

JOINT ECONOMIC COMMITTEE



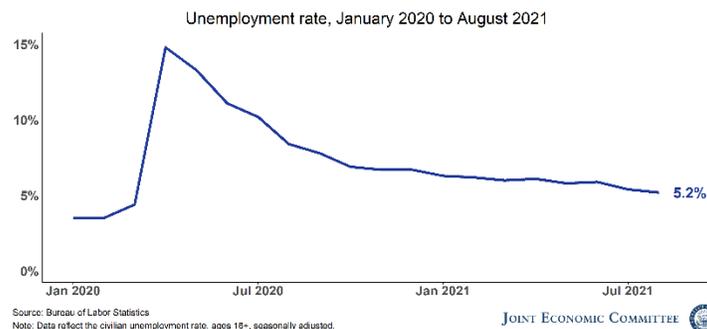
ECONOMIC UPDATE

September 3, 2021

Economic Issue in Focus – The U.S. Has Added 4.5 Million Jobs Since President Biden Took Office

- Today the Bureau of Labor Statistics (BLS) reported that the unemployment rate fell to 5.2 percent, the lowest level since March 2020, and that nonfarm payroll employment increased by 235,000 in August, growing even as the Delta variant holds the economy back from its full potential. Since President Biden took office, the United States has added nearly 4.5 million jobs, averaging 636,000 jobs a month. Although employment grew in manufacturing, transportation and warehousing, as well as professional and businesses services, industries that were particularly vulnerable to the effects of the coronavirus pandemic were affected by the Delta variant. The civilian labor force [grew](#) by 190,000 in August, while wages [rose](#) 0.6% in August 2021 and increased at a 6% annualized rate over the last three months.

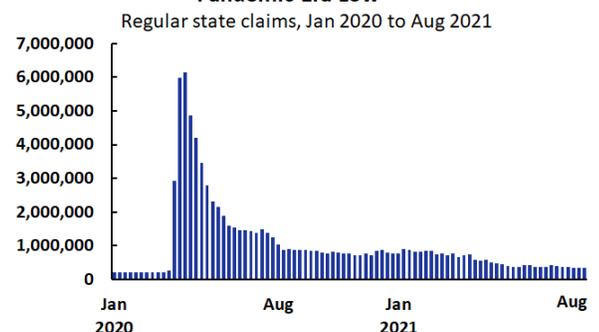
Unemployment Rate Reaches Lowest Level Since March 2020



Key Economic Indicators to Track

- **Unemployment Insurance Claims:** [Data](#) released by the Department of Labor show that the labor market continues to recover. New unemployment claims reached a pandemic-era low of 340,000 for the week ending August 28, significantly down from 6.1 million claims at the peak of the pandemic. The overall decline in claims during August underscores the robustness of the recovery, even as the United States faces uncertainty stemming from the Delta variant.
- **Consumer Confidence Index:** After steadily increasing through the first half of the year, [consumer confidence](#) fell to its lowest level since February 2021, reflecting concerns about the Delta variant. It remains too early to conclude these short-term changes

Weekly Unemployment Claims Reach New Pandemic-Era Low



Source: Department of Labor
Note: Data are seasonally adjusted.

will result in consumers significantly curtailing their spending in the months ahead, but it is a reminder that economic recovery hinges on controlling the spread of the coronavirus. Successful vaccination efforts and following public health recommendations are critical to ensuring the economy can continue to operate safely in the months ahead.

- **ISM Manufacturing Index:** [The Insitute for Supply Management's \(ISM\) Manufacturing Index](#), which tracks monthly changes in production levels across the U.S. economy, continued to indicate strong sector expansion and U.S. economic growth in August. The data are an indication that supply-chain pressures are no longer intensifying, as both delivery times and prices paid dipped.

JEC Spotlight – The American Rescue Plan and Bipartisan Emergency Measures Helped Keep 50 Million Americans Out of Poverty

A new [JEC issue brief](#) uses data from the Urban Institute to illustrate how the American Rescue Plan and bipartisan emergency measures significantly lowered the projected poverty rate in 2021. Recent [analysis](#) by the Urban Institute found that these bills, combined with existing benefit programs, reduced the projected poverty rate in 2021 by two-thirds and kept an estimated 50 million Americans out of poverty. The authors estimated that without income support programs such as direct payments, the expanded Child Tax Credit, expanded unemployment insurance benefits and emergency SNAP benefits, the projected Supplemental Poverty Measure for 2021 would have soared to 23.1% – putting nearly a quarter of Americans below the poverty threshold. However, the American Rescue Plan and bipartisan emergency response measures helped cut that number to 7.7%.

The effects of these programs and payments were felt nationwide: all 50 states saw a reduction in projected poverty rates, ranging from a minimum reduction in projected poverty rates of 49% in North Dakota up to a 75% reduction in Louisiana. Across all age groups, federal support during the coronavirus pandemic effectively kept millions of people out of poverty, and the impact was greatest among children. Americans under 18 saw their 2021 projected poverty rates decline from 30.1% to 5.6%, a decrease of 81% thanks to the American Rescue Plan, bipartisan bills and existing programs.

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

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