrastructure Investments and Jobs Act and the Build Back Better Act will add an average of 1.5 million jobs each year over ten years, including 1.7 million jobs in 2024 and 2.4 million in 2025. As investments from the Bipartisan Infrastructure Deal go into effect, the U.S. will have an additional 600,000 jobs in 2024 and 800,000 jobs in 2025 thanks to the

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deal. The majority of new jobs will be subject to federal rules mandating higher wages and supporting local unions. The Bipartisan Infrastructure Deal also provides direct assistance to frontline transit workers and helps coal and auto workers transition to a greener economy.

The investments in the bipartisan Infrastructure Investment and Jobs Act in roads, bridges, freight rail, airports and cargo ports will strengthen supply chains, improve productivity and reduce long-term inflation.

Selected JEC Resources

- [*The Build Back Better Act Will Create Jobs, Reduce Costs for Working Families, Spur Innovation in Clean Energy and Asks the Wealthy and Corporations to Pay Their Fair Share*](#)
- [*Estimates of Advance Child Tax Credit Distribution by Congressional District \(November 2021\)*](#)
- [*Health Insurance Tax Subsidies in the Build Back Better Act Will Provide Affordable Health Insurance for Millions of Americans*](#)
- [*National and State Level Data on the Economic Situation of Hispanic Americans*](#)
- [*Expanding the Housing Choice Voucher Program to Improve Housing Affordability and Economic Security for the Lowest-Income Families*](#)
- [*Strong Care Infrastructure Is Critical to Increasing Labor Force Participation and Driving Future Economic Growth*](#)
- [*Hispanic Workers Kept the U.S. Economy Moving During the Coronavirus Pandemic but Face Lower Wages and Poor Working Conditions*](#)

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