



ECONOMIC UPDATE

March 8, 2021

Quote of the week

“We must not forget that the financial lives of millions of Americans lay in ruin. Many have seen their jobs disappear and will not be able to easily resume their [rent and mortgage] payments.”

—[Rohit Chopra](#), nominee for Director of the Consumer Financial Protection Bureau

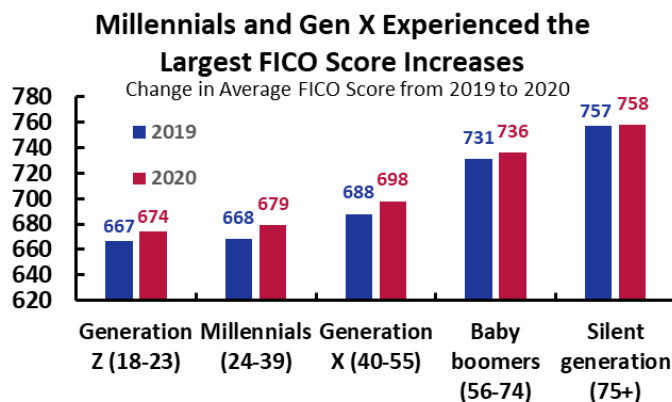
What you need to know

- The Bureau of Labor Statistics (BLS) reported that in February [nonfarm payroll jobs rose by 379K](#) and the unemployment rate fell by 0.1 percentage point to 6.2%. If labor force participation had remained at February 2020 rates, there would be 2.7 million more women age 20 and over in the workforce and 2.3 million more men.
- Despite Federal Reserve Chair Powell’s reassurance that a rise in inflation would be temporary, Treasury bond yields continue to rise and [equity markets remain choppy](#).
- As a result of delays in USPS mail deliveries, [American consumers and businesses are falling behind on paying bills](#) and receiving payments. At the end of December, the agency had an on-time rate of 38% for nonlocal mail, a number that has historically been around 90%.
- [Moody’s Analytics forecasts a 7.2% decline in the value of commercial properties](#) nationally from their pre-pandemic levels, which will significantly reduce city budgets as property taxes can account for 30% or more of the taxes that municipalities take in.

Chart of the week

American consumers across all generations have seen an improvement in their average FICO scores from 2019 to 2020. Consumers used economic impact payments and enhanced unemployment benefits to lower their credit card debt and reduce their delinquency rates.

The data reported to credit bureaus could shift as coronavirus-related financial protections have expired or aid was delayed. Without sufficient emergency fiscal support from the government or lender accommodations, consumers struggling to meet their debt obligations could fall behind on their payments.



Source: Experian

Note: Data are as of Q3 2020; ages are as of 2020.

New reports and research

- The Democratic staff of the Joint Economic Committee released an issue brief that argues [the Raise the Wage Act would increase wages for up to 32 million American workers](#), approximately 20% of the workforce.
- The Center on Budget and Policy Priorities argues that [the official unemployment rate understates pandemic job losses](#). When factoring in exits from the workforce and workers misclassified as being employed, the realistic unemployment rate could be as high as 10%.
- A policy brief from the Institute for Women’s Policy Research finds [the weekly gender wage gap for all full-time workers fell to 17.7% in 2020](#) from 18.5% in 2019, which was driven by disproportionately large COVID-19-related job losses for women in the lowest paid jobs.

Recommended

- [“Fewer Americans Are Earning Less Than \\$15 an Hour, But Black and Hispanic Women Make Up a Bigger Share of Them,”](#) *The Washington Post*
- [“‘It Just Sucks’: America’s Jobless Owe Thousands of Dollars in Taxes on Their Unemployment,”](#) *The Washington Post*
- [“Seniors Seeking Vaccines Have a Problem: They Can’t Use the Internet,”](#) *The New York Times*
- A conversation with Cornell University economist Francine Blau, [“81 Cents: Women in the U.S. Labor Force,”](#) *Econofact* podcast

What to watch during the week

- *Wednesday*: The Bureau of Labor Statistics releases the [Consumer Price Index](#) for February. This is important to look out for given recent market activity, which indicates that investors are concerned about inflation, despite reassurances from the Federal Reserve.
- *Thursday*: The House Agriculture Committee is scheduled to hold a hearing, [A Look at Food Insecurity in America](#). Economic insecurity brought on by the pandemic has forced many Americans to turn to food banks and according to the U.S. Census Pulse Household Survey, [11.4% of households report that they often or sometimes did not have enough food](#) to eat.

Selected JEC resources

- [The Shrinking Value of the Federal Minimum Wage](#)
- [Response of the Joint Economic Committee Democrats on the 2020 Economic Report of the President](#)
- [Live Macroeconomic Dashboard](#)
- [National and State-Level Data on the Economic Status of Black Americans](#)

More information for Members and staff: www.jec.senate.gov/resources

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