

ECONOMIC UPDATE

March 25, 2022

Economic Issue in Focus: Under President Biden, the U.S. Added Manufacturing Jobs, Which Are Critical to Addressing Pandemic-Related Supply Chain Disruptions

The U.S. added [423,000 manufacturing jobs](#) since President Biden’s first full month in office in February 2021. Notably, almost every state added manufacturing jobs in the first 11 months after President Biden came into office. By comparison, the U.S. added just 2,000 manufacturing jobs in 2019, the most recent pre-pandemic year. In addition to manufacturing, key supply-chain sectors critical for domestic production and manufacturing have seen strong job gains in recent months, continuing a robust recovery under President Biden.

Pandemic supply chain disruptions were magnified by the [long-running decline](#) in domestic manufacturing capacity as companies turned to short-term “just-in-time” production, instead of investing in workers, resiliency and innovation. As a result, the U.S. has lost more than a quarter of domestic manufacturing jobs since 2000 and was left vulnerable to supply chains disruptions from the pandemic.

The bipartisan innovation bills—the [America COMPETES Act](#) in the House and [USICA](#) in the Senate—would support continued growth in the manufacturing sector by investing in supply chains for critical technologies such as semiconductors and supporting production in the U.S. from start to finish, beginning with cutting-edge research through to domestic manufacturing.

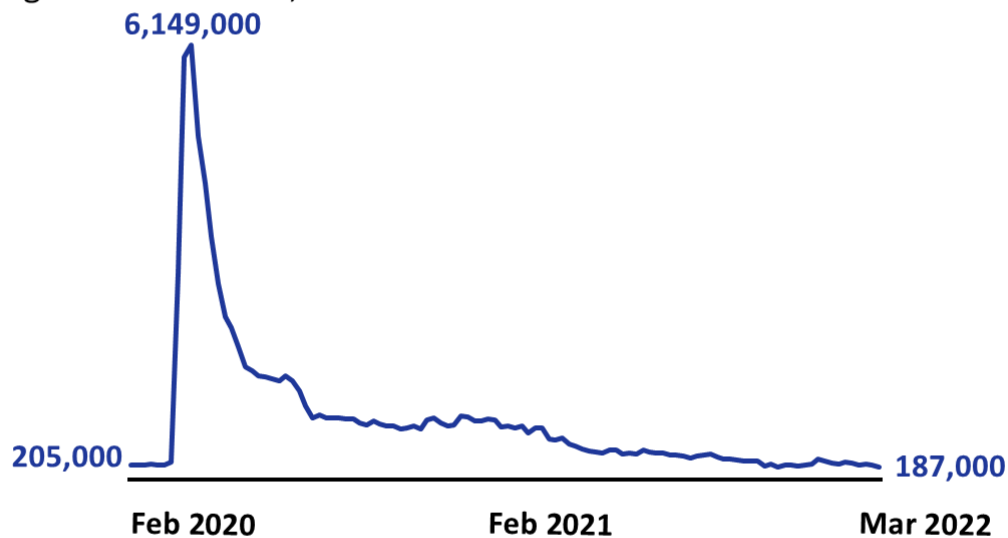
Unemployment Insurance Claims Fell to the Lowest Level Since 1969

New weekly unemployment claims dropped to the lowest level in more than 50 years and the number of Americans depending on unemployment benefits falling to the lowest level since 1970. [Data](#) released by the Department of Labor show new unemployment claims fell by 28,000 to 187,000 for the week ending March 19. The four-week moving average (which smooths week-to-week volatility in the data) dropped to 211,750, down by 75% since President Biden took office.

These numbers are consistent with other labor market metrics, which show that the labor market continues to strengthen with 7.4 million jobs added since President Biden took office and the unemployment rate dropping to 3.8% in February 2022.

Unemployment Claims Are Almost 10% Lower Than Pre-Pandemic Levels

Regular state claims, Feb 2020 to Mar 2022



Source: Department of Labor

Note: Data include weekly initial unemployment insurance claims and are seasonally adjusted.

JEC Spotlight: Expanding Medicaid Coverage Will Support Economic Growth by Creating Jobs, Increasing Financial Stability and Shoring Up Vital Local Hospital Systems

This week marked the twelfth anniversary of the passage of the Affordable Care Act, which drastically expanded access to health insurance for millions of Americans. The expanded Medicaid coverage and subsidized marketplace plans provide insurance for nearly 37 million Americans today. Research shows that this increased coverage saves lives, increases access to care and shores up families' finances. However, 12 states with Republican-led legislatures have failed to expand their Medicaid programs under the ACA, leaving 2.2 million low-income Americans uninsured and without insurance subsidies.

A recent JEC [issue brief](#) highlights that filling the Medicaid coverage gap would bolster employment growth through increased federal spending and improve people's financial security by insuring against costly medical emergencies. Filling the coverage gap would also stabilize state budgets and hospital systems. In addition, closing the coverage gap could create nearly 1 million new jobs, as increased federal funding leads to employment growth in health care and related industries. Medicaid expansion has been found to significantly reduce the number of unpaid non-medical bills and reduce non-medical debt in collection by as much as \$600 to \$1,000.

At the state level, governments in states that expanded Medicaid have experienced savings in the form of reduced spending on health services for the uninsured, corrections systems and uncompensated care. These savings covered anywhere from 14% of the cost of expansion in Kentucky, up to 41% of the cost in Michigan. Also, closing the coverage gap would significantly reduce uncompensated care costs that hospitals currently deal with when they treat uninsured patients. Increased funding could also prevent many hospital closures, with the greatest effects in rural communities and those with large uninsured populations.

Selected JEC Resources

- [*State-By-State Fact Sheets: January Employment Data*](#)
- [*Update: Six Months of Advance CTC Payments Dramatically Reduced Childhood Poverty and Improved Family Finances*](#)
- [*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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