



## ECONOMIC UPDATE

April 5, 2021

### Quote of the week

*“Although the outlook has brightened considerably, the fog of uncertainty associated with the virus has yet to lift completely, and current employment and inflation outcomes remain far from our goals.”*

—[Lael Brainard](#), Federal Reserve governor

### What you need to know

- The economy added more than 900,000 jobs in March and [nearly half a million women returned to the workforce](#) as the employment recovery accelerated. January job gains were revised 67,000 higher to 233,000 and February gains were revised up by 89,000 to 468,000.
- [Proposed spending and tax credits under the American Jobs Plan are estimated to result in 20,000 miles of rebuilt roads](#), repairs to 10,000 bridges in the country, the elimination of lead pipes from the nation’s water supplies and the creation of millions of American jobs.
- [IRS refunds will start in May for taxpayers who received unemployment benefits](#) last year but who had already filed their taxes before the passage of the American Rescue Plan, which waived federal tax on up to \$10,200 of unemployment benefits.
- The U.S. Treasury Department announced that [the next round of relief payments, which are for Social Security recipients, are expected to arrive in bank accounts](#) and recipients’ existing federal Direct Express cards by April 7.

### Chart of the week

At the height of the coronavirus recession, there were 9.9 million Americans not in the labor force who wanted a job, up from 5 million before the pandemic. As the economic recovery continues to progress, this number has fallen to 6.9 million.

Although the economy has yet to return to pre-pandemic levels, the reduction in this number indicates that the labor market is improving. As vaccination efforts continue to expand, businesses like restaurants are likely to reopen or move their operations closer to full capacity, enabling more Americans to find work.



Source: Bureau of Labor Statistics  
Note: Data are seasonally adjusted and include people ages 16+.

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## New reports and research

- The World Economic Forum released their 2021 Global Gender Gap Report, which highlights that at the current pace [it will take 61.5 years to close gender gaps in economic participation and opportunity](#) in North America.
- In a working paper, authors affiliated with the Washington Center for Equitable Growth and the Internal Revenue Service demonstrate empirically that [random audits underestimate tax evasion for American taxpayers with incomes in the top 1 percent](#). This is due to the use of sophisticated methods including pass-through businesses and offshore accounts to conceal income.
- The Roosevelt Institute explains how [Shared Work programs can help to prevent mass layoffs, direct federal dollars to workers and save state budgets billions](#) in avoided unemployment benefits.

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## Recommended

- [“Everyone Should Have the Retirement Plan Federal Employees Enjoy,”](#) *The Washington Post*
- [“Biden Budgets Challenge Agency That Kept Predicting Deficit Doom,”](#) *Bloomberg*
- [“In March Jobs Report, the Economy is \(Finally!\) Cooking With Gas,”](#) *The Washington Post*
- [“Biden Tax Plan Challenges G.O.P. Formula for Economic Growth,”](#) *The New York Times*

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## What to watch during the week

- *Tuesday*: BLS releases February [Job Openings and Labor Turnovers](#).
- *Wednesday*: The Federal Reserve releases [minutes](#) from the most recent policy meeting of the Federal Open Market Committee (FOMC).
- *Thursday*: The Woodrow Wilson Center is scheduled to host an event [“Vaccine Passports: A public health solution or ethical & legal minefield?”](#) at 10 a.m. EST. Vaccination efforts are central to ensuring the economy can safely reopen and vaccine passports may have a part to play.

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## Selected JEC resources

- [Criticisms of Minimum Wage Increases Lag Behind Latest Research](#)
- [The Student Loan Debt Crisis is Reinforcing the Racial Wealth Gap](#)
- [Women's History Month Chart Packet](#)
- [Raise the Wage Would Increase Pay for One in Five U.S. Workers](#)

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