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How U.S. economy has performed during Biden's first 100 days

The economy seems to be accelerating, with stepped-up vaccinations and more stimulus. That's burnishing Biden's record in his first 100 days.

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If the most telling scorecard of a U.S. presidency is the economy, then President Joe Biden deserves high marks for his first 100 days.

It's a small sample, of course – featuring data for just a couple of months – but measures of job growth and retail sales pointed to a booming economy in March. And analysts say that's likely just the beginning of a historically robust year.

Much of the surge can be traced to growing COVID-19 vaccinations – with 40% of the population having received at least one shot, according to Goldman Sachs — a leveling off of virus cases, and the lifting of business restrictions in many states. And don't forget the nearly $4 trillion in Congress's COVID relief packages, including $1,800 per-person in stimulus checks sent to most Americans through December.

In other words, the economy was on track to bust out even before Biden moved into the White House.

"Just the economy reopening would go a long way toward healing the wounds," says Richard Moody, chief economist of Regions Financial.

Yet under Biden, the vaccine rollout has been faster than expected at more than 3 million shots a day the past couple of weeks.

"Biden gets props for getting the vaccine process sped up," Moody says.

He also spearheaded the latest $1.9 trillion COVID relief package, passed by Congress in March, that includes another round of $1,400 stimulus checks. The Treasury Department says it has disbursed 161 million of those payments totaling

$379 billion. All told, Americans are flush with an additional $2.4 trillion that they've squirreled way during the outbreak and they're ready to spend much of it just as the economy is getting back on its feet.

Put simply, the president helped put a strong recovery on steroids.

"We can give Biden credit for improving consumer and business confidence," says **Bernard Baumohl, chief economist of the Economic Outlook Group.**

There are still risks, including the possibility of COVID-19 spikes that outpace vaccinations. Another hindrance could be the supply-chain delays, including chip shortages, that have hobbled manufacturers and undermined sales of cars, smartphones and other products.

Biden himself may toss some cold water on the hot economy. Bloomberg reported late last week that the White House will propose a sharp hike in the capital gains tax to pay for his proposed social service programs, driving down a roaring Dow Jones industrial average by 321 points.

But most economic gauges have pointed up during Biden's first hundred days. Here's a look:

U.S. employers added 460,000 jobs in February and 916,000 in March, cutting short what was supposed to be a dark winter for the economy after 306,000 job losses in December. Nearly half the gains were in leisure and hospitality, which was decimated by the health crisis and includes restaurants, bars and hotels. So far, the U.S. has recovered 13.9 million, or 62%, of the 22.4 million jobs lost last spring as eateries and other businesses shuttered by the outbreak have reopened or increased capacity limits, Labor Department figures show.

"A faster vaccine rollout and further fiscal stimulus have accelerated activity," Morgan Stanley wrote in a note to clients.

Moody expects more than 1 million job gains each month this spring and a return to the pre-COVID employment level sometime next year.

Morgan Stanley expects the economy to grow 7.5% this year – most since 1984 – and Oxford Economics forecasts a record 7 million job gains.

The crisis will leave scars. More than 4 million Americans have been jobless six months or longer, reducing their chances of getting rehired. And about 4 million people have stopped working or looking for jobs because they're discouraged, caring for kids or sick relatives, or other reasons.

Total retail sales leaped 9.8% in March — the most since last May — after dipping in February amid severe storms, particularly in Texas and other southern states. Barclays credits the latest round of stimulus checks as well as reopenings in several states and a snapback following February's weather-related pullback.

The blockbuster sales lifted a broad range of categories, including physical stores pummeled by the pandemic. Sales climbed 23.5% at sporting goods, music and book stores; 18.3% at clothing outlets; 13% at department stores; and 13.4% at restaurants and bars, according to the Census Bureau.

Retail sales overall are now 17% above their pre-pandemic level. The strong report led Morgan Stanley to raise its forecast for consumer spending growth in the first quarter to 10.6%. It upgraded its estimate for first-quarter economic growth to 9.7%.

After falling to a six-year low in April 2020, consumer confidence surged the past couple of months as stimulus checks flooded bank accounts, and it's now modestly below its pre-pandemic level. Americans' view of both present conditions and their expectations for the next six months brightened.

Fourteen percent of those surveyed plan to buy a car in the next six months, up from 10.2% in February, and 8.9% intend to buy a home, up from 6%, according to the Conference Board.

The housing market has been the economy's biggest bright spot during the pandemic as Americans stuck at home have bought bigger houses, often fleeing dense urban areas for the suburbs. That has continued since Biden took office despite mortgage rates that have edged higher. In March, housing starts jumped 19.4% to a seasonally adjusted annual rate of 1.74 million, highest since 2006, Census data shows.

Free-spending consumers are prodding companies to expand and buy new machines and other goods to meet demand. A core reading of business orders for long-lasting goods such as computers and factory equipment that's tantamount to capital spending rose 0.9% in March after dropping in February amid the harsh weather, Census said. Overall, business spending has rocketed higher since last spring and is 10.4% above the pre-crisis mark. The work-at-home market triggered a flurry of tech-related spending, Amazon expanded warehouses for home delivery and restaurants bought heaters for outdoor seating areas.

Manufacturing production rose 2.7% in March, recovering just part of the weather-related 3.7% drop in February, Federal Reserve figures show. Generally, manufacturing has more than rebounded from its pandemic lows as factories meet consumer demand for electronics and other goods in the home-centered economy. That's likely to shift somewhat in coming months as the reopening economy drives consumer purchases to services, like dining out, Oxford Economics says.

Manufacturing also has been held back recently by pandemic-related supply-chain constraints, Barclays says. Some factories are still slowed by COVID-related worker absences, piled-up shipping containers at ports and chip shortages.

Since Biden was elected Nov. 3, the Standard & Poor's 500 index is up 24% after hitting a record 4,187 at Monday's close. The broad market index was already on a tear and has soared 87% since hitting its nadir in March 2020, shortly after the pandemic first upended the economy.

Initially, stocks rebounded much faster than the economy, driven by tech companies such as Apple and Amazon that were thriving in the new stay-at-home reality. Since late last year, growing vaccinations and the prospect of a reopening economy have juiced the market, a dynamic Biden has stoked with more stimulus and widespread COVID shots.

While Biden's proposed capital gains tax increase spooked investors last week, stocks have since rebounded. Biden will almost certainly reach a compromise on a tax increase with Senate Republicans that's more palatable to investors, **Baumohl** says.

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