

The Worker's Economy Quarterly Report

(Q2 – April, May, and June)

A Shortcut to Understanding America's Economic Resurgence

Presented by:



A Message from Representative Newman and JEC Chairman Beyer

It is our shared belief that as our nation continues to recover from the coronavirus recession, our families, workers, and communities need to know how the economy is performing.

This *Worker's Economy Quarterly Report* is designed to do just that, by providing you, our constituents, with an overview of useful economic indicators that offer a snapshot of the strength of our economy and the robustness of our recovery.

We know that building a 21st century worker's economy starts by ensuring it's working for all Americans and not just the wealthiest. That's why this report looks at the economic indicators that truly make a difference to working families, such as job growth, unemployment, new business formation, and consumer spending. These are the kinds of real indicators that matter most for how workers and communities are faring—not the stock market, which is not a representation of the real economy.

In the pages ahead, we'll look at how President Biden's American Rescue Plan and the national vaccination campaign have created new jobs, boosted entrepreneurship, lifted up our restaurant industry, and driven down unemployment across the nation. These economic indicators demonstrate that our nation is on the right track to a worker's economy in which growth is strong, stable, and sustained for every American.

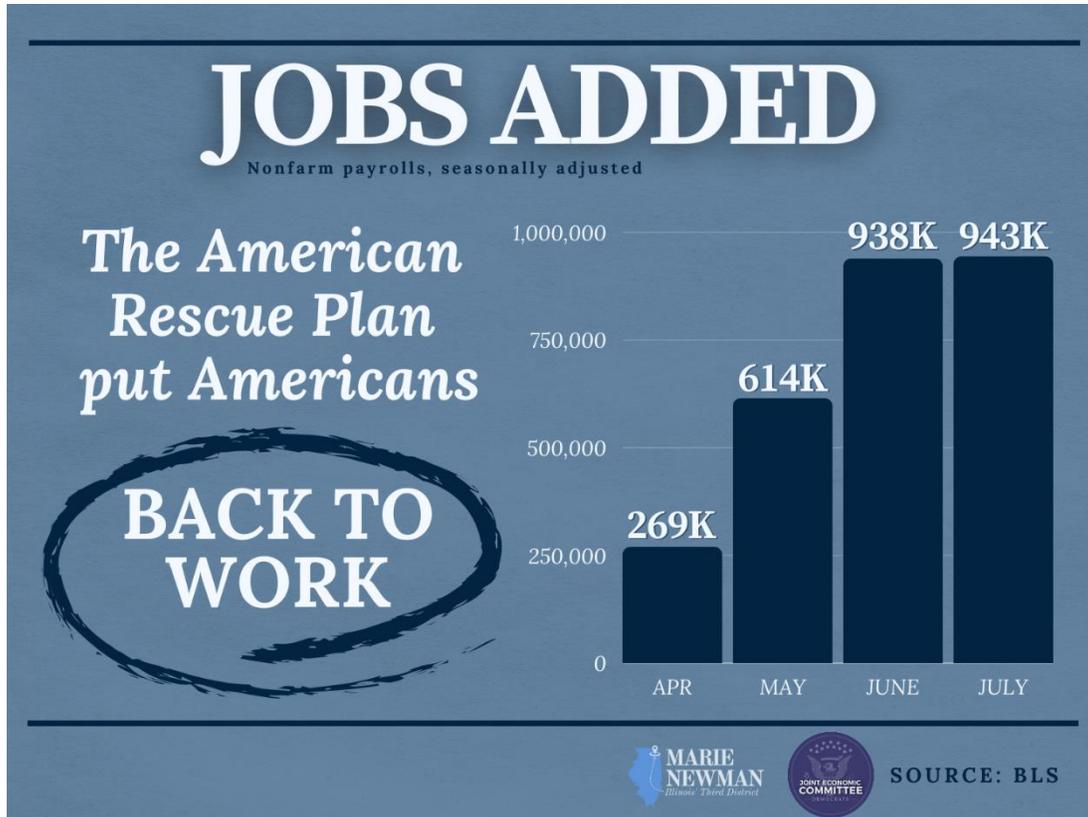
Thank you,

U.S. Representative Marie Newman and Joint Economic Committee Chairman Don Beyer



JOB GROWTH AT A RECORD HIGH

Over 4 million jobs created since President Biden took office

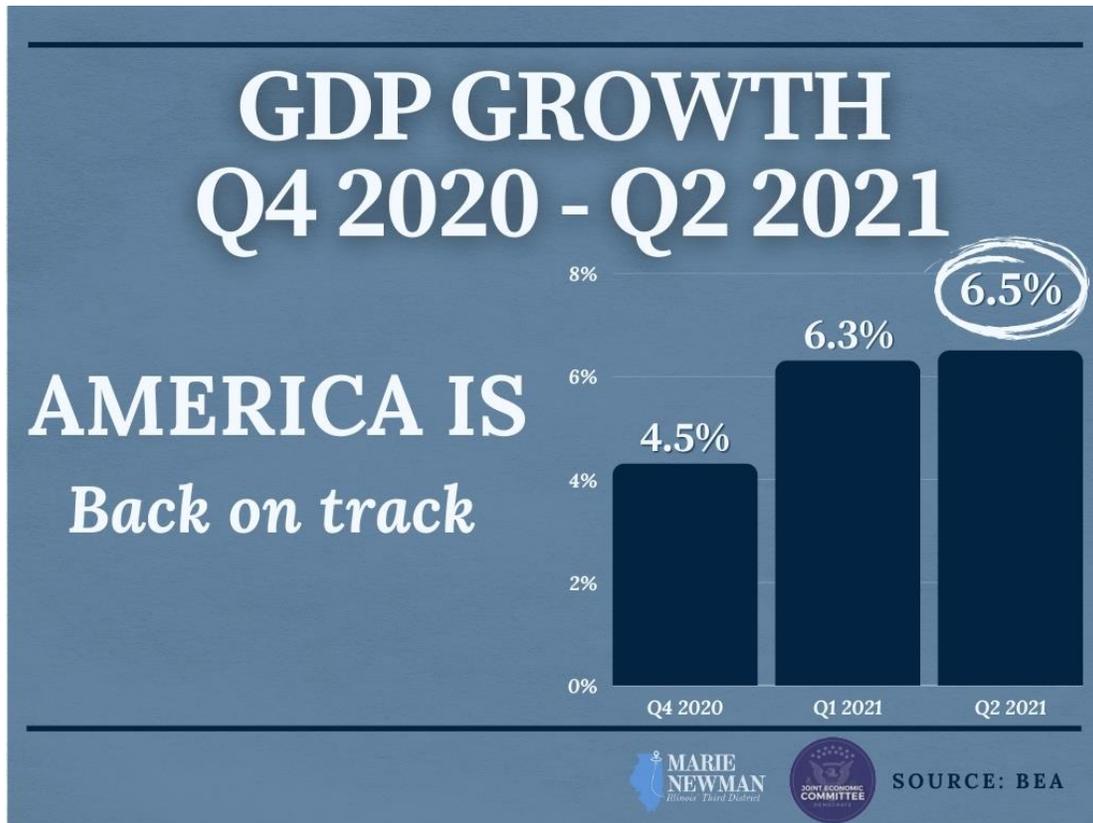


Over the past four months (April-July), the United States has gained a record 2.8 million new jobs, according to the Bureau of Labor Statistics. In fact, since President Biden has taken office, more than 4 million jobs have been created across the nation. This milestone represents an average of nearly 700,000 new jobs created per month for the first six months of the Biden Administration.

The United States has regained 75% of the jobs lost from the pandemic, a testament not only to the Biden Administration's successful national vaccination campaign but also the American Rescue Plan's, or ARP's, direct investment in workers, small businesses, and state and local governments, all of which have bolstered economic security nationwide. This immediate economic relief provided by the ARP helped drive strong consumer spending, accelerating the pace of our nation's economic growth. As a result, the United States' economy grew by more than 6% for the second consecutive quarter, bringing the nation's gross domestic product, or GDP, above its pre-pandemic peak.

GDP IS ABOVE PRE-PANDEMIC PEAK

The U.S. economy is bigger now than it was before the COVID-19 pandemic

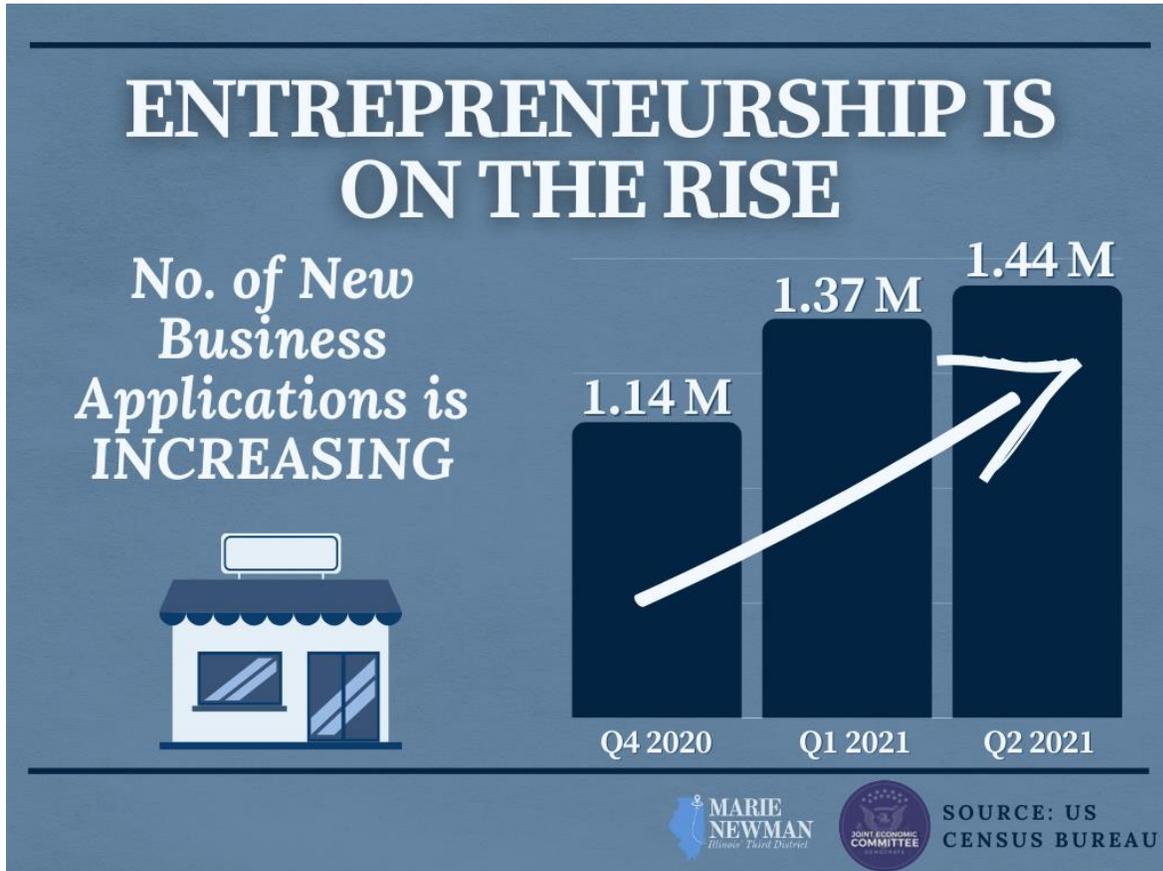


This spring, the U.S. economy grew at a faster rate than even before the COVID-19 pandemic. Thanks to the Biden Administration’s national vaccine campaign coupled with the passage of the ARP, GDP in the second quarter grew 6.5% on an annualized basis. In terms of overall growth, the latest data indicate the U.S. economy has made up the losses of the last 18 months and surpassed the pre-pandemic peak.

This historic economic growth of the past six months was driven not by the wealthiest 1% or profits from the nation’s billion-dollar corporations but rather by the American people's spending power, with consumption growing by 11.8% at an annualized rate. Retail sales grew in June and were 18% above the pre-pandemic level. Ensuring we continue empowering America’s working families while also protecting communities against the Delta variant by getting vaccinated is the strongest avenue towards maintaining this monumental economic growth in the third quarter.

THE NUMBER OF NEW BUSINESSES IS SOARING

In June 2021 alone, more than 448,000 new business applications were filed

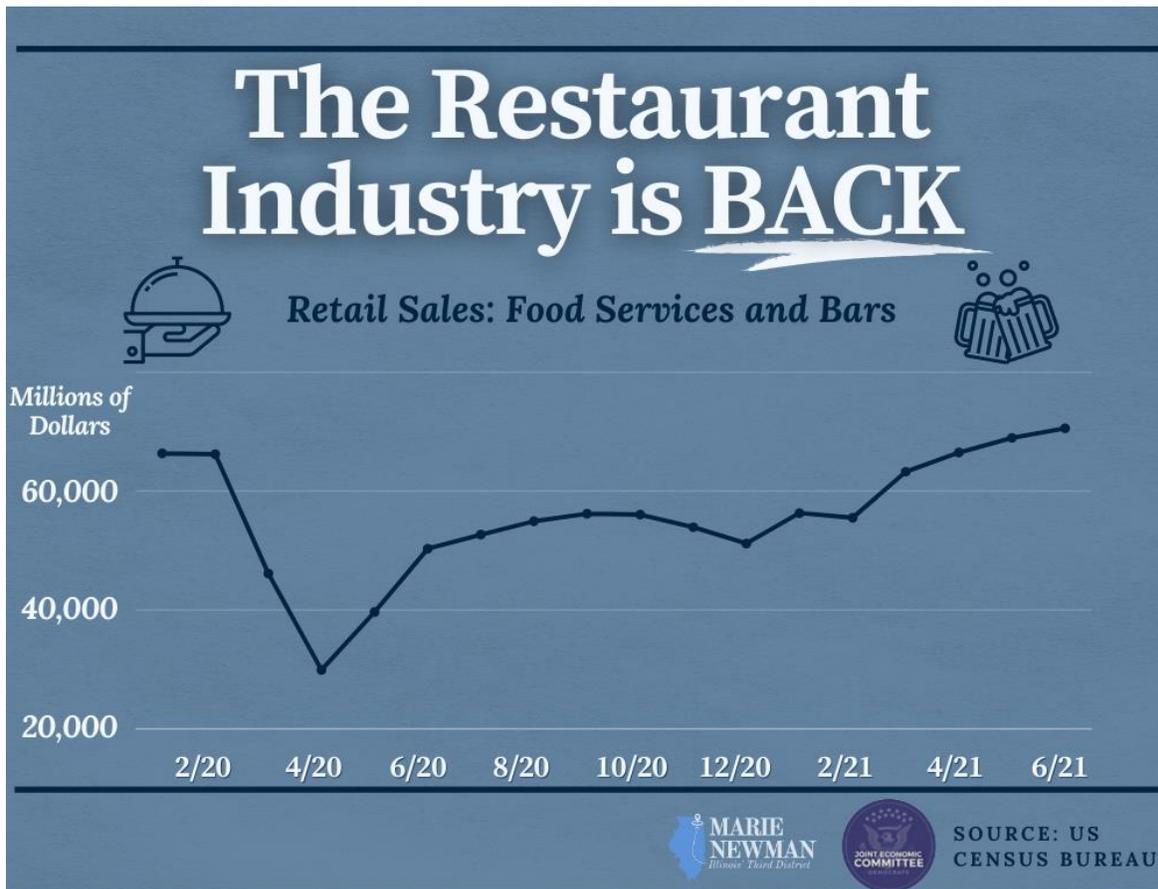


As COVID-19 cases continued to decline during the spring and early summer, a near-record-high number of people started their own businesses in the United States. According to the Census Bureau, the second quarter of 2021 saw 1,440,248 new business applications filed, compared to just 907,714 business applications filed during the same period in 2020.

This surge in startups is a result of Americans reimagining their work after the pandemic and the economic relief provided by the ARP, which provided critical seed funding, particularly among Black entrepreneurs. Small businesses are an engine of economic growth, and included in the ARP was \$15 billion for state and local governments to provide low-interest loans to small businesses and start-ups.

RESTAURANT AND BAR SALES BACK AT PRE-PANDEMIC LEVELS

June 2021 saw record-breaking retail sales in restaurants and bars

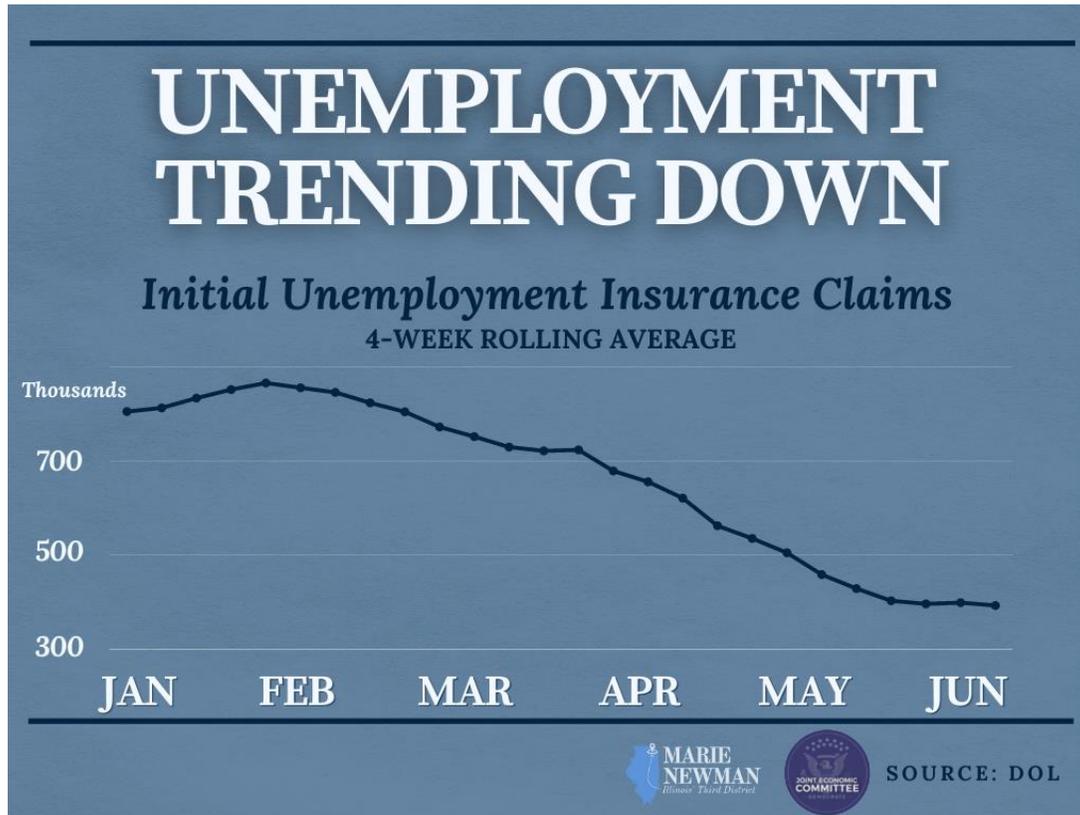


Over the past year, the restaurant and bar industry has been among the hardest hit by the coronavirus recession. Despite accounting for less than 1 in 10 jobs before the pandemic, the restaurant industry—which is predominantly made up of small businesses—accounted for about one in four jobs lost across the economy. That’s why President Biden’s American Rescue Plan invested \$28.6 billion in the Restaurant Revitalization Fund (RRF), a federal program designed to support local restaurant owners with 20 or fewer locations.

Since the passage of the ARP, retail sales in the restaurant and bar industries have skyrocketed back to pre-pandemic levels. In fact, June 2021 saw total sales reach an all-time high of \$70.6 billion, representing the fifth increase in the last six months. In July alone, employment in leisure and hospitality grew by 380,000.

UNEMPLOYMENT INSURANCE CLAIMS TRENDING DOWN

Unemployment claims have been cut in half since Biden took office



During the week President Biden took office, there were 836,000 unemployment claims. Since then, claims have more than halved, with the latest data showing claims declined to 385,000. Total jobless claims in the month of July reached their lowest level since March 2020. The speed of the decline in UI claims has far exceeded economists' expectations and underscores how the ARP has spurred historic economic growth that is reaching all corners of the country.

In July, the overall unemployment rate dropped to 5.4%, the lowest level since the beginning of the pandemic. By race and ethnicity, the unemployment rate was 4.8% for white workers, 8.2% for Black workers, 6.6% for Hispanic workers, and 5.3% for Asian workers, demonstrating that even as we celebrate almost a million Americans returning to work in July, more needs to be done to ensure that all Americans benefit from a robust and equitable recovery.

CONCLUSION



During the second quarter of 2020, the United States experienced the worst economic downturn on record, as cities took unprecedented actions to maintain public health, millions of Americans lost their jobs, and countless businesses saw their doors close permanently. One year later, our economy is on the rise, and it is being driven by American workers.

With continued job gains and overall economic growth accelerating to surpass its pre-pandemic high, the Biden Administration's leadership has made historic progress in not only rebuilding our economy over the last six months but also creating a true worker's economy. The monumental success of the administration's national vaccine campaign combined with the passage of ARP in Congress are fueling a robust recovery from the COVID-19 pandemic.

The actions of Congress, the Biden Administration, and the American people in the coming months will help shape the post-pandemic economy. To ensure our recovery is strong, stable, and broadly shared, it is critical that the House and Senate move full steam ahead with a reconciliation bill that makes meaningful investments in the care economy and climate action. It also remains imperative for American families to get vaccinated to protect against the coronavirus and keep our cities, restaurants, and small businesses open.

Each of us should take a moment to thank the workers and small businesses across our nation for working collectively to build a 21st century economy that works for everyone. We look forward to continuing this growth and delivering our Third Quarter Worker's Economy report this fall.