

Weekly Economic Snapshot

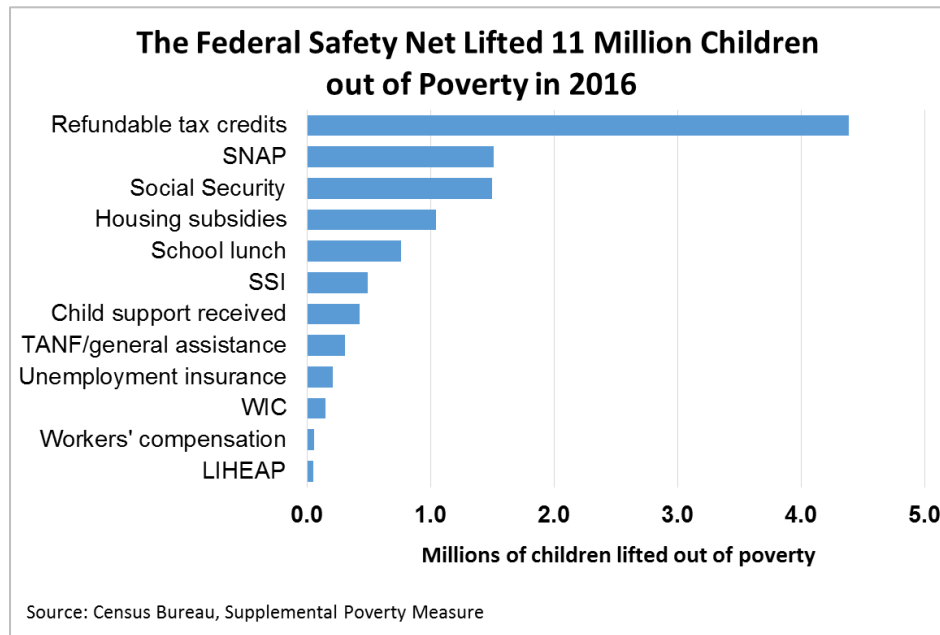
January 3, 2018

Joint Economic Committee Democratic Staff

Economic Facts for This Week

- [Nearly half of children ages 3 and under](#) are covered by either Medicaid or the Children’s Health Insurance Program (CHIP). Failing to provide CHIP with a long-term reauthorization puts access to health care in jeopardy for these infants and toddlers.
- Annual deficits are likely to rise to [more than \\$1 trillion](#) as soon as 2019, largely driven by the Republican tax cuts. The deficits will be the highest they have been since the aftermath of the Great Recession, despite the fact that the economy has recovered substantially since then.
- The new tax law is already [creating confusion](#), with thousands of taxpayers prepaying 2018 property taxes only to later find out that the IRS will still apply the new state and local tax deduction limit. This is likely only the beginning of the confusion that the rushed law will create—the nation’s top tax experts have identified dozens of [potential loopholes and flaws](#) in the law.
- The Republican tax law is already leading to companies announcing [large stock buybacks](#)—which do not lead to economic growth, as Senator Rubio pointed out in a recent interview. [Stock buybacks](#) instead lead to increased income inequality, employment instability, and less innovation.

Chart of the Week



The federal safety net lifted nearly 11 million children out of poverty in 2016—led by refundable tax credits raising 4.4 million children out of poverty, SNAP and Social Security 1.5 million

children each, and housing subsidies 1 million children. [Poverty](#) leads to worse health outcomes, developmental delays, and poor academic outcomes for affected children, all of which have lifelong effects. House Speaker Paul Ryan and other Republican leaders intend to target many of these successful programs for cuts in 2018.

ICYMI

- Over the course of 2017, the Trump administration and Congressional Republicans stacked the deck against working families, a new [JEC report](#) highlights the worst examples.
- Banks that faced oversight by stricter regulators after Dodd-Frank [increased their lending to small businesses](#), contrary to many claims, according to a new NBER paper.
- New research shows that [inequality is higher than previously estimated](#) when accounting for household activities such as housework and child care.

Coming This Week

- *Wednesday 10:00am*: ISM Manufacturing Index (for December 2017) – <https://www.instituteforsupplymanagement.org/ISMReport/MfgROB.cfm?SSO=1>
- *Friday 8:30am*: BLS Employment Situation (jobs report, for December 2017) – <https://www.bls.gov/news.release/empsit.nr0.htm>
- *Friday 10:00am*: ISM Nonmanufacturing Index (for December 2017) – <https://www.instituteforsupplymanagement.org/ISMReport/NonMfgROB.cfm?SSO=1>