

## ECONOMIC UPDATE

February 4, 2022

### Strong Job Growth Continued for the Twelfth Consecutive Month in January, Underscoring the Resilience of the Economic Recovery

Even as the Omicron variant peaked, the Bureau of Labor Statistics (BLS) reported that nonfarm payroll employment increased by 467,000 in January, exceeding expectations and bringing the total number of jobs added since President Biden took office to more than 6.6 million, an average of 551,000 per month. President Biden has led the largest job growth in a single year by any U.S. president in recorded history, and his first year in office saw the largest calendar year decrease in unemployment ever.

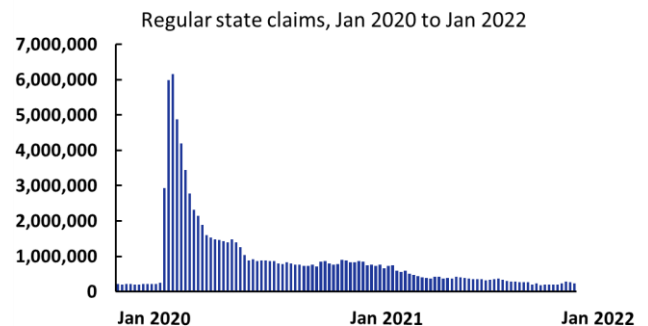
The unemployment rate is now 4.0%, and employment has returned to 87% of its pre-pandemic levels, with particularly strong gains in the industries that are integral to addressing supply chain challenges: Transportation and warehousing is now more than 542,000 jobs above pre-pandemic levels; and since the peak of the pandemic, manufacturing has recovered 83% of jobs lost and construction has recovered 91%.

January's jobs report showed a broad-based recovery that is resilient in the face of challenges, such as the Omicron variant, providing further proof that the American Rescue Plan and other investments helped ensure families, workers and businesses could weather the largest recession since the Great Depression.

### Key Economic Indicators to Track

- Unemployment Insurance Claims:** The latest [data](#) released by the Department of Labor show that new unemployment claims dropped for the second week in a row, providing more evidence that Omicron's effects on the labor market are subsiding. Claims dropped to 50-year low in December 2021 and remain at pre-pandemic levels: 238,000 initial claims were filed the week ending January 29. The four-week moving average (which smooths week-to-week volatility in the data) is now at 255,000, down 70% since President Biden took office.
- Job Openings and Labor Turnover Survey:** [Data](#) released by the Bureau of Labor Statistics (BLS) show that the labor market remains strong, as the rate of layoffs and discharges—involuntary separations initiated by the employer—fell to a record low of 1.2 million (0.8%) in December. The

#### Weekly Unemployment Insurance Claims Declined For Second Consecutive Week, Are Down By 72% Since President Biden Took Office



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

quits rate—the rate of employees voluntarily leaving their jobs—changed little at 2.9% in December, showing that workers remain confident enough to leave their jobs for better paying and higher-quality opportunities, particularly in sectors such as leisure and hospitality and manufacturing, which are experiencing surges in demand. This high quits rate is another indication of a healthy labor market. This week’s BLS data also showed that the number of job openings changed little and is currently at 10.9 million.

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## **JEC Spotlight: Investments in research, innovation and supply chains are needed to reinvigorate American manufacturing**

A new JEC [fact sheet](#) shows how the America COMPETES Act, which just passed the House, would support manufacturing jobs and maintain the United States’ competitive edge. The legislation [achieves this](#) by investing in supply chains for critical technologies, such as semiconductors, and supporting production in the U.S. from start to finish. By helping to create a pipeline from advanced research to U.S. manufacturing, the America COMPETES Act will ensure that the U.S. reaps more of the economic gains from innovation.

Manufacturing has long been a core strength of the American economy, but according to a recent JEC [report](#), decades of manufacturing decline and outsourcing cut off pathways to economic security for many U.S. families and left U.S. supply chains vulnerable to disruption. The America COMPETES Act would help address these vulnerabilities by investing \$45 billion to strengthen supply chains and \$52 billion in domestic chip manufacturing, and along with the bipartisan Infrastructure Investment and Jobs Act, this legislation will make historic investments to help American industries remain competitive, preserve high-quality jobs and spur economic growth.

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## **Selected JEC Resources**

- [\*The U.S. Economy Experienced a Record Rebound During President Biden’s First Year in Office\*](#)
- [\*State by State Fact Sheets: December Employment Data\*](#)
- [\*Investments in Preschool Can Generate Nearly 9 Times the Return on Investment\*](#)
- [\*Closing the Medicaid Coverage Gap Will Improve Health and Well-Being for 2.2 Million Americans While Increasing Their Economic Security\*](#)
- [\*Direct Investments Are Needed to Improve Upward Social Mobility\*](#)
- [\*Inaction on Climate Change Will Have Devastating Consequences for the Economy, Families, and Communities\*](#)
- [\*Work Requirements for the CTC Would Increase Financial Hardship and Childhood Poverty, While Doing Nothing to Boost Employment\*](#)

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