

COVID-19 VACCINES and the Economy

In addition to the tragic loss of life from COVID-19, the coronavirus pandemic disrupted everyone's daily lives in unprecedented ways and created economic turmoil in the United States and across the globe. American leadership in biopharmaceutical innovation has led to the development of **multiple safe and effective vaccines in record time**, enabling the **reopening of economies** and a return to normal.

Vaccines Developed in Record Time

✓ STEMMING ECONOMIC LOSSES

- Economists from the University of Chicago estimated the cost of the coronavirus to the U.S. as **\$15 billion per day** in July 2020 and noted that if the vaccine had been delayed by even six months, it would have resulted in an **additional \$1.8 trillion loss**.ⁱ

✓ FUELING THE ECONOMIC RECOVERY

- Analysis by the Penn Wharton Budget Model at the University of Pennsylvania projected that a vaccination rate of **3 million doses per day would add 2 million jobs and increase real GDP by 1 percent**.ⁱⁱ
- The International Monetary Fund updated its **global GDP growth estimates for 2021 from 5.5% to 6%**, in part due to the “vaccine-powered” economic recovery expected in the second half of the year.ⁱⁱⁱ

✓ INCREASING EMPLOYMENT

- The unemployment rate peaked during the first wave of the pandemic, reaching **14.7% in April 2020**.^{iv} A year later in April 2021, it has **decreased to 6.1%**^v with the biggest gains^{vi} in the leisure and hospitality industry, which was among those hardest hit by the pandemic. While there are many factors contributing to the unemployment rate, **increased vaccine distribution is credited with supporting job growth**.

✓ ACCELERATING THE RETURN TO “NORMAL”

- Consumer confidence hit a **14-month high** in April 2021 as a result of rising vaccination rates, declining coronavirus infections and an improving economy.^{vii}
- According to a recent survey, roughly **8 in 10 employers** said immunizations will pave the way to a new normal in terms of returning to the workplace.^{viii}

In a nutshell, it's a combination of better developments on COVID, particularly the vaccines, and also economic support from Congress... That's going to enable us to **REOPEN THE ECONOMY SOONER** than might have been expected.”

— FEDERAL RESERVE CHAIR JEROME POWELL, MARCH 25, 2021^{ix}

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iii. International Monetary Fund. *World Economic Outlook April 2021: Managing Divergent Recoveries*. Apr 2021.
iv. *Unemployment rate rises to record high 14.7 percent in April 2020*, Bureau of Labor Statistics. 13 May 2020.

v. *Employment Situation Summary April 2021*, Bureau of Labor Statistics. 7 May 2021.
vi. Rouse, C. *The Employment Situation in April*, The White House. 7 May 2021.
vii. Gould, E. *Strong job growth in March as vaccine distribution expands and the American Rescue Plan ramps up*, Working Economics Blog. 2 Apr 2021.
viii. Willis Towers Watson. *U.S. employers making moves to facilitate COVID-19 vaccination of employees, Willis Towers Watson survey finds*. 25 Mar 2021.
ix. *Transcript: NPR's Full Interview With Fed Chairman Jerome Powell*, NPR. 25 Mar 2021.