

How April's dismal jobs report is setting the stage for Biden's \$4 trillion economic fight with the GOP



President Joe Biden speaks about the April jobs report in the White House on Friday. SAUL LOEB/AFP via Getty Images

- Republicans and Democrats drew sharply different conclusions about the April jobs report.
- Democrats used it to bolster a case for massive infrastructure spending on issues like childcare.
- The GOP wants to slam on the spending brakes, saying stimulus benefits are setting back job growth.
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In some ways, the April jobs report resembled an optical illusion, with people making differing observations from a dataset that didn't form a clear image.

In this case, Democrats and Republicans came to opposite conclusions about the report and what it means for the way forward in healing an economy battered by the pandemic.

The report, released Friday, said the economy had recovered 266,000 jobs, defying expectations of a massive job surge on the back of government stimulus dollars, increased vaccinations, and easing restrictions. Economists had forecast at least 1 million regained jobs.

In response, the GOP demanded to end parts of President Joe Biden's stimulus law and called for the government to slam the brakes on its spending. Democrats instead urged the passage of Biden's \$4 trillion infrastructure plans, viewing the lackluster report as another pillar in their argument that more spending, in part

on childcare, would accelerate the recovery.

It sets the stage for a multitrillion-dollar fight on infrastructure, jobs, and families that will take up much of the White House's time over the next few months.

The president on Friday urged patience with his economic agenda. He said that "more help is needed" and defended his \$1.9 trillion stimulus law, which provided \$1,400 direct payments and a \$300-a-week federal unemployment benefit.

"When we passed the American Rescue Plan, I want to remind everybody, it was designed to help us over the course of a year – not 60 days, a year," Biden said. "We never thought that after the first 50 or 60 days everything would be fine."

He flatly rejected the argument from Republicans and business groups that federal jobless aid has been sidelining people from the workforce, saying that was "nothing measurable."

"We're still digging out of an economic collapse that cost us 22 million jobs," Biden said, adding, "Let's keep our eye on the ball."



Rep. Kevin Brady, the ranking Republican on the House Ways and Means Committee. Chip Somodevilla/Getty Images

Democrats double down, Republicans pounce

House Speaker Nancy Pelosi urged Congress to move immediately on Biden's plans and said women and working parents had been hit hardest in the pandemic. The number of women who held jobs fell in April, Insider's Juliana Kaplan and Madison Hoff reported.

"The evidence is clear that the economy demands urgent action, and Congress will not be deterred or delayed from delivering transformational investments," Pelosi said in a statement.

Republicans had already lined up against Biden's plans, criticizing proposed tax hikes on large firms and wealthy Americans as a future anchor on the economy. They pounced on the report in a fresh sign of their hardening resistance.

The GOP swung at Biden's handling of the economy, arguing that the jobless aid was disincentivizing people from searching for a new job.

"This is a stunning economic setback, and unequivocal proof that President Biden is sabotaging our jobs recovery with promises of higher taxes and regulation on local businesses that discourage hiring and drive jobs overseas," Rep. Kevin Brady, the ranking Republican on the House Ways and Means Committee, said in a statement.

He also contended that jobless aid was disincentivizing people from returning to work. The argument mirrored one made by the Chamber of Commerce, an influential business group that on Friday called for an end to the \$300 federal unemployment benefit.

Many economists have long disputed the notion that federal jobless aid has kept people from returning to work; unemployment claims have steadily fallen over the past month. They tend to cite other factors like school closures and the lack of available childcare.

Those burdens have fallen more on women - 2 million women have left the workforce in the past year. Still, experts say the US will regain its economic footing eventually, though the nation faces a rocky path.

"We're going to see pockets of strength, pockets of weakness, areas of overheating, areas where it is uncool - it's going to be complicated and messy," Jason Furman, a former top economist for President Barack Obama, told Insider in an interview. "But I think hopefully all moving in the right direction."

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Source: <https://news.yahoo.com/aprils-dismal-jobs-report-setting-192713085.html>

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