

The Worker's Economy Quarterly Report

(Q3 – July, August, September)

*A Shortcut to Understanding America's
Economic Resurgence*

Presented by:



A Message from Representative Newman and JEC Chairman Beyer

It is our shared belief that as our nation continues to recover from the coronavirus recession, our families, workers, and communities need to know how the economy is performing. This *Worker's Economy Quarterly Report* is designed to do just that, by providing you, our constituents, with an overview of useful economic indicators that offer a snapshot of the strength of our economy and the robustness of our recovery.

We know that building a 21st century worker's economy starts with ensuring it's working for all Americans and not just the wealthiest. That's why this report looks at the economic indicators that truly make a difference to working families, such as job growth, unemployment, new business formation, and consumer spending. These are the kinds of real indicators that matter most for how workers and communities are faring—not the stock market, which does not reflect the health of our economy.

In the pages ahead, we'll also look at how the recovery continues despite an increase in COVID-19 cases among the unvaccinated and a rise in inflation caused by surging demand coupled with supply bottlenecks. With the signing of the bipartisan Infrastructure Investment and Jobs Act into law and incredible progress on the Build Back Better Act in Congress, these monumental investments in physical and care infrastructure will decrease inflationary pressures, address decades-old supply chain problems, and advance economic growth that is stronger, stable, and more broadly shared.

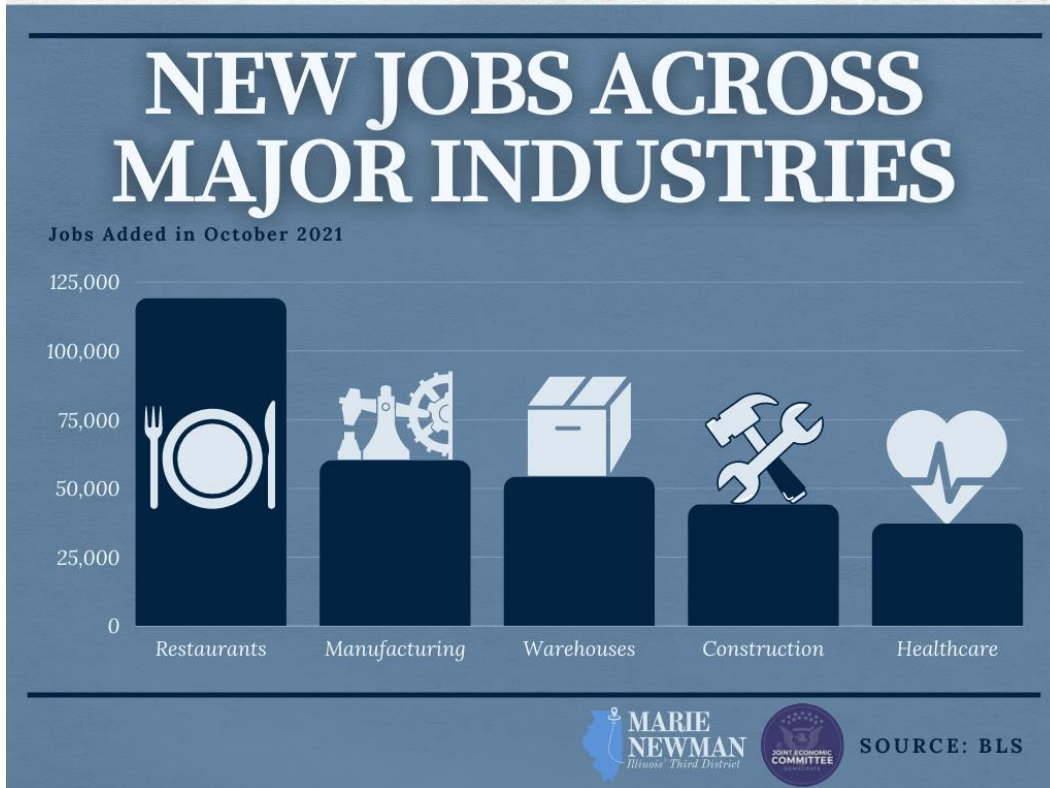
Thank you,

U.S. Representative Marie Newman and Joint Economic Committee Chairman Don Beyer



JOB GROWTH IN NEARLY EVERY INDUSTRY

Nearly 5.6 million jobs created since President Biden took office

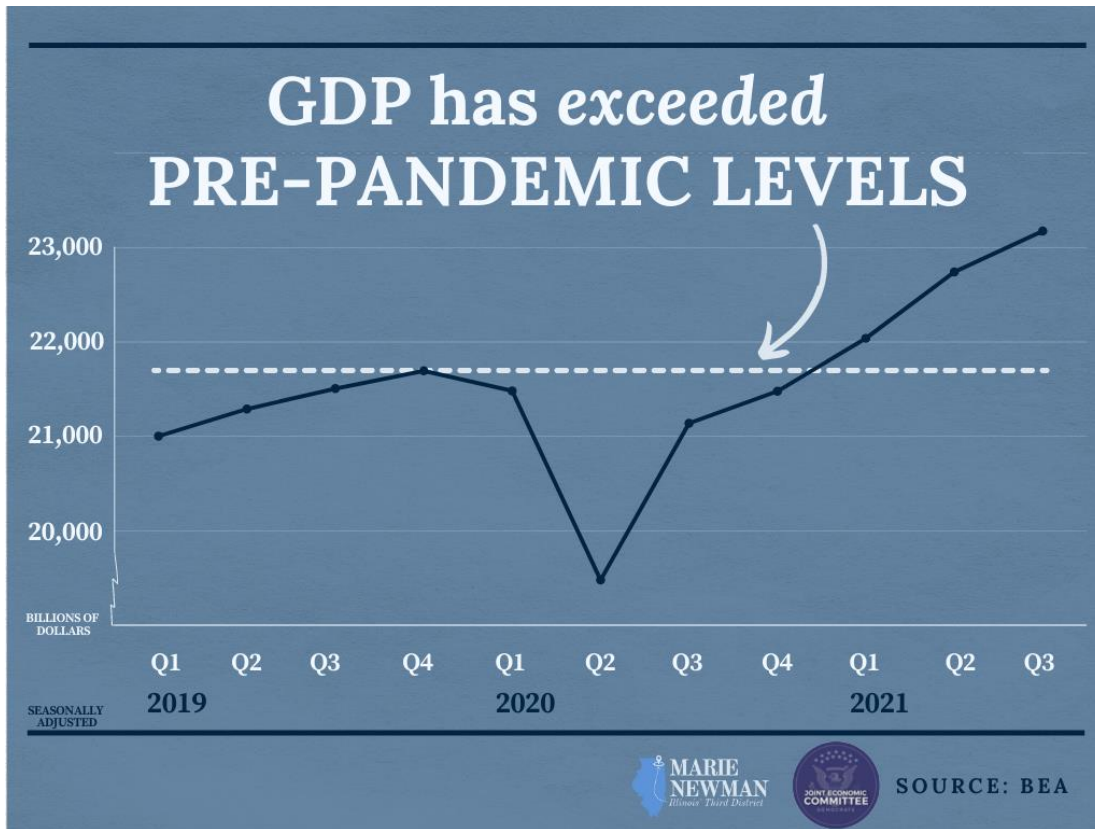


Since President Biden took office, the United States has created nearly 5.6 million jobs. This rapid growth, propelled by the American Rescue Plan and the White House’s national vaccination campaign to get the pandemic under control, has resulted in the fastest economic recovery in our nation’s history. On top of this, [experts](#) predict that President Biden’s Build Back Better Act and the recently passed Infrastructure Investment and Jobs Act will add an additional 1.4 million jobs per year over 10 years.

Earlier this month, the Bureau of Labor Statistics reported a strong increase in hiring for the month of October, with 531,000 jobs created. These gains were reflected across nearly every major industry, with restaurants and bars—which were especially hard hit during the worst of the pandemic—leading the surge. The latest data demonstrate how President Biden’s national vaccination campaign has helped workers safely return to work. Previous data showed that as Delta triggered another wave of the pandemic in unvaccinated communities across the country, hiring slowed. Experts predict that declining infection rates combined with the recent passage of the Infrastructure Investment and Jobs Act and the Build Back Better Act will support strong economic growth for the remainder of this year and into 2022.

GDP IS EXCEEDING ITS PRE-PANDEMIC PEAK

The U.S. economy is bigger now than it was before the COVID-19 pandemic

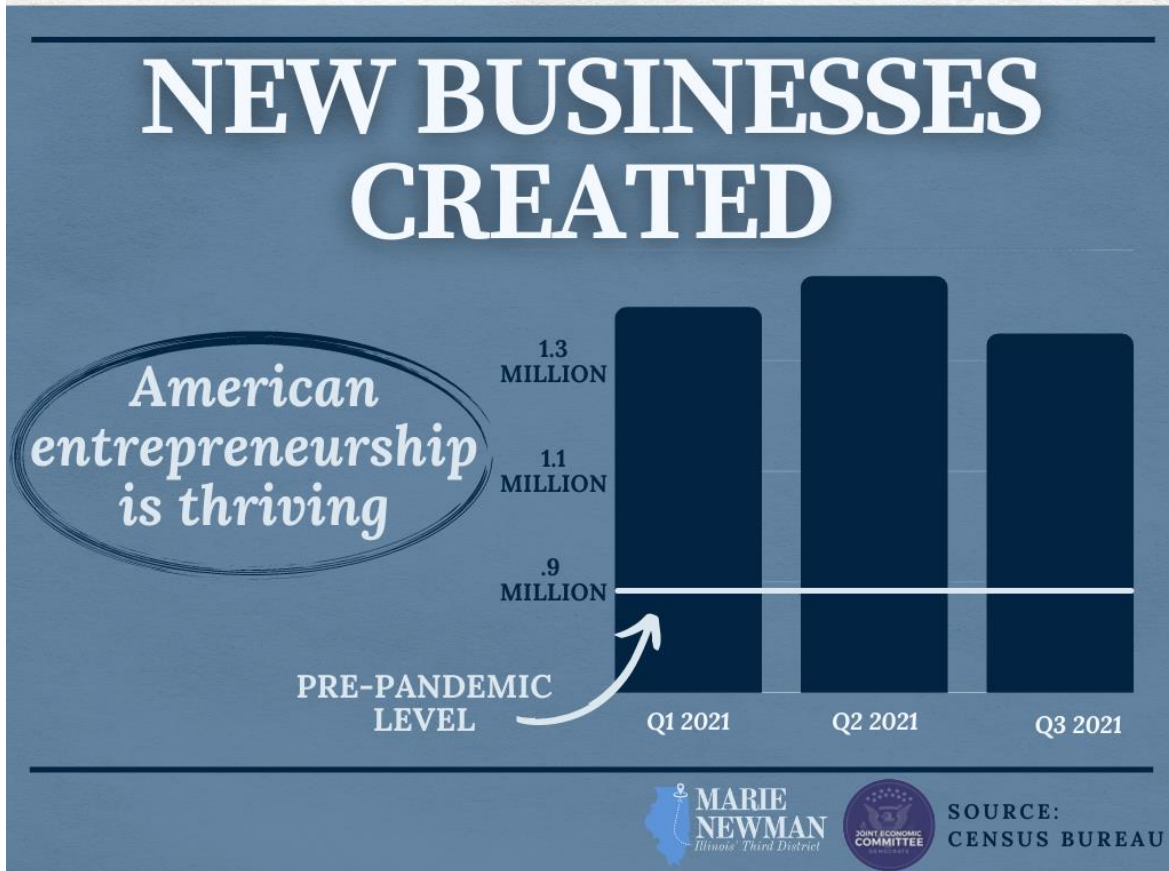


For the fifth consecutive quarter, the U.S. economy has expanded. Thanks to the White House's increased efforts to raise vaccination rates, the nation saw back-to-back quarters of more than 6% growth, which brought the economy above its pre-pandemic peak. Currently, the U.S. is the only major economy in the world that has surpassed this milestone.

The pace of economic growth slowed during the third quarter, as COVID-19 spiked among the unvaccinated, demonstrating that economic recovery hinges on controlling the pandemic. While supply chain bottlenecks remain, rooted in chronic underinvestment in public infrastructure, large job gains last month in transportation, manufacturing, and warehousing should help address these challenges in the coming months. Together, investments in the Build Back Better Act and the Infrastructure Investment and Jobs Act are expected to increase GDP by nearly \$3 trillion above baseline over the next decade.

AMERICANS ARE CREATING MORE NEW BUSINESSES THAN BEFORE PANDEMIC

New business applications in the United States remain at record high



While applications for new businesses plunged during the early months of the pandemic, the U.S. has seen a record rebound as applications have continued to exceed pre-pandemic highs. According to the Census Bureau, the first three quarters of 2021 saw over 4.1 million new business applications filed, compared to just 3.2 million business applications filed during the same period in 2020—a 27% increase year-over-year.

This surge in startups is a result of Americans reimagining their work after the pandemic and the economic relief provided by the American Rescue Plan, which provided critical seed funding, particularly to marginalized entrepreneurs who were particularly hard hit by the pandemic. Small businesses are an engine of economic growth, and the American Rescue Plan included \$15 billion for state and local governments to provide low-interest loans to small businesses and startups.

RETAIL SALES STEADILY INCREASING

Consumers—the main driver of economic activity—continued to spend in the third quarter of 2021

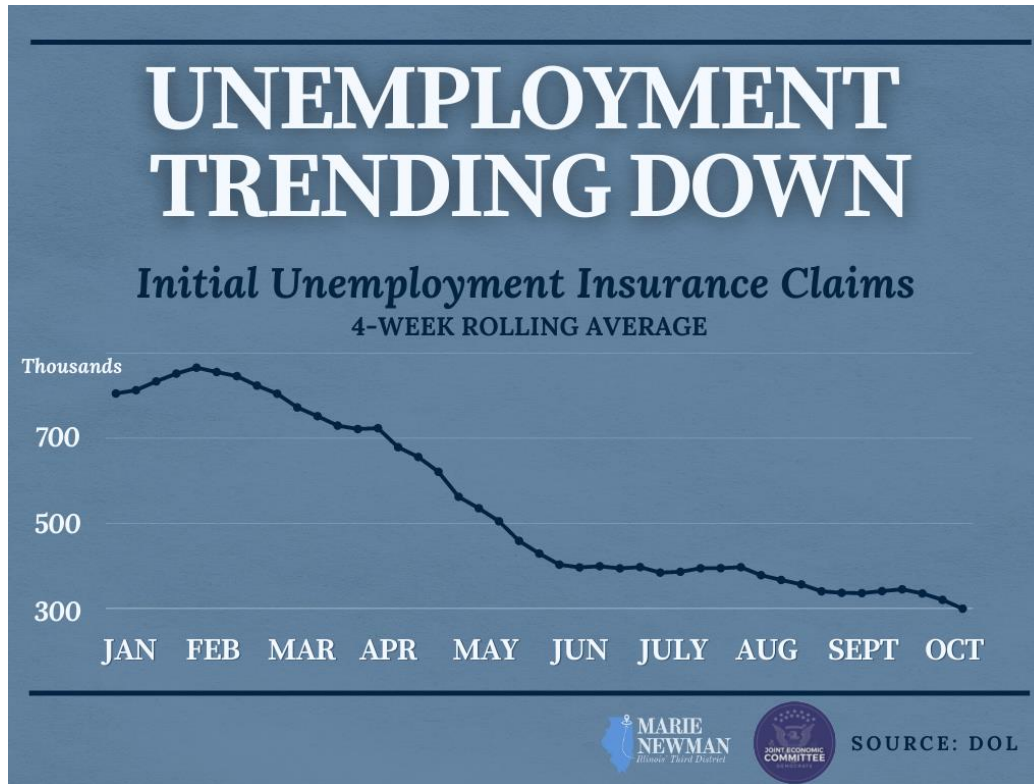


According to the Census Bureau, retail sales have continued to increase over the past three months. In fact, retail sales have remained above pre-pandemic levels—even as shoppers see higher prices stemming from ongoing supply chain challenges. Strong retail sales reflect pent-up demand as people can safely resume more normal levels of economic activity.

The U.S. economy continues to grow at a pace not seen in nearly four decades. To meet surging demand, the passage of the Infrastructure Investment and Jobs Act and the expected vote on the Build Back Better Act will make historic investments in physical and care infrastructure to fix supply chains, decrease inflationary pressures long-term, and deliver millions of middle- and low-income American families a tax cut.

UNEMPLOYMENT CLAIMS AT PANDEMIC-ERA LOW

Unemployment claims reached their lowest levels in nearly 20 months



For the sixth consecutive week, initial unemployment claims reached a new pandemic-era low. In fact, since President Biden has taken office, the average number of people newly filing for unemployment has declined by nearly 70%.

New data also showed that the overall unemployment rate dropped to 4.6%—the lowest level since the start of the pandemic. While the unemployment rate continues to decline, policies included in the Build Back Better agenda are aimed at addressing structural barriers in the labor market to ensure this economic recovery is broadly shared. Despite strong jobs gains last month, disparities remain: The unemployment rate was 7.9% for Black workers, 5.9% for Hispanic workers, 4.2% for Asian workers, and 4.0% for white workers.

Throughout the pandemic, women’s labor force participation has remained low. In a potentially promising rebound, nearly 57% of new jobs created in October went to women. This is a significant improvement from the previous month when all new jobs created went to men while nearly 300,000 women left the workforce entirely. As the nation heads into 2022, creating a more equitable economic recovery remains as important as ever.

CONCLUSION



During the third quarter of this year, the United States continued a historic economic recovery not seen in any other nation around the world. With an increase in vaccination rates across the country, coupled with the passage of President Biden’s historic American Rescue Plan and the Infrastructure Investment and Jobs Act, the United States is seeing more workers return to the labor force, a GDP above its pre-pandemic peak, an increase in new businesses, and a pandemic-low number of Americans applying for unemployment insurance.

The recovery has not been without challenges, as we continue to see the economic effects of disruptions in the global supply chain as well as COVID-19 surges among the unvaccinated. Thanks to President Biden’s national vaccination efforts in recent months, our economy has continued to make historic gains in nearly every sector.

With the latest jobs report exceeding the expectations of analysts and experts, it is clear that as we head into the new year, our recovery remains strong. As we continue to shape the post-pandemic economy into 2022, Congress must remain steadfast in its commitment to delivering transformative investments in workers and families to build long-term economic resilience and advance stronger, stable, and broadly shared growth. By passing the Build Back Better Act, we can build on this quarter’s economic success by cutting taxes for working families, reducing household costs, and making critical investments in child care, universal pre-k, and paid leave so that more Americans can return to the workforce without having to choose between caring for a loved one or a paycheck.