

ECONOMIC UPDATE

December 2, 2022

Economic Issue in Focus: The U.S. Added 263,000 Jobs in November, Indicating Continued Economic Strength in the Face of Global Inflation

The U.S. [added](#) 263,000 jobs in November, according to the latest data from the Bureau of Labor Statistics. The economy is benefitting from continued strong and sustainable job growth, thanks in large part to the investments this Congress has made on behalf of U.S. workers and families. Under President Biden, the United States has added a historic 10.5 million jobs, experiencing 22 straight months of job gains, including gains in [every state](#). The pace of job growth is normalizing to a more steady and sustainable level, and strong wage gains are supporting working families.

The unemployment rate remained steady at 3.7% this month, stabilizing near 50-year lows. Across race and ethnicity, unemployment rates have improved significantly since President Biden came into office, but persistent disparities make clear there is more work to do.

Job growth continued across industries in November, with some of the strongest gains in leisure and hospitality, health care and government. Notably, more than three-quarters of the government jobs added were at the local level, which is critical to supporting public schools and ensuring delivery of emergency services. Additionally, the U.S. added 14,000 new manufacturing jobs in November and 750,000 since President Biden came into office, the fastest growth in decades. Manufacturing has more than fully recovered its job losses from the pandemic recession, and investments like the CHIPS and Science Act and the bipartisan Infrastructure Investment and Jobs Act will do more to support U.S. industry, improve our supply chains and promote economic growth for years to come.

Key Economic Indicators to Track

- **Updated Data Show Economic Growth was Greater than Market Expectations in the Third Quarter:** The Bureau of Economic Analysis released a revised estimate of third-quarter growth, [showing](#) that real gross domestic product increased by an annual rate of 2.9%, up from the previous estimate of 2.6%. This data confirms that the economy gained strength in the third quarter and outpaced expectations.
- **PCE Inflation in October 0.3%, Signaling a Cooling of Prices:** Data from the Bureau of Economic Analysis on the Personal Consumption Expenditures (PCE) index [showed](#) headline and core inflation in October held at 0.3% and fell to 0.2%, respectively. Prices for goods increased 0.3% and energy prices increased 2.5% during the month. Over the last year, prices increased a total of 6.0% through October, down from 6.3% in September.

- **Job Openings, Hires and Separations Data Provide Evidence of Labor Market Strength and the Beginning of a Rebalancing:** [Data](#) from the Bureau of Labor Statistics released Wednesday on job openings and separations show that the labor market remains strong, as the number of job openings edged slightly down to 10.3 million, indicating that the Fed’s strategy to fight inflation is starting to show results. The number of hires and quits decreased marginally to 6 million and 4 million, respectively, but both remain elevated as demand for workers and worker confidence remain high.

JEC Spotlight: The Expanded Child Tax Credit Drove the Largest Ever Drop in Child Poverty

The Joint Economic Committee released a [new report](#) that highlights how the expanded Child Tax Credit (CTC) drove the record-breaking decline in child poverty, which fell to the lowest rate on record at 5.2% in 2021. Data show the expansion of the tax credit was the single-largest contributor to this reduction, as the CTC lifted 5.3 million people—including 2.9 million children—out of poverty in 2021. The expanded portion of the CTC alone lifted 2.1 million children out of poverty.

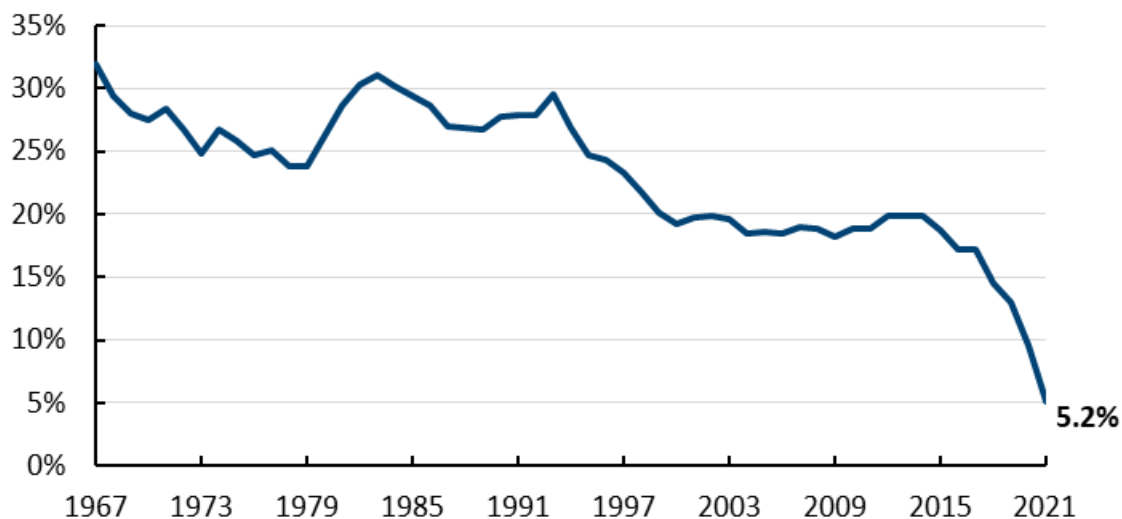
As part of the American Rescue Plan, the CTC was made fully refundable to ensure the lowest-income families could receive the full value of the credit. The value of the CTC was also dramatically increased from \$2,000 per child to up to \$3,600 per child under age 6 and \$3,000 per child between age 6 and 17 in 2021. Over 36 million families with more than 61 million children received monthly payments in 2021.

Making the CTC fully refundable drove the reduction in child poverty and helped 19 million more children—including 45% of Black children and 39% of Hispanic children—become eligible for the full credit. The expanded CTC drove significant declines in child poverty across all racial and ethnic groups, particularly among Black and Hispanic households: Child poverty rates fell by more than half among Black children and more than 40% among Hispanic children from 2020 to 2021.

Moreover, this kind of investment in children’s well-being has been shown to more than pay for itself in the long-run by improving educational outcomes, health and lifetime earnings.

Child Poverty Fell to the Lowest Level on Record in 2021

Anchored SPM child poverty rate (2021) with taxes and transfers, 1967 to 2021



Source: Center on Budget and Policy Priorities

Note: Data are anchored to 2021 poverty thresholds and adjusted backwards for inflation.



Selected JEC Resources

- [*LGBTQ+ Americans Make Important Contributions to the Economy Despite Facing Unique Challenges*](#)
- [*Republicans Threaten Debt Limit Default to Force Cuts to Economic Security Programs*](#)
- [*The Expanded Child Tax Credit Dramatically Reduced Child Poverty in 2021*](#)
- [*Access to Comprehensive Reproductive Health Care is Also an Economic Issue*](#)
- [*Improving Maternal Health Care Would Save Lives and Prevent Economic Losses, Especially for Women of Color*](#)
- [*Baby Bonds Promote Economic Opportunity and Drive Broad-Based Growth*](#)

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