



ECONOMIC UPDATE

May 17, 2021

Quote of the week

“We need to make sure our infrastructure is resilient to climate security issues caused by the increased frequency and severity of weather events. But we also need to be sure that we are resilient in the face of cyberthreats.”

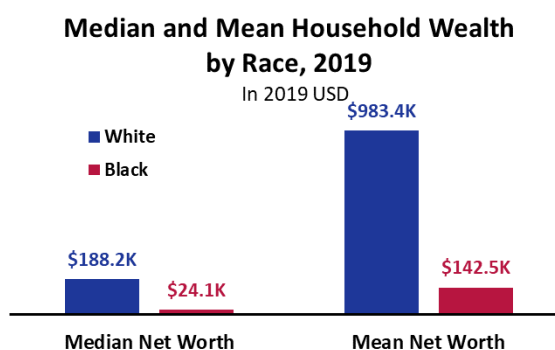
—[Pete Buttigieg](#), Secretary of Transportation

What you need to know

- [The recent surge in gasoline prices in some Southeastern states underscores the urgency of investing in the nation’s infrastructure](#) to ensure that it is resilient in the face of cyberattacks, such as the ransomware attack which caused the Colonial Pipeline to shut down.
- The Treasury Department’s launch of [the Coronavirus State and Local Fiscal Recovery Funds will provide \\$350 billion in emergency funds to state, local, territorial and Tribal governments](#), to enable them to rehire public sector workers and help to drive an equitable recovery by addressing longstanding economic, educational and public health disparities.
- [Unemployed Americans in at least 18 Republican-led states are set to have their enhanced unemployment benefits cut off prematurely](#), even though they were supposed to last until September, the April jobs report shows that labor participation continues to rise and the evidence strongly indicates that more generous jobless benefits have not reduced labor supply.
- [The Consumer Price Index increased by 0.8%](#) in April. This was largely driven by expected price increases as the economy returns to normal – Pantheon Macroeconomics’ analysis highlighted that airline fares were up by 10% and lodging costs (mostly hotel room rates) by 7.6%.

Chart of the week

White households have the highest level of both median and mean family wealth: \$188,200 and \$983,400, respectively. Black households' median and mean wealth are less than 15% that of white families at \$24,100 and \$142,500, respectively. Median differences in wealth understate the enormity of the racial wealth gap, due to the concentration of wealth at the top of the wealth distribution.



Source: 2019 Survey of Consumer Finances

New reports and research

- The JEC Democratic staff released a report that explores why [big, bold investments in the United States' physical and human infrastructure are important for future economic growth](#).
- The Economic Policy Institute explains how [labor shortages in the leisure and hospitality industry are unlikely to spread to other parts of the economy](#) and why there is no reason to change the policy of enhanced unemployment benefits.
- A report from the Center on Budget and Policy Priorities argues that [Congress should enact the Biden administration's proposals to reform the Unemployment Insurance \(UI\) system](#) under the American Families Plan.

Recommended

- [“Policymakers Used to Ignore Child Care. Then Came the Pandemic,”](#) *The New York Times*
- [“A New Vision for American Infrastructure,”](#) a recent episode of The Brookings Institution’s podcast *Dollar & Sense*, explores how investing infrastructure would create good-paying jobs and improve equity.

What to watch during the week

- *Tuesday*: The House Committee on Small Business Subcommittee on Economic Growth, Tax, and Capital Access is scheduled to hold a hearing, [“Examining the role of Community Development Financial Institutions and Minority Depository Institutions in Small Business Lending,”](#) at 10 a.m. ET.
- *Also Tuesday*: The Senate Committee on Health, Education, Labor & Pensions is scheduled to hold a hearing, [“Paid Leave for Working Families: Examining Access, Options, and Impacts,”](#) at 10 a.m. ET.
- *Wednesday*: The Federal Reserve releases [minutes](#) from the most recent policy meeting of the Federal Open Market Committee (FOMC).

Selected JEC resources

- [Should concerns about inflation stop us from making future investments?](#)
- [Unpacking the April Jobs Report](#)
- [Immigrants Are Vital to the U.S. Economy](#)
- [The Student Loan Debt Crisis is Reinforcing the Racial Wealth Gap](#)

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