

ECONOMIC UPDATE

November 5, 2021

Economic Issues in Focus

The U.S. Has Added 5.6 Million Jobs Since President Biden Took Office

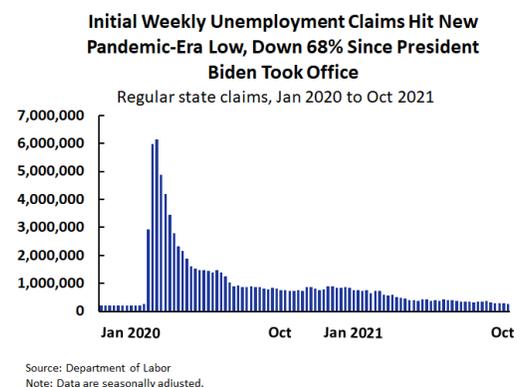
- The Bureau of Labor Statistics (BLS) [reported](#) that nonfarm payroll employment increased by 531,000 in October, exceeding expectations, and the unemployment rate declined to 4.6%, a new pandemic-era low. The unemployment rate was 7.9% for Black workers, 5.9% for Hispanic workers and 4.2% for Asian workers. The economy has added 5.6 million jobs under President Biden, an average of 620,00 jobs created each month. The latest data indicate the strength of the economic recovery—thanks to the American Rescue Plan and vaccination efforts overseen by the Biden administration—despite supply chain challenges caused by decades of underinvestment in public infrastructure and short-termism in the private sector.

Passing Build Back Better and Bipartisan Infrastructure Frameworks Will Help to Propel the United States Toward Full Employment and Robust Economic Growth

- Passing Build Back Better and the Bipartisan Infrastructure Framework will make historic investments in the nation’s physical and care infrastructure to boost long-term economic growth and climate resilience. According to [analysis](#) conducted by Moody’s Analytics, these investments will add 1.5 million jobs per year on average across the next decade, accelerating the United States’ path to full employment and increasing labor force participation. Moody’s also projects that total GDP will increase by nearly \$3 trillion relative to the baseline over the decade. Building on the historic job growth since President Biden took office, passage of this legislation will help to ensure that lower-income Americans are able to reap the benefits of economic growth, creating a more equitable economy.

Key Economic Indicators to Track

- **Unemployment Insurance Claims:** [Data](#) released by the Department of Labor show that new unemployment claims continued to fall to 269,000, a new pandemic-era low, outperforming analysts’ expectations for the week ending October 30. Initial claims are now 68% lower than when President Biden took office and 96% lower than during the peak of the pandemic. The four-week moving average, which smooths week-to-week volatility in the data, also fell to a new pandemic-era low of 284,750.



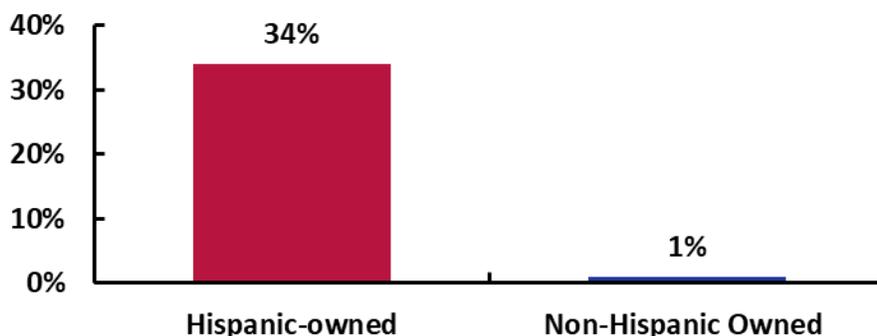
- Federal Reserve Announces Slowing of Asset Purchases:** The Federal Reserve’s Federal Open Market Committee announced that as a result of the “[substantial further progress the economy has made](#),” the U.S. central bank will begin to reduce the monthly pace of its emergency net asset purchases by \$10 billion for Treasury securities and \$5 billion for agency mortgage-backed securities. These asset purchases helped to stabilize the economy during the peak of the pandemic. The Committee continued to emphasize that despite the progress that has been made, “[t]he path of the economy continues to depend on the course of the virus,” underscoring the need to continue progress on vaccinations.

JEC Spotlight – Hispanic Owned Small Businesses Boost the U.S. Economy by Over \$800 Billion Per Year

A new [JEC issue brief](#) highlights that [nearly 5 million Hispanic-owned businesses](#) contribute over \$800 billion to the American economy annually. Almost one quarter of new businesses—which provide critical sources of new jobs—are owned by Hispanics. Hispanic-owned small businesses represent the fastest growing segment of U.S. small businesses. The number of Hispanic-owned businesses has grown by [34% in the last decade](#). This is relative to the growth of just 1% for all other small businesses in the country.

Hispanic-Owned Businesses Are the Fastest Growing Category of Small Business

Growth in number of new small businesses, 2009 to 2019



Source: Stanford Latino Entrepreneurship Initiative, Analysis of CPS-IPUMS Microdata, 2019

In 2018, Hispanic businesses made up nearly 6% (331,625) of all [employer firms](#), with an estimated \$455.6 billion in annual revenue. These businesses employ about three million workers, or roughly 2% of all actively employed workers, with more than \$100 billion in annual payroll. The overwhelming majority of Hispanic-owned businesses employ at least one employee, and more than one-third employ 5 workers or more.

Selected JEC Resources

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- [*Estimates of Advance Child Tax Credit Distribution by Congressional District \(October 2021\)*](#)
- [*State-By-State Fact Sheets: September Employment Data*](#)
- [*Health Insurance Tax Subsidies in the Build Back Better Act Will Provide Affordable Health Insurance for Millions of Americans*](#)
- [*National and State Level Data on the Economic Situation of Hispanic Americans*](#)
- [*Expanding the Housing Choice Voucher Program to Improve Housing Affordability and Economic Security for the Lowest-Income Families*](#)
- [*Strong Care Infrastructure Is Critical to Increasing Labor Force Participation and Driving Future Economic Growth*](#)
- [*Hispanic Workers Kept the U.S. Economy Moving During the Coronavirus Pandemic but Face Lower Wages and Poor Working Conditions*](#)