



ECONOMIC UPDATE

March 29, 2021

Quote of the week

“With the passage of the rescue plan, I am confident that people will reach the other side of this pandemic with the foundations of their lives intact.”

—[Janet Yellen](#), U.S. Treasury Secretary

What you need to know

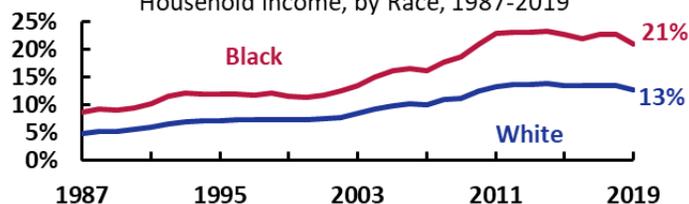
- The Biden administration is preparing to introduce [an infrastructure and jobs bill focused on repairing the nation’s roads, bridges, waterways and rails](#), as well as tackling climate change and housing infrastructure. The bill is also expected to focus on some of the president’s domestic priorities, including extending subsidies for the Affordable Care Act.
- Treasury Secretary Janet Yellen testified before the House Financial Services Committee that [there could be a return to full employment in 2022](#).
- [Over 200 companies have signed a letter urging Congress to extend federal paid family and medical leave](#) to all workers. Although it does not contain specifics, the letter calls for the creation of a federal policy which addresses parental leave following the birth or adoption of a child, personal sick and medical leave and leave to care for sick relatives.
- Federal Reserve governor Lael Brainard announced that [the central bank is establishing a Financial Stability Climate Committee \(FSCC\)](#). The FSCC’s aims are to identify, assess and address climate-related risks to financial stability.

Chart of the week

The student loan debt crisis has had a much greater impact on Black households compared to white households. The cost of tuition and fees at a four-year public institution in 2019 (excluding financial aid) made up a larger share of the median annual household income for Black Americans (21%), compared to a much smaller share of the median annual household income for whites (13%).

Tuition and Fees Account for an Increasing Share of Median Household Income

One Year of Tuition and Fees as a Share of Annual Median Household Income, by Race, 1987-2019



Note: Comparisons in 2019 USD; Tuition and fees are national averages for public, 4-year institutions (excluding financial aid).

Sources: College Board, Annual Survey of Colleges; U.S. Census Bureau, "Income and Poverty in the United States: 2019," Table A-2.

New reports and research

- The JEC Democratic staff released an issue brief that explains that [the student loan debt crisis has hit Black students and their families particularly hard](#) due to inequities in wages, employment, wealth and access to credit. As a result, the racial wealth gap is reinforced.
- Another issue brief released by JEC Democratic staff highlights that [raising the minimum wage discourages low-pay employment and encourages the creation of good jobs](#) with higher wages, more security and higher productivity.
- Analysis from the Economic Policy Institute shows that [Black–white gaps in unemployment widened and Hispanic–white gaps persisted](#), even as unemployment rates fell overall.
- A policy brief from the Institute for Women’s Policy Research finds that in 2020, [women earned less than men in almost all occupations](#), regardless of whether they worked in predominantly male, predominantly female or more integrated occupations.

Recommended

- [“The Years of Work Behind Washington’s Best-Liked Man,”](#) *The New York Times*
- [“Pay for Biden’s \\$3 Trillion Infrastructure Plan With a Carbon Tax,”](#) *The Washington Post*
- [“If the Economy Overheats, How Will We Know?,”](#) *The New York Times*
- [“The Unrelenting Cost of Slavery,”](#) Bloomberg economics reporter Catarina Saraiva discusses the significant economic losses suffered by Black Americans during the past 400 years in a recent episode of Bloomberg’s podcast, *The Pay Check*.

What to watch during the week

- *Thursday:* The Peterson Institute for International Economics (PIIE) is scheduled to hold the [semiannual Global Economic Prospects event](#) at 10 a.m. EST. The focus of this event will be on the U.S. outlook, fiscal policy, unemployment and the economic impact of COVID-19.
- *Friday:* The Bureau of Labor Statistics releases [jobs and unemployment data](#) for March. The data are likely to reflect the effect that the passage of the American Rescue Plan Act has had on hiring.

Selected JEC resources

- [Raise the Wage Would Increase Pay for One in Five U.S. Workers](#)
- [Women’s History Month Chart Packet](#)
- [National and State-Level Data on the Economic Status of Black Americans](#)
- [The Shrinking Value of the Federal Minimum Wage](#)

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