

## ECONOMIC UPDATE

May 20, 2022

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### **Economic Issue in Focus: Oil Companies Enjoy Market Influence and Record Profits While U.S. Consumers Foot the Bill for High Gas and Energy Prices**

America's reliance on fossil fuels has left families footing the bill for higher gas prices, while oil producers make record profits. Price volatility in the global oil market as a result of Putin's invasion of Ukraine has driven up the cost of oil more than 60% since December 2021. This has repercussions for all U.S. workers and families, especially low-income households.

To help insulate U.S. consumers from the volatility of global energy markets, the Biden administration has made one million additional barrels of oil per day available on the market from the U.S. Strategic Petroleum Reserve (SPR). The U.S. produces more oil than gets consumed domestically, but American families are still subjected to global market prices for oil.

Domestic oil producers and shareholders are reaping the rewards of this recent rise in worldwide crude oil and gas prices—money that comes directly out of families' budgets. Exxon Mobil recently [announced](#) that it would triple its stock buyback program to \$30 billion by the end of next year and Chevron [announced plans](#) to purchase back \$5 billion to \$10 billion worth of shares per year, north of previous plans for \$3 billion to \$5 billion in annual repurchases. Both Exxon Mobil and Chevron have seen their share values increase by about 40% this year. The House passed a bill to give the Federal Trade Commission new power to investigate price gouging and the Senate is considering a companion bill.

To permanently insulate families from gas price volatility, while also addressing climate change and protecting the water supply from the harmful effects of drilling, it is imperative that the United States pursue clean energy and true energy independence. Public investment in clean energy and electric vehicles will shield consumers from high oil prices and protect the [environment](#).

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### **Key Economic Indicator To Track**

**In Spite of Inflation, Retail Sales Data Continue To Show Strong Consumer Demand and Confidence in the Economic Recovery:** Retail sales [data](#) released on Tuesday from the Census Bureau show that retail sales rose by 0.9% in April. Retail sales are up by 8.2% since April 2021, reflecting continued consumer confidence in the U.S. economy. Data show that overall consumer demand remains robust as it shifts to more normal pre-pandemic buying patterns in which consumers spend a greater percentage of their purchases on services than goods. This shift has caught major retailers flat-footed and likely accounts for recent stock market volatility.

## JEC Spotlight: Even As the U.S. Women's and Men's Soccer Teams Close the Gender Pay Gap, Work Remains To Ensure Women Are Paid Equally to Men in the U.S.

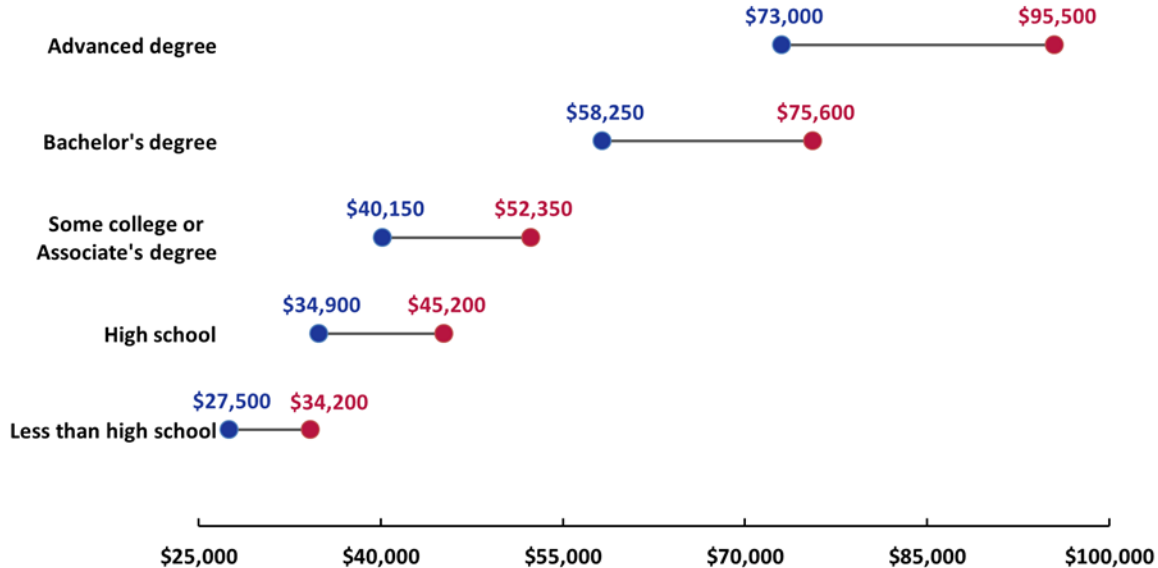
A landmark collective bargaining agreement was reached between the U.S. Soccer Federation and the U.S. women's and men's national teams to close the gender pay gap. The agreement ensures the men's and women's teams receive equal salaries and bonuses, making the United States the first country to achieve equal pay for its men's and women's soccer teams. Despite the historic nature of this agreement, a JEC [issue brief](#) shows work still remains to close the gender pay gap in the U.S.

While lower levels of education among women versus men used to play a larger role in accounting for the gender wage gap, today women continue to earn less regardless of educational level. Women now earn the majority of post-secondary degrees. In 2020, women earned 55% of doctorate degrees, 58% of bachelor's degrees and 61% of master's degrees. The fact that women are more highly educated yet still earn less than men suggests that women cannot educate themselves out of the pay gap.

Furthermore, women often are out-earned by men with less education. For example, men with only a high school education earn over \$5,000 more than women with some college or Associate's degrees. In addition, workers at higher education levels experience a larger pay gap. This is likely due to lower educational attainment levels being clustered in minimum wage or low-paying jobs where there is less room for pay inequity because workers are paid equally low wages.

### Women Earn Less Than Men at Every Education Level

Median annual earnings, 2021



Source: JEC Democratic staff calculations based on data from the Current Population Survey  
Note: Data are for full-time, year round workers over the age of 25 and reflect highest level of education. Estimates of median annual earnings are calculated from median weekly earnings, assuming 50 weeks of work.

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## Selected JEC Resources

- [\*Native American Communities Continue to Face Barriers to Opportunity that Stifle Economic Mobility\*](#)
- [\*Congress and the Biden Administration Are Putting Policies in Place to Continue the Strong Wage Gains Workers Experienced in 2021\*](#)
- [\*Senator Rick Scott's Plan to Raise Taxes on Working Families and Slash Essential Programs Would Cost Jobs and Reduce Economic Growth\*](#)

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