

CED Public Policy Watch

04.30.2021

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1. CONTINUED DROP IN UNEMPLOYMENT CLAIMS POINTS TO LABOR MARKET HEALING

New weekly unemployment insurance claims continued to fall during the week ending April 24, remaining below the 600,000 mark for the third consecutive week. The headline seasonally adjusted number decreased by 13,000 to 553,000 (and was revised slightly higher for the previous week). The four-week moving average also fell. So too did (unadjusted) first-time claims of self-employed and gig workers for special pandemic-related federal programs.

Continuing claims for regular state programs increased marginally, essentially holding steady but interrupting a downward trend since early January. However, continued claims for pandemic-related federal programs dropped, driving down the total number (16.6 million) of continued claims for combined state and federal programs. Overall, sustained labor market healing appears to be under way.

2. ECONOMY GREW ROBUSTLY IN FIRST QUARTER

Real gross domestic product (GDP) grew by 6.4 percent in the first quarter, following on an also-strong 4.3 percent increase in the fourth quarter of 2020. The big driver of growth was a rush of federal government support payments to households; current-dollar personal income grew by 59.0 percent, after a 6.9 percent drop in the fourth quarter. Growth in personal consumption more than accounted for the total growth in GDP, with the biggest push again from spending on durable goods. However, services production also contributed, with its biggest component being the food services and accommodations that were worst hit in the pandemic. Although there was a large rush of consumer

spending, a major portion of the boost in personal income was saved; the household saving rate was 21.0 percent in the first quarter, up from 13.0 percent in the fourth. And as expected, inflation (for personal consumption expenditures) accelerated to 3.5 percent, up from 1.5 percent in the fourth quarter; this bump in inflation was concentrated in food and energy (excluding those expenditures, the increase in prices was only 2.3 percent), and is expected to be temporary.

3. THE “AMERICAN FAMILIES PLAN”

Completing the unveiling of a series of comprehensive spending and tax policies that will dramatically impact the trajectory of the role of government in the US economy, the President released his [“American Families Plan”](#) this week. This new plan is additive with the previous one, spending (including through tax cuts) an additional \$1.8 trillion, which is proposed to be financed by tax increases on upper-income individuals. The \$2 trillion American Jobs Plan was to be paid for by increased taxes on corporations. These two plans follow the passage of the \$1.9 trillion American Rescue Plan for a total of \$6 trillion in new federal spending.

The American Families Plan, as its name implies, focuses on expenditures and tax cuts for individuals and households, whereas most (but not all) of the American Jobs Plan financed either traditional infrastructure or private research or physical investment. Unless there is a new spirit of bipartisan cooperation, the American Jobs Plan and the American Families Plan will achieve enactment only if combined in a second and final reconciliation bill for the fiscal year 2022 budget enactment cycle, in a process that will surely take months. CED will provide a fact sheet and analysis on the American Families Plan shortly.

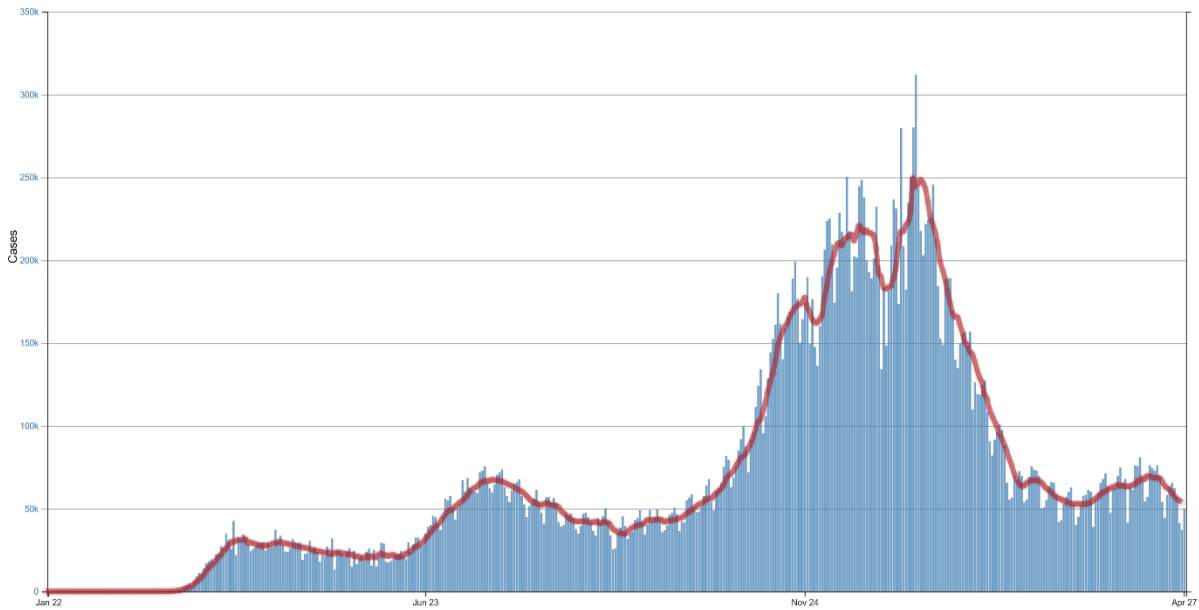
See CED Policy Brief outlining the American Families Plan

4. PANDEMIC NEWS

The US new COVID-19 case count is beginning to show signs of a retreat from its still-too-high plateau of recent months. The increase in vaccinations may be having its expected effect of tamping down the transmission of the virus, although the more vaccinations, the greater the likelihood that the disease will be vanquished in practical terms (more on the slowing vaccination progress below).

Blue bars show daily cases. The red line is the sum of cases over the last 7 days, divided by 7. Averages are used to reduce reporting differences.

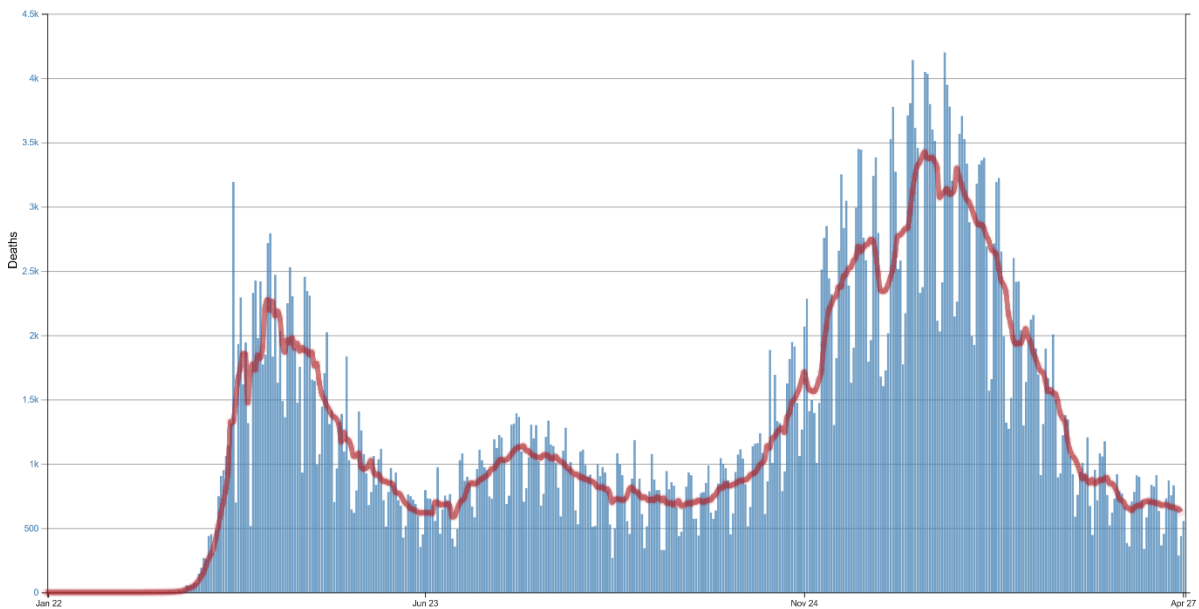
Daily Trends in Number of COVID-19 Cases in the United States Reported to CDC



Daily deaths are following a similar pattern, lagging somewhat the decline in new cases. Hospitalizations are also declining, albeit again slowly.

Blue bars show daily deaths. The red line is the sum of deaths over the last 7 days divided by 7. Averages are used to reduce reporting differences.

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



Prevalent Hospitalizations of Patients with Confirmed COVID-19, United States

August 1, 2020 – April 26, 2021

36,579

Hospitalized Patients
Apr 26, 2021

37,606

Current 7-Day Average
Apr 20, 2021 – Apr 26, 2021

38,561

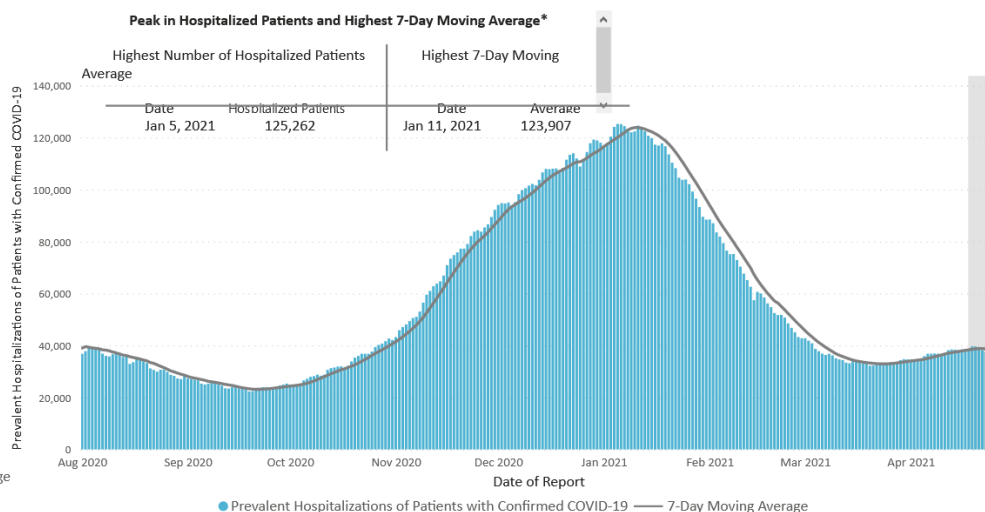
Prior 7-Day Average
Apr 13, 2021 – Apr 19, 2021

-2.5%

Change in 7-Day Average

-69.6%

Change Since Peak 7-Day Average



Based on reporting from all hospitals (N=5,255). Due to potential reporting delays, data reported in the most recent 7 days (as represented by the shaded bar) should be interpreted with caution.

*Small shifts in historic data may occur due to changes in the CMS Provider of Services file, which is used to identify the cohort of included hospitals.

Last Updated: Apr 28, 2021

Unified Hospital Dataset, White House COVID-19 Team, Data Strategy and Execution Workgroup

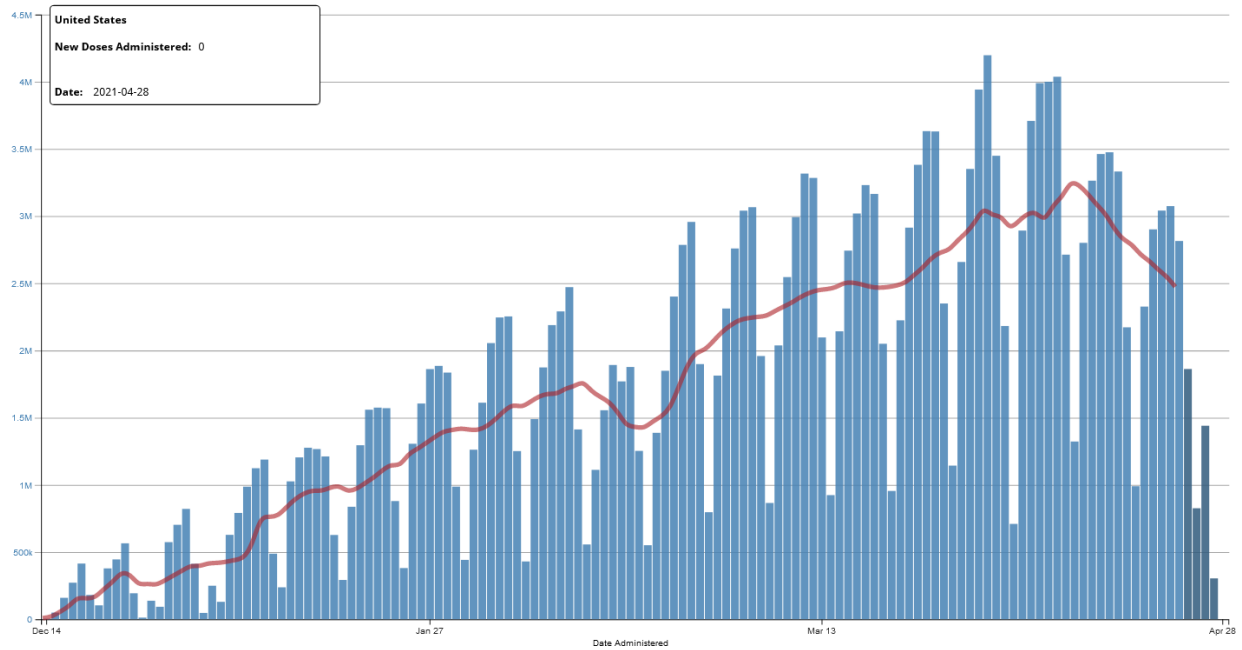
We noted last week the rapidly deteriorating situation in India; that deterioration continues, in unfortunate [contrast](#) to even the slow progress made in this country. India cannot produce medical oxygen at the pace that it is being used, and is receiving equipment to increase its production on an emergency basis. Even as the world's largest vaccine producer, its production is inadequate, and at this time only 8 percent of the population have received at least one dose, which is far less than the 43 percent and 64 percent for the United States and the United Kingdom, respectively. Furthermore, given what appeared to be significant progress against the virus as of only a few weeks ago, India's prodigious production was counted on to contribute to the COVAX global vaccination program. Now, all vaccines are being held for domestic use, and there is grave concern about the prospects for vaccination in low-income countries. The greatest danger of continued propagation of the virus such as is occurring in India is of course new mutations, and India may have created its own, known as B.1.617. Thus far, it appears that B.1.1.7 (the one first identified in the UK) is a greater threat, but the raging pandemic in India can of course create still more variants.

5. VACCINE NEWS

Continuing a worrying trend, the number of vaccinations administered each day continues to decline. Vaccine production continues strong, and the share of the population vaccinated is not yet sufficiently high to justify this trend. This suggests that vaccine hesitancy, or at least vaccine wait-and-see, could be a speed bump between the population and the "herd immunity" that we would need to reattain a semblance of pre-pandemic normal life.

Bars shown in the darker blue shade represent the most recent five days of reporting where the number of vaccine administrations might be impacted the most due to delays in reporting. All reported numbers might change over time as historical data are reported to the CDC.

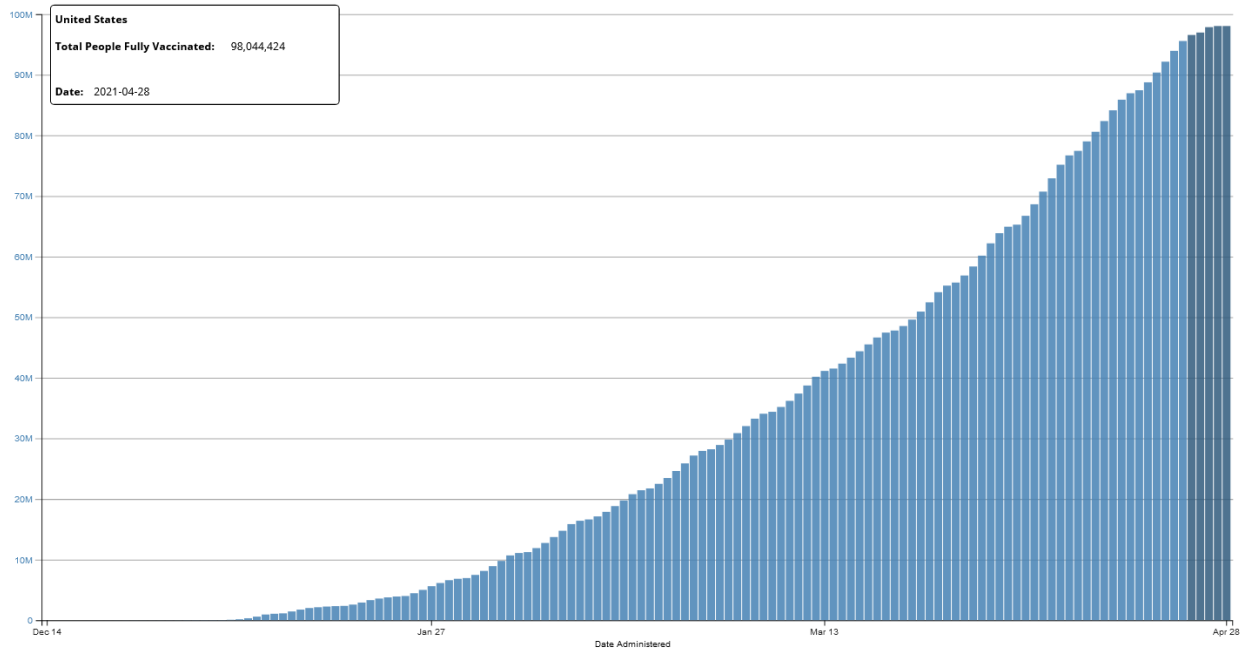
Daily Count of Total Doses Administered and Reported to the CDC by Date Administered, United States



In keeping with this slowing of daily vaccinations, the number of Americans who are fully vaccinated may be flattening (although the latest daily data may be incomplete). The data may also be reflective of the anecdotal tendency of individuals to fail to appear for the second injections of their two-shot regimens.

Bars shown in the darker blue shade represent the most recent five days of reporting where the number of vaccine administrations might be impacted the most due to delays in reporting. All reported numbers might change over time as historical data are reported to the CDC.

Cumulative Count of Fully Vaccinated People Reported to CDC by Date Administered, United States



The numbers in the chart above are well shy of what would be needed to achieve “herd immunity” by even the most optimistic definition. Clearly, there is much more work to do to bring the US population to safety from the pandemic.

The CDC and the FDA reacted to one of the potential contributors to vaccine hesitancy when they [lifted](#) their recommended suspension of the use of the Johnson & Johnson vaccine late last week. Intensive investigation into reports of unusual blood clotting in recipients of the J&J vaccine found that the phenomenon was largely restricted to women aged 18 to 49, had occurred to a lesser extent among older women, and had not occurred at all among men. A warning will be added to the disclosure materials with the vaccine. The single-shot regimen (important for low-wage workers without time off and others who have difficulty getting to a vaccination site) and easy storage of the J&J vaccine would have been an important loss to the vaccination program in the United States but around the world as well, but the blood clotting and the pause that was recommended as a result have imposed an uncertain cost in terms of public acceptance of this product specifically, and vaccination in general. The CDC and the FDA plan to work in the coming days to communicate the circumstances clearly to the health care community to put the vaccination program back on track.

6. CENSUS DATA ANNOUNCED

The U.S. Census Bureau's acting director, Ron Jarmin, reported this week the [new state population counts](#) at a [virtual news conference](#). The long-awaited announcement has reset the balance of power for the next decade in [the House of Representatives](#) and the Electoral College, where [each state's share of votes is tied to its census numbers](#)

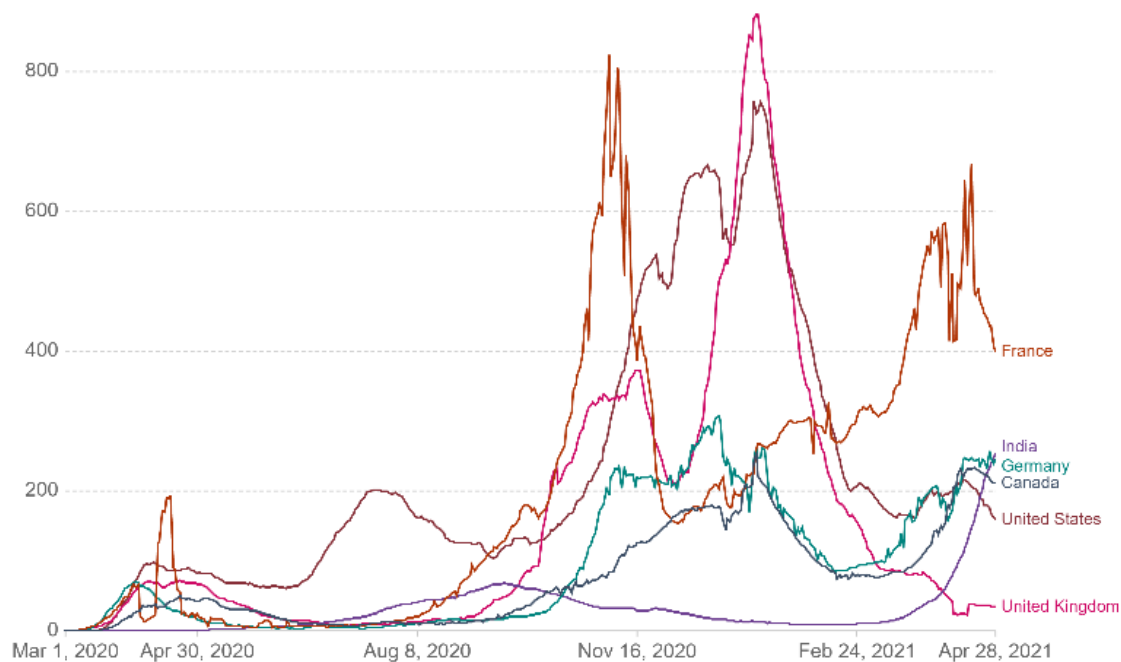
[As the Washington Post reported](#), a day after the government released the first results from the 2020 Census, some states and civic organizations were reeling from unexpected results, and wondered if the differences between projections and actual data might be an indicator of problems with the count. Among the surprises were lower-than-expected population counts in Texas, Florida, and Arizona, which led to those states ending up with fewer House representatives than projected. And D.C., which had been projected to surpass the 700,000 population line, failed to hit that mark, growing by 14.6 percent instead of 18.4 percent over the past decade.

7. SPOTLIGHT ON REOPENING: A TROUBLING WEEK WORLD-WIDE

While the US has seen a steady drop in COVID-19 cases thanks to greater vaccine accessibility, other parts of the world have not been as fortunate. The rest of the world lags far beyond US and UK vaccination performance, and is paying the price. India (as described above) is currently experiencing the worst of its battle with the virus, as the country has seen a massive surge in cases in the past month. On Tuesday, April 27th, India recorded 3,293 COVID-related deaths, its [deadliest day so far](#).

Daily new confirmed COVID-19 cases per million people

Shown is the rolling 7-day average. The number of confirmed cases is lower than the number of actual cases; the main reason for that is limited testing.



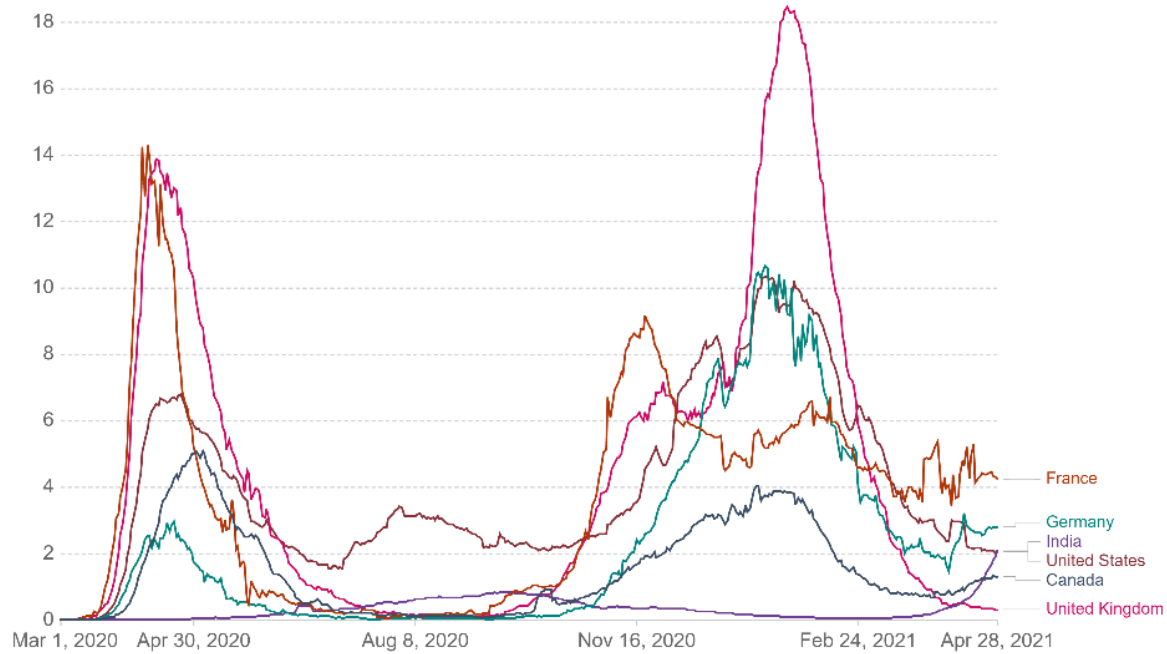
Source: Johns Hopkins University CSSE COVID-19 Data

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Daily new confirmed COVID-19 deaths per million people

Shown is the rolling 7-day average. Limited testing and challenges in the attribution of the cause of death means that the number of confirmed deaths may not be an accurate count of the true number of deaths from COVID-19.

Our World
in Data



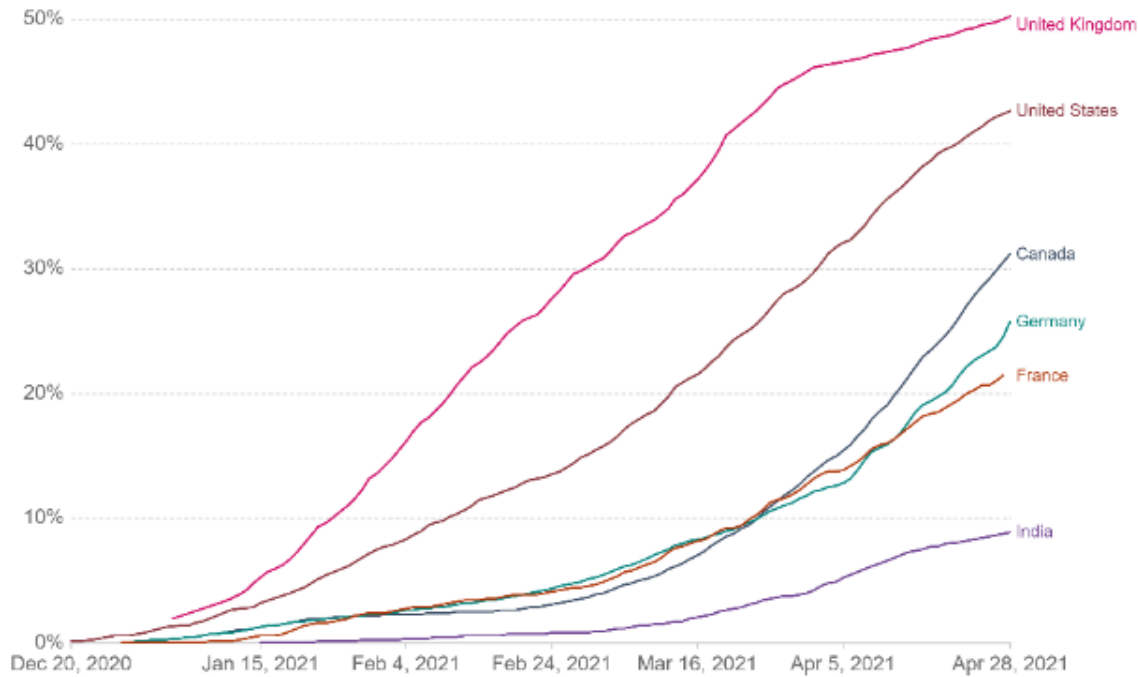
Source: Johns Hopkins University CSSE COVID-19 Data

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Share of people who received at least one dose of COVID-19 vaccine

Share of the total population that received at least one vaccine dose. This may not equal the share that are fully vaccinated if the vaccine requires two doses.

Our World
in Data



Source: Official data collated by Our World in Data

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The UK is also faring well in terms of daily death rates thanks to a robust [vaccine rollout](#) plan which ensures a single dose for everyone rather than the US's two-dose prioritized system. Time will tell which approach provides the better results. But cases are much higher or rising, or both, in the rest of the world; and by the numbers, it has not been a good few weeks. Notable, also, is that the virus is becoming an Asian problem once again; note the chart below that shows the change in the share of new cases in different regions around the globe.

Global Situation

149,216,984

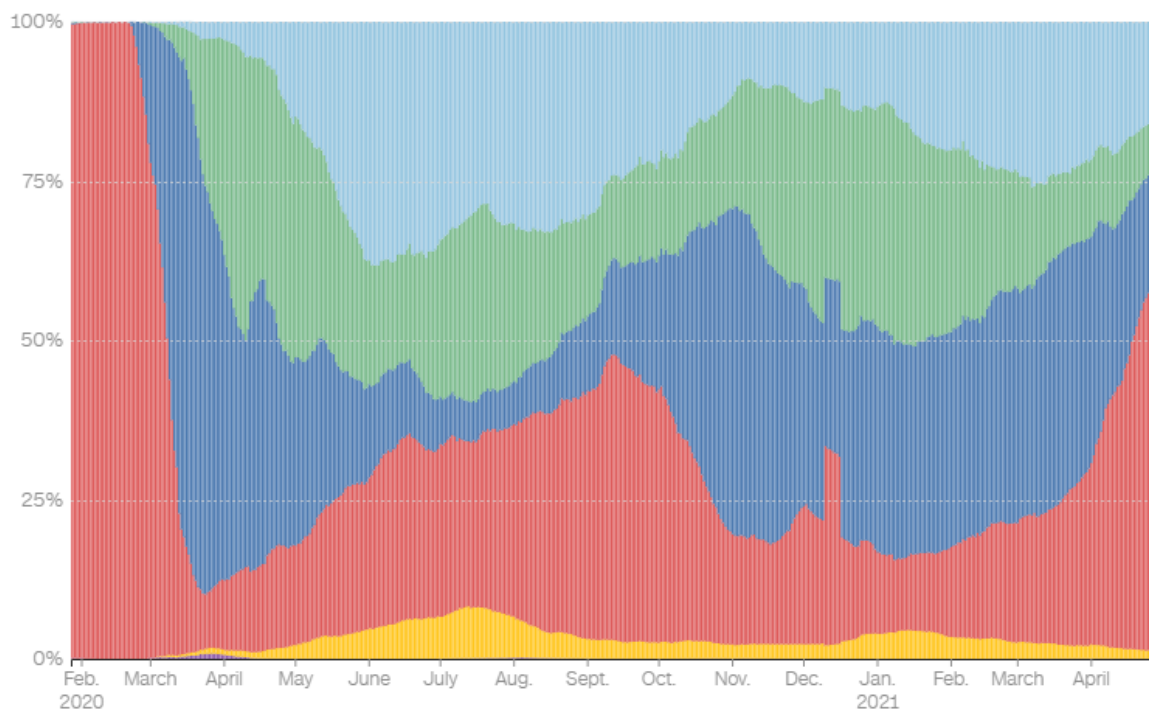
confirmed cases

3,144,028

deaths

Source: World Health Organization
Data may be incomplete for the current day or week.

● Asia ● Europe ● North America ● Latin America and the Caribbean ● Africa ● Oceania



Regions are based on United Nations definitions. Americas have been broken down into subregions (Latin America and the Caribbean and North America).
Last updated: April 29, 2021 at 4:45 p.m. ET
Source: Johns Hopkins University Center for Systems Science and Engineering

As more people become vaccinated and cases continue to drop, pre-COVID life in the United States seems to be just around the corner. But on a global scale, this has been one of the worst months of the pandemic yet; Asia in particular has seen a sharp rise in cases. The success of the United States in its

steady decline in new cases proves how crucial vaccine administration is to slowing the spread of the virus.