

## ***CED Public Policy Watch***

**09.17.2021**

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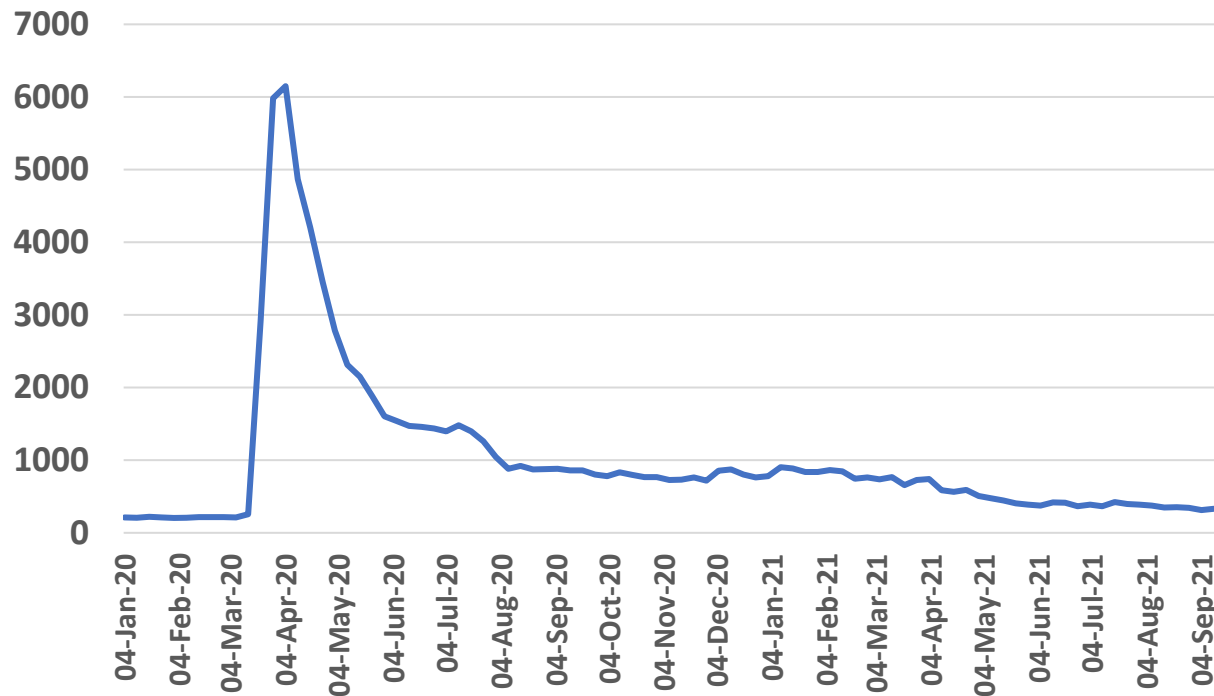
### **1. NEW UNEMPLOYMENT INSURANCE CLAIMS RISE SLIGHTLY**

The headline seasonally adjusted new weekly Unemployment Insurance claims number rose by 20,000 in the week ending September 11, with an upward revision of the previous week's number by 2,000. Still, the decline in this series is sufficient that the four-week moving average continued to decline to a new post-pandemic low of 335,750—the right direction, but still well above the pre-pandemic level of 225,500. The unemployment rate for the insured population, and the total number of persons collecting regular state benefits, continued to fall to post-pandemic lows as well. Behind the headline numbers, the number of claims not seasonally adjusted declined in the survey week, and so those who believe that we are in such rough seas that seasonal adjustment based on regularities from before the storm are misleading may believe that even the small uptick in the headline number is just noise.

Meanwhile, new claims for all programs including those for special federal pandemic relief, on the regular reporting cycle, increased in the week ending August 28 (note the greater reporting lag). But as you might expect, later data for only the federal Pandemic Unemployment Assistance (PUA) program, which expired in early September, show claims going away; and so the numbers for all programs will be much reduced in future reports.

There may be a broad consensus that the labor market is still improving, but less rapidly than we would like, and not so robustly that the trend will overpower the Delta variant. Policymakers argue heatedly about whether the expiration of the federal programs is justified by the improvement in the labor market, or is premature given the continued dangerous service workplace with the march of Delta.

## Unemployment Insurance Claims Gradually Recover

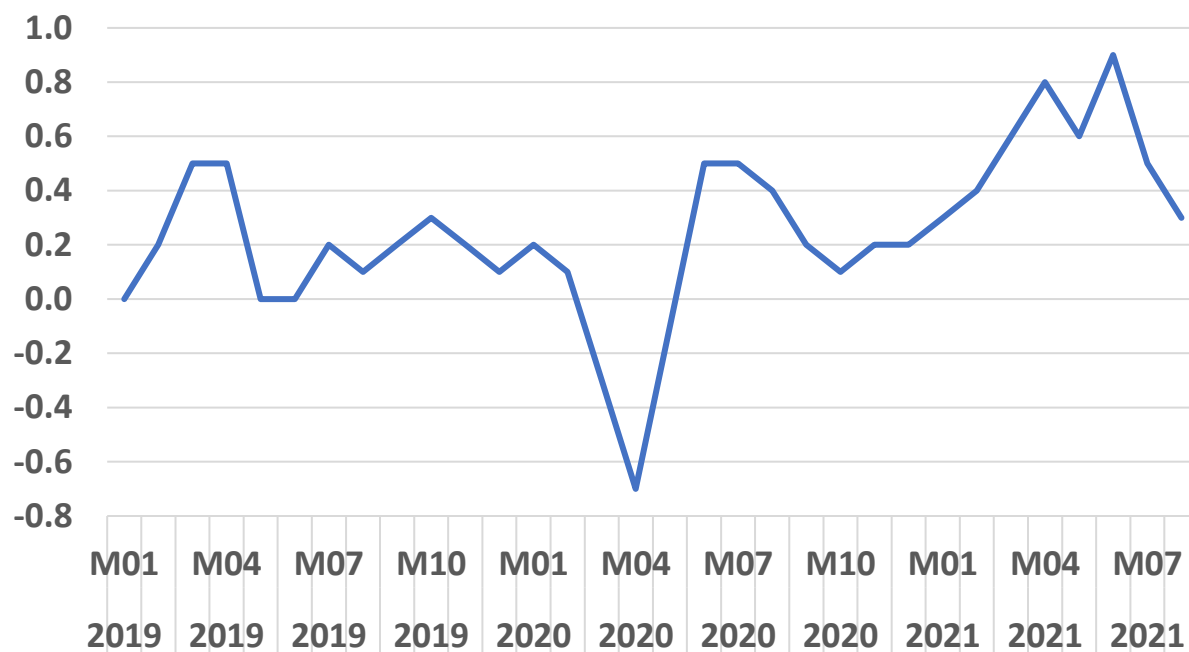


### 2. CONSUMER PRICE INFLATION MAY BE TRANSIENT, AFTER ALL

Meanwhile, for the second month in a row, consumer price inflation slowed in August. Although it is difficult to find a news story about any consumers publicly rejoicing over stable prices, food prices declined even more than they had in the previous month, and new and used cars, transportation, and shelter saw slower increases (or even declines) in prices. Time will tell whether some of the apparently knotty supply bottlenecks (like semiconductor chips) are in fact widening, or alternatively if lower demand because of the Delta variant is simply cooling some previously hot markets such that prices are under less pressure.

# Headline CPI Abates for Second Month

Consumer Price Index, All Items, One-Month Change



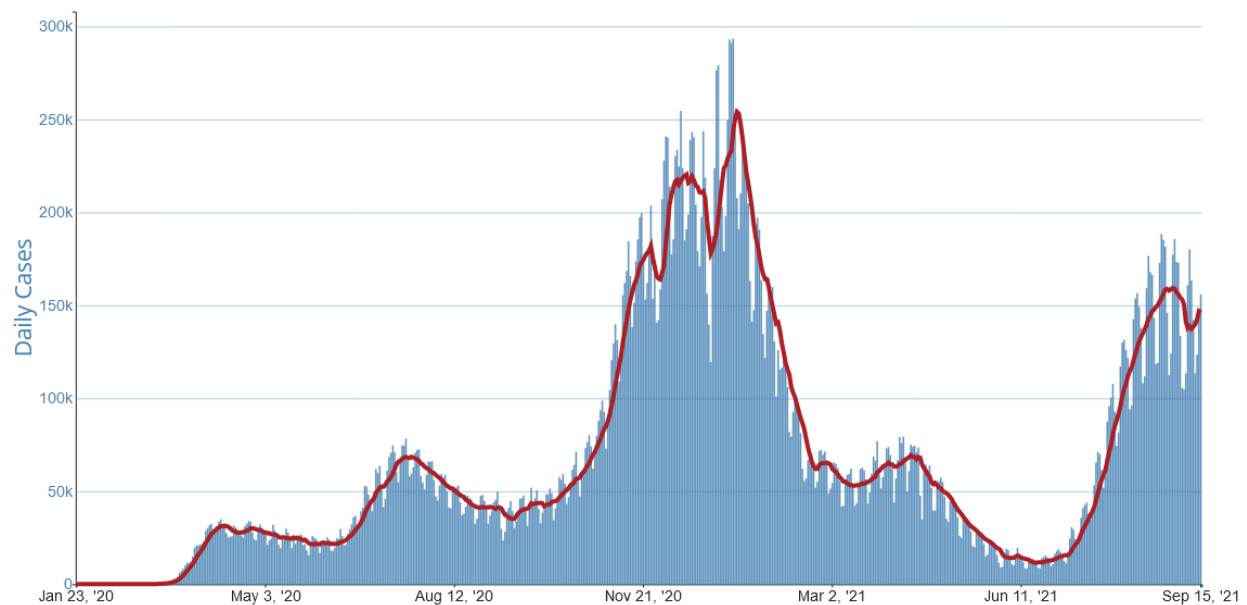
### 3. BUDGET RECONCILIATION CONTINUES

The budget reconciliation process in the House and Senate continues to get nowhere special at breakneck speed. Under pressure from a commitment by House Speaker Nancy Pelosi to hold a vote on a final reconciliation bill on September 27, the various House Committees that were charged to produce component bills for the reconciliation package have reported their legislation. This process is moving so fast that the publicly available documentation has not yet caught up. However, there are clear signs that the bill as it stands—in which serious issues remain unresolved, including one major difference between two House Committees—would not garner the necessary 50 votes in the Senate. An account of the current status, CED's updated Public Policy Brief and the major issues is available

### 4. PANDEMIC NEWS

Same song, different week: The national verified COVID case count remains elevated, at about 60 percent of the winter peak, and about 10 to 20 times the level of the summer when we all were dancing (unmasked) in celebration. To repeat the basics stated in recent weeks: This wave could be burning itself out, as previous waves did, in part because it has exhausted its readily accessible targets, and in part because of the modest recent increase in vaccinations.

Daily Trends in Number of COVID-19 Cases in The United States Reported to CDC



Hospitalizations nationally are fully 70 percent of the level of the winter peak.

Prevalent Hospitalizations of Patients with Confirmed COVID-19, United States  
August 01, 2020 – September 14, 2...



**89,132**

Current 7-Day Average

Sep 08, 2021 – Sep 14, 2021

**93,255**

Prior 7-Day Average

Sep 01, 2021 – Sep 07, 2021

**123,845**

Peak 7-Day Average

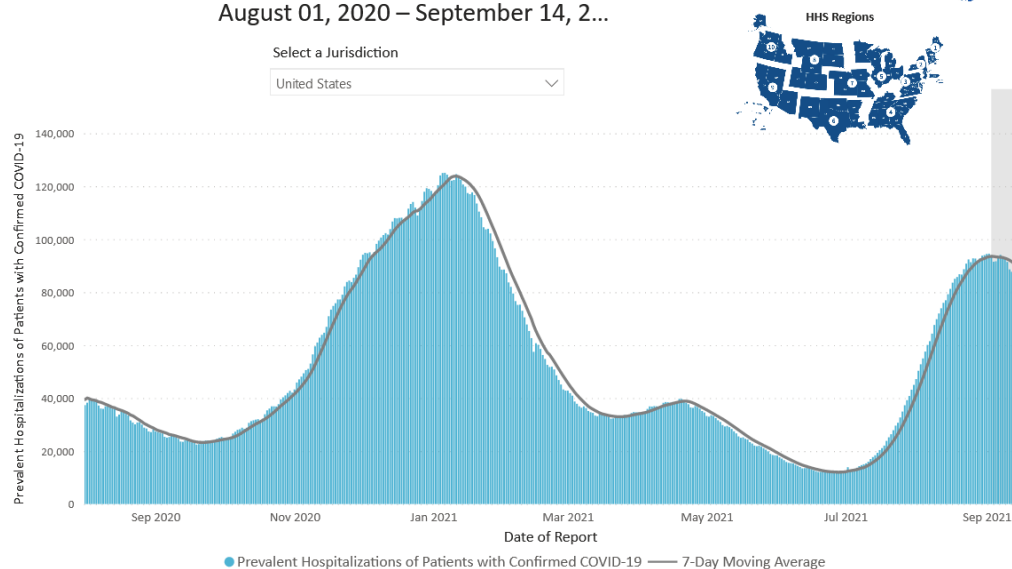
Jan 05, 2021 – Jan 11, 2021

**-4.4%**

Percent change from prior 7-day  
avg. of Sep 01, 2021 – Sep 07, 2021

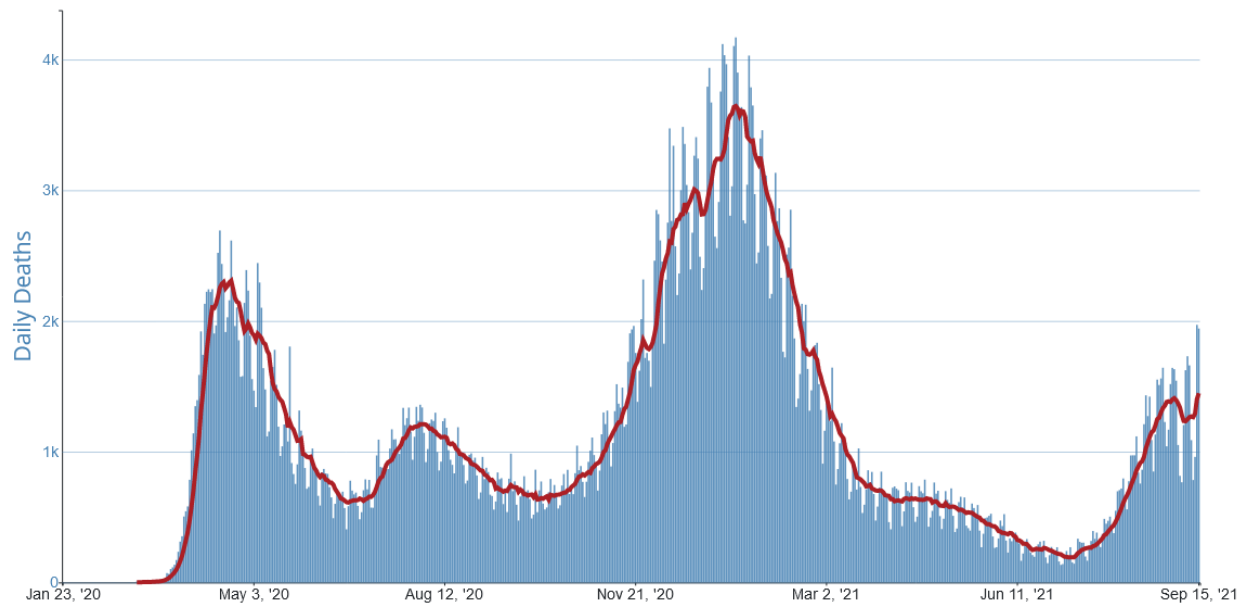
**-28.0%**

Percent change from peak 7-day  
avg. of Jan 03, 2021 – Jan 09, 2021

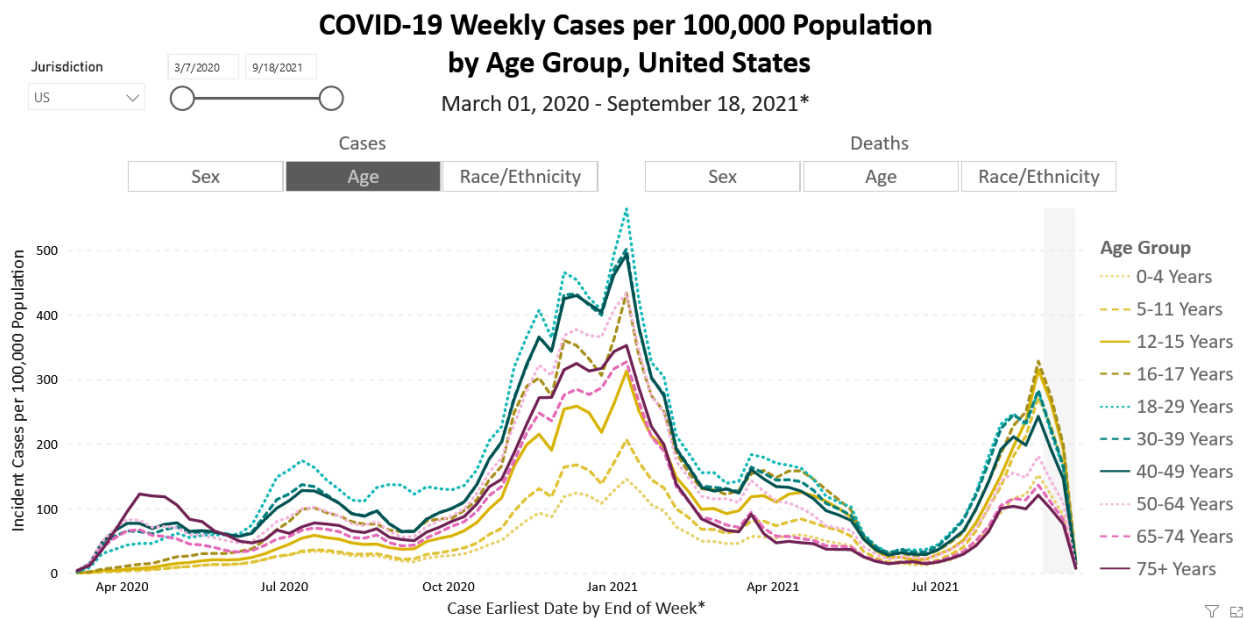


Again, for a number of welcome reasons, daily deaths in this wave are not as bad as during the winter peak. But deaths, which are a lagging indicator of the progress of the virus, do not yet show any clear sign of declining.

Daily Trends in Number of COVID-19 Deaths in The United States Reported to CDC



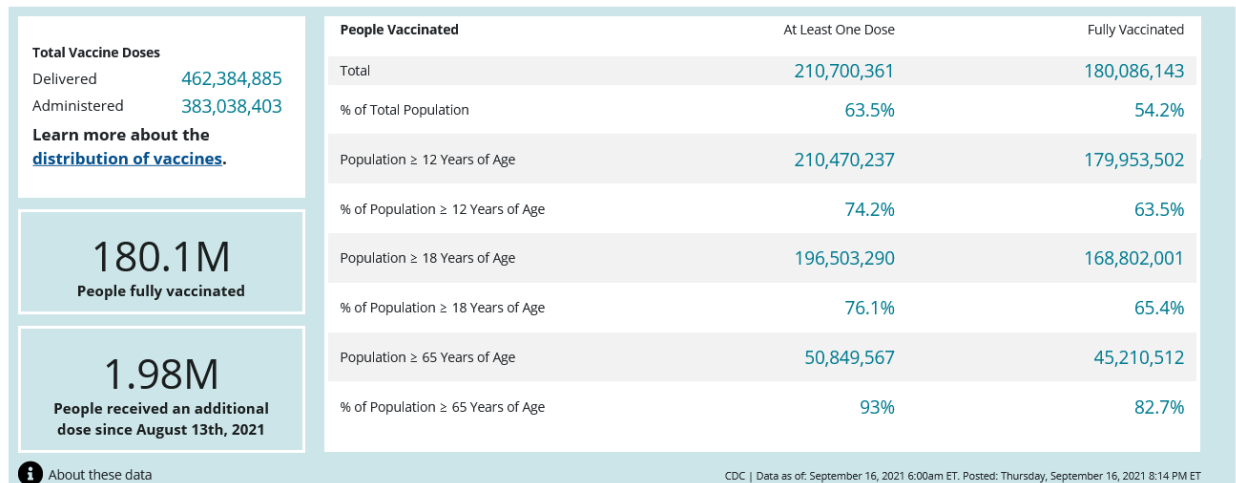
And again not new news, but the heartbreaking trend of cases moving to younger and younger persons continues. As older Americans are vaccinated, and as vaccination of younger Americans lags, this opportunistic virus takes what we foolishly offer it.



And there is no need to repeat a chart that shows 100 percent, but the root Delta variant, B.1.617.2, is now and still the only game in town, with virtually no other strain of the virus showing up in genomic tracing.

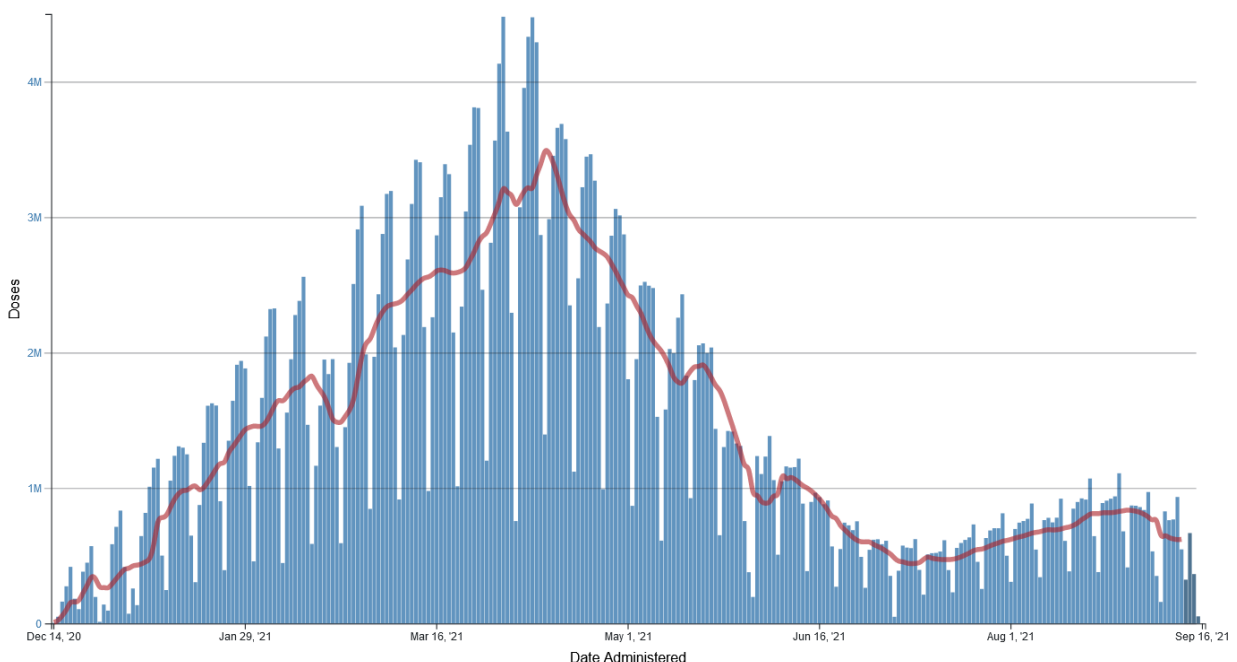
## 5. VACCINE NEWS

The vaccination numbers continue to inch up, in a game of miles. And highlighting the role of the young, vaccination for the population over the age of 12 is approaching—not reaching, but approaching—the levels people discussed as indicating “herd immunity.” But the numbers for the population at large are (by definition) lower, and so transmission by the young—plus transmission in regions where vaccination is well below the average—keep the virus alive to attack everyone, including the vaccinated who have vulnerabilities.



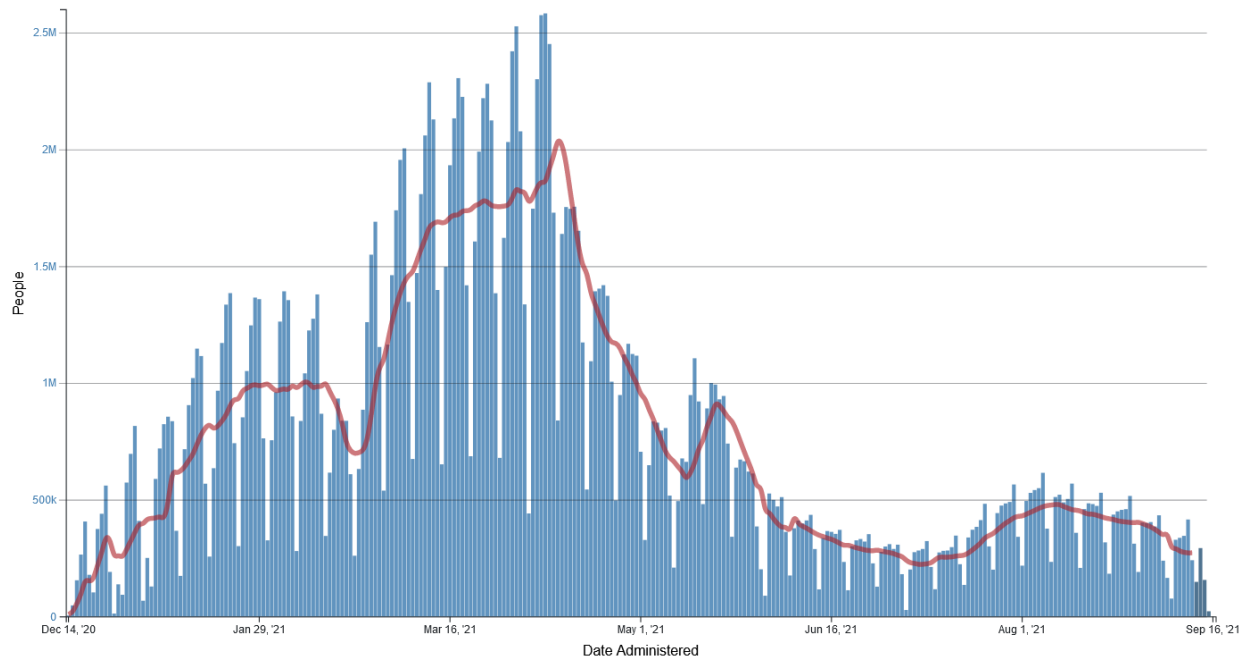
The discouraging news is heard more often than seldom. For a while in the summer, Americans moved again to get the vaccine. That number is now tailing off, well short of the level of vaccinations that would be needed to put the virus down.

Daily Count of Total Doses Administered and Reported to CDC by Date Administered, United States



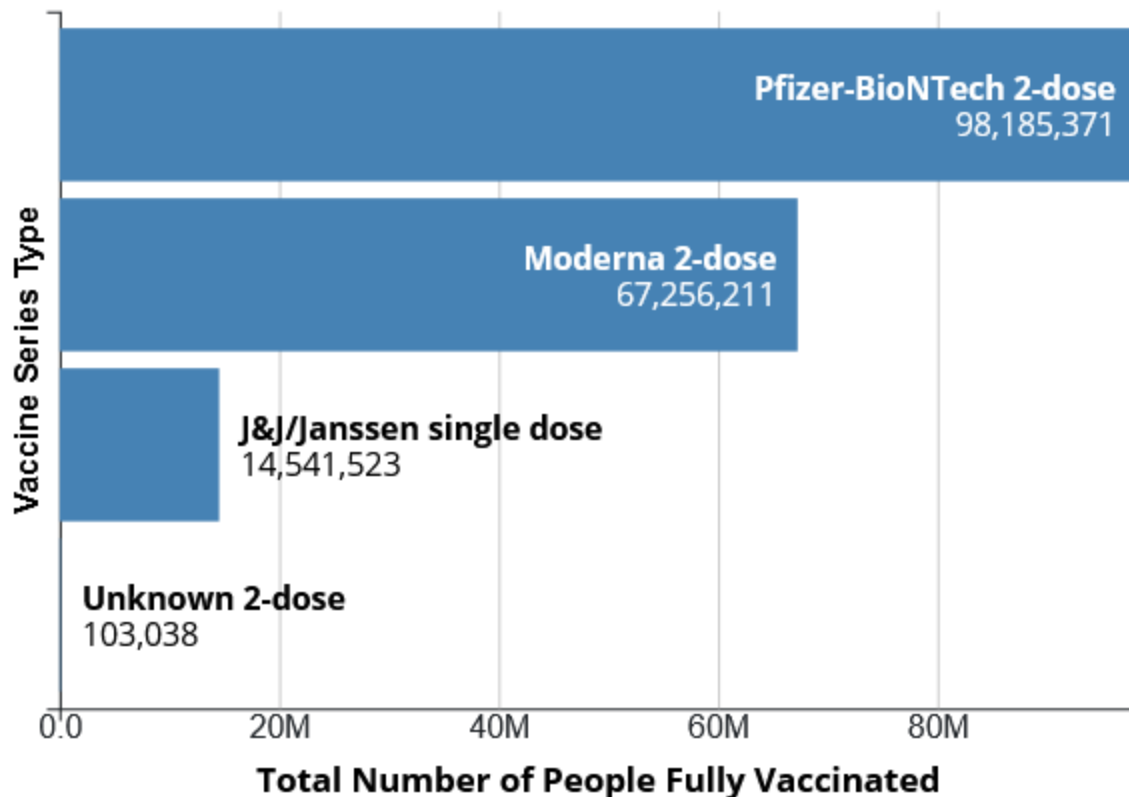
And the decline in total vaccinations is shared between both second doses and new first doses among those who now have no protection at all.

Daily Count of People Receiving Dose 1 Reported to CDC by Date Administered, United States



**Do you need a boost?** The US health care establishment—are in a serious over vaccine “boosters” due to the uncertainty about both the desirability of, and the prospect for, boosters.

## Number of People Fully Vaccinated in the U.S. by COVID-19 Vaccine Series Type



The science is not as simple as it might seem. There are conflicting strongly held opinions. There is concern among some experts that excessive injections could interfere with the system's reaction to a future attack by the coronavirus (called "immune exhaustion"). And of course, more injections would increase the potential for adverse reactions (like blood clots or heart problems).

The evidence for the booster is somewhat ambiguous. Israeli data indicate that in the two weeks after a third injection (of Pfizer vaccine, which was used exclusively in Israel), older individuals have a sharply increased resistance to severe disease. The rejoinder by some is that this is totally predictable; immediately after inoculation there is an elevated presence of antibodies in the blood. But in a relatively short period of time, that level of antibodies inevitably will decline again. To continue that increased resistance to infection, individuals would need to be vaccinated again and again and again (which gets to the risk of overvaccination). To be sure, some interpret the Israeli data as demonstrating a waning of efficacy of the vaccine in a broader sense. But others counter that this would be a misinterpretation of the data. Any drop in efficacy seems limited to the elderly and other vulnerable groups. Delivering third shots to the elderly is significantly removed from recommending it for everyone. The protection from serious illness from a two-shot regimen continues robust for the non-elderly, non-vulnerable population, so again, the risk-reward calculus for younger persons would be less favorable.



This ambiguity floats over a global population that is still dangerously unvaccinated. The World Health Organization continues to argue that mass third injections in the first world would potentially threaten even the wealthy countries if it prevented the administration of first injections in the third world. The more the virus replicates, the more it can develop new and more dangerous variants.

None the less, other nations are jumping on the booster bandwagon. UK scientists have recommended third shots for those over 50 or with other vulnerabilities. Israel has authorized boosters for everyone over 12, and is even considering fourth shots. France, Germany, Denmark and Spain have considered boosters for older adults.

All of this tension is coming down on an FDA that has an acting commissioner with no permanent nominee, and an overwhelming workload (including consideration of data for approval of vaccines for children). Staff are reported to be stressed and burned out.

The FDA's advisory committee will hear a presentation from the Israeli head of public health services today, in the course of considering Pfizer's application for approval of a booster shot. Israel claims to have considerable success in fighting the Delta-driven fourth wave because of its program of booster injections. Moderna and J&J are still assembling their data for similar applications. If the FDA approves the application, it then goes to the CDC for recommendations as to the scope of distribution of boosters. That could possibly happen as soon as next week.

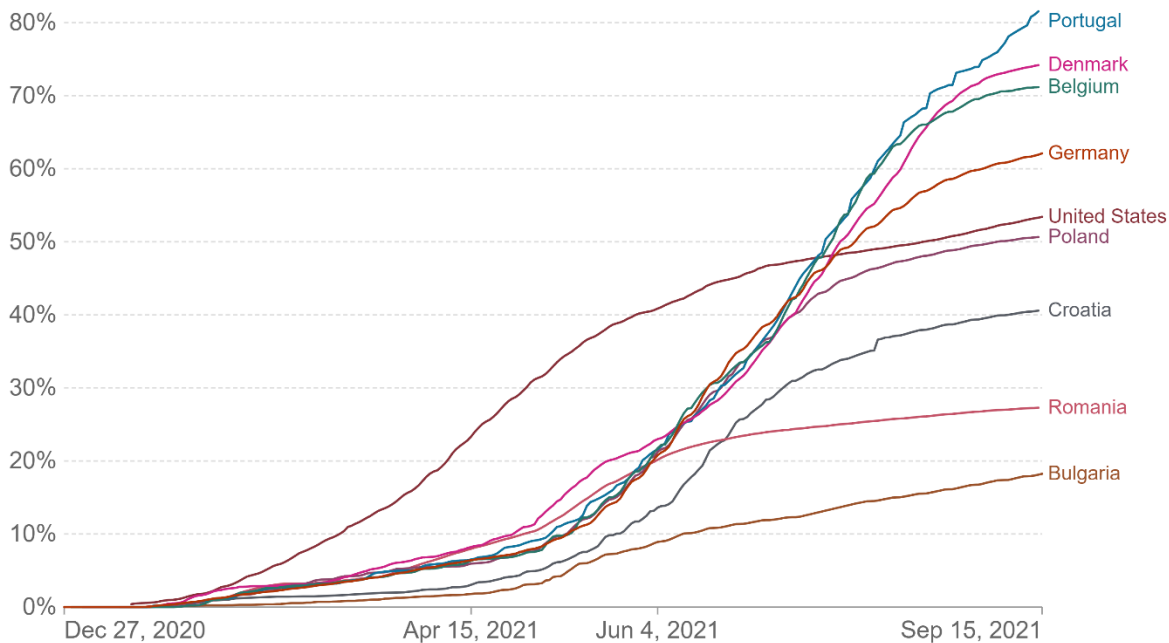
## **6. SPOTLIGHT ON REOPENING: VACCINE PROGRESS IN EUROPE**

The EU had a slow start to the vaccination rollout in comparison to the US. Now, the bloc has far surpassed the US with 72.1 percent of the EU adult population [fully vaccinated](#). During the early days of Europe's vaccine rollout, the AstraZeneca vaccine was the most widely available, but its risk for a rare [blood-clotting problem](#) deterred many potential recipients. As of now, [four vaccines](#) have been approved for use in all 27 Member States: Pfizer, Johnson & Johnson, Moderna, and AstraZeneca. The bloc is currently gravitating towards mRNA vaccines Pfizer and Moderna. This is with the exception of Hungary, which in May was the only EU country to [opt out of a vaccine deal with Pfizer](#). Gergely Gulyas, Prime Minister Viktor Orban's chief of staff, noted that Hungary would refrain from buying other vaccines through the EU procurement scheme. In addition to the four vaccines approved by the EU, Hungary has authorized the use of China's Sinopharm and CanSino, Russia's Gamaleya Sputnik V, and India's Covishield.

## Share of the population fully vaccinated against COVID-19

Total number of people who received all doses prescribed by the vaccination protocol, divided by the total population of the country.

Our World  
in Data



Source: Official data collated by Our World in Data. Alternative definitions of a full vaccination, e.g. having been infected with SARS-CoV-2 and having 1 dose of a 2-dose protocol, are ignored to maximize comparability between countries.  
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Poorer countries in Central and Eastern Europe have the highest [mortality rates](#). Twenty-two of the bloc's twenty-seven Member States have now fully vaccinated over half of their population, but severe disparities exist along West-East divides. While roughly 71-82 percent of Belgium, Denmark, and Portugal are fully vaccinated, Bulgaria and Romania stand at 18 and 27 percent, respectively. EU officials have argued that smaller, poorer countries would have struggled even more to acquire doses on their own if it had not been for the European Commission, the bloc's executive arm, which [secured vaccines](#) on behalf of national governments.

During the annual [State of the European Union speech](#), European Commission President Ursula von der Leyen announced that the EU will donate [200 million additional COVID-19 vaccines](#) to developing countries. The 200 million will come in addition to the 250 million doses already promised by the end of the year; the bloc has only donated 21 million doses as of early September. In her speech, Ms. Von der Leyen lauded the EU's success in vaccinating its citizens, and cited global vaccinations as the bloc's most urgent priority, warning that wide discrepancies between wealthy and developing countries could lead to a "pandemic of the unvaccinated." "With less than 1 percent of global doses administered in low-income countries, the scale of injustice and the level of urgency are obvious," Ms. von der Leyen said in the European Parliament on Wednesday.

This announcement comes just weeks after the European Commission reached a deal with AstraZeneca following a lengthy dispute; the drugmaker is to supply the bloc 200 million doses by the end of March 2022. The [dispute](#) began this past January, when AstraZeneca announced massive delays to the bloc. This news was a major disappointment to the Commission, which championed the EU's joint purchase of vaccines and was blindsided by the shortfall on the part of one of its biggest vaccine suppliers at the

beginning of the vaccine rollout. In accordance with the deal, EU countries will receive regular delivery schedules and receive a rebate on delayed doses. But with over half the populations of the vast majority of Member States fully vaccinated, few States see a need for the AstraZeneca vaccine, and they plan to push mRNA shots from Pfizer and Moderna.