

ECONOMIC UPDATE

April 1, 2022

Economic Issue in Focus: The U.S. Added 431,000 Jobs in March and Unemployment Dropped to 3.6%, Falling Faster Than Expected

The United States added 431,000 jobs in March, according to new data from the Bureau of Labor Statistics. Under President Biden, the U.S. added 7.9 million jobs, an average of 565,000 per month. In his first year in office, President Biden oversaw the largest job growth in a single year by any U.S. president in recorded history and the largest calendar-year decrease in unemployment in U.S. history.

In March, the unemployment rate fell to 3.6%, falling faster than expected and reaching the lowest level since February 2020. The U.S. has now regained 93% of the jobs lost during the pandemic. There have been particularly strong gains in the industries that are integral to addressing supply chain challenges, including manufacturing, construction and transportation and warehousing. The unemployment rate for veterans fell by more than half from a year ago, reaching 2.4% in March as the strength of the job market creates opportunity for all workers.

The labor force participation rate ticked up 0.1 percentage points to 62.4%, driven by women's participation growing 0.2 percentage points to 56.8%.

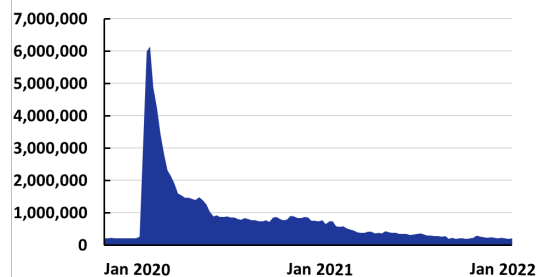
Despite strong economic growth and wage gains, global price increases are making it harder for U.S. workers and families to cover everyday expenses. Higher prices are depriving households of the full benefits of the strongest wage growth seen in years. Investing in children and families, workers and small businesses—as the Building a Better America agenda does—would address the root causes of inflation, reduce households' biggest expenses and promote stronger and broadly shared growth.

Key Economic Indicators to Track

- New Weekly Unemployment Claims Remain Below Pre-Pandemic Levels:** [Data](#) released by the Department of Labor show that after falling to the lowest level in over 50 years, new unemployment claims ticked up slightly to 202,000 (from 188,000) for the week ending March 26. However, new claims remain below pre-pandemic levels and fewer Americans are receiving government unemployment benefits today than at any time in the last half century. The four-week moving average (which smooths week-to-week volatility in the data) dropped to 208,500, down by 76% since President Biden took office.

Initial Weekly Unemployment Claims Are Down By 76% Since President Biden Took Office

Regular state claims, Jan 2020 to Mar 2022



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

- **Job Openings and Labor Turnover Survey (JOLTS) Data Indicate the U.S. Labor Market Remains Strong:** [Data](#) released by the Bureau of Labor Statistics (BLS) provide more evidence of a tight labor market. The quits rate—the rate of employees voluntarily leaving their jobs—changed little at 2.9% in February, close to the series high of 3%. Workers remain confident enough to leave their jobs for better paying and higher-quality opportunities, as demand for workers remains high: the number of job openings changed little at 11.3 million.
- **Consumer Confidence Ticked Up in March:** The Consumer Confidence Index [rose](#) to 107.2 in March, up from 105.7 in February. The Present Situation Index rose substantially, indicating that economic growth continued throughout the first quarter of 2022. The Conference Board—which compiles the index—noted that “consumer confidence continues to be supported by strong employment growth” and has been “holding up remarkably well despite geopolitical uncertainties and expectations for inflation.”

JEC Spotlight: The Bipartisan Innovation Bills in Congress Invest in Critical Supply Chains, Support Manufacturing Jobs and Maintain America’s Competitive Edge

The [bipartisan innovation bills](#) in Congress—the America COMPETES Act originally passed by the House and the United States Innovation and Competition Act (USICA) passed by the Senate—make critical investments for America’s future economic growth. They address problems that have long hindered American innovation, research and manufacturing.

For example, to encourage domestic production of semi-conductors, the bipartisan innovation bills invest \$52 billion in domestic chip manufacturing. This investment would bolster advanced research, design and manufacturing of semi-conductors, keeping the U.S. on the cutting edge of semi-conductor production and creating high-quality manufacturing jobs. Increasing the domestic production of semi-conductors will also reduce American dependence on fragile global supply chains.

The bills expand the innovation pipeline for new technologies that will be vital to the 21st century economy. They also invest in regional technology hubs to ensure that the high-paying jobs in research and innovation benefit communities across the country. These regional hubs would provide grants and strategic assistance to help ensure that the local benefits of new research and innovation reach local communities.

By investing in research, supply chain stability and manufacturing partnerships, the bipartisan innovation bills encourage advanced technology and manufacturing from start to finish. Together, this suite of policies represents a vital down-payment on the future of the U.S. economy.

Selected JEC Resources

- [*March Update: The U.S. Added Manufacturing Jobs Across the Country Under President Biden*](#)
- [*Nine Facts About Student Debt and Solutions to Make College More Affordable*](#)
- [*State-By-State Fact Sheets: January Employment Data*](#)
- [*Direct Investments Are Needed to Improve Upward Social Mobility*](#)
- [*The U.S. Economy Experienced a Record Rebound During President Biden’s First Year in Office*](#)

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