

## ECONOMIC UPDATE

April 8, 2022

---

### Economic Issue in Focus: Families Need To File a Tax Return To Get the Full Benefit of the Expanded Child Tax Credit

In 2021, the IRS delivered advance payments of the expanded Child Tax Credit (CTC) to the families of over 61 million children. While the majority of these families received half of their credit in advance in monthly payments, they are required to file a tax return to get the full value of the expanded CTC. The American Rescue Plan expanded the CTC to up to \$3,600 per child under age 6 and \$3,000 per child between age 6 and 17. A JEC [fact sheet](#) highlighted how six months of the advance CTC payments helped to drastically reduce childhood poverty and household food insufficiency, and how families that received the monthly income boost experienced a significant improvement in their finances.

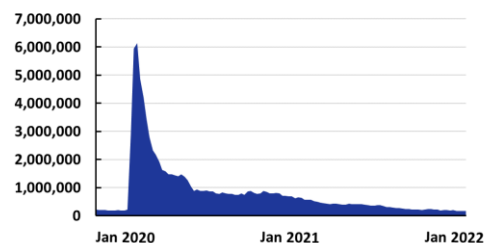
A recent [survey](#) from the Urban Institute found that some eligible families, particularly those who did not receive the advance payments, have indicated they may not file a tax return this year and could therefore miss out on the credit entirely. The survey found that low-income families, families of color and families headed by single adults are most at risk for missing out on the economic benefits of the expanded CTC.

---

### Key Economic Indicators To Track

- **New Weekly Unemployment Claims Fell to the Lowest Level Since 1968:** [Data](#) released by the Department of Labor show that new unemployment claims fell to the lowest level in more than 50 years for the second time since March 2022. New claims filed decreased from 171,000 to 166,000 for the week ending April 2. New claims remain below pre-pandemic levels. The four-week moving average (which smooths week-to-week volatility in the data) fell to 170,000, down by 80% since President Biden took office.
- **Federal Reserve FOMC Minutes Underscore the Fed’s Commitment to Achieving Price Stability:** [Minutes](#) released by the Federal Reserve’s Federal Open Market Committee (FOMC) showed that “Many participants...would have preferred a 50 basis point increase” rather than a 25 basis point one. However, given the short-term economic uncertainty arising from the Russian invasion of Ukraine, policymakers opted for a smaller increase. Although the ongoing conflict is expected to increase food and energy prices in the near-term, participants indicated that they remain

**Initial Weekly Unemployment Claims Are Down By 79% Since President Biden Took Office**  
Regular state claims, Jan 2020 to Apr 2022



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

committed to achieving price stability to ensure that long-term inflation levels are more in line with the FOMC's target of averaging two percent over time.

---

## **JEC Spotlight: Facts About Student Debt and College Affordability**

President Biden announced he would suspend student loan repayments until the end of August and erase the defaults of millions of federal student loan borrowers who fell behind on payments before the pandemic.

A recent JEC [fact sheet](#) highlights how rates of borrowing vary greatly across racial and ethnic groups: 86% of Black and 70% of Hispanic students graduating with a bachelor's degree took out loans compared to 68% of white and 44% of Asian graduates.

The amount of student loan debt held varies among different groups. On average, a Black graduate with a bachelor's degree and student loans borrowed \$39,500 compared to \$29,900 for white borrowers, \$28,220 for Hispanic borrowers and \$26,500 for Asian borrowers.

The fact sheet also shows that student debt can have broader economic ramifications, including reducing homeownership rates. Millennials aged 25 to 34 have homeownership rates 8 percentage points lower than baby boomers and 8.4 percentage points lower than Gen Xers did at the same age. A 2019 Fed [study](#) found increasing student loan debt by \$1,000 leads to a 1 to 2 percentage point drop in the homeownership rate among student loan borrowers in their late 20s and early 30s.

---

## **Selected JEC Resources**

- [\*The Bipartisan Innovation Bills in Congress Invest in Critical Supply Chains, Support Manufacturing Jobs and Maintain America's Competitive Edge\*](#)
- [\*State-By-State Fact Sheets: February 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\*](#)

Information for Members and staff: <https://www.jec.senate.gov/public/index.cfm/democrats/publications>  
Sign up to receive JEC publications at <https://www.jec.senate.gov/public/index.cfm/democrats/subscribe-to-newsletter>

Contact: [nita\\_somasundaram@jec.senate.gov](mailto:nita_somasundaram@jec.senate.gov)