

# Weekly Economic Snapshot

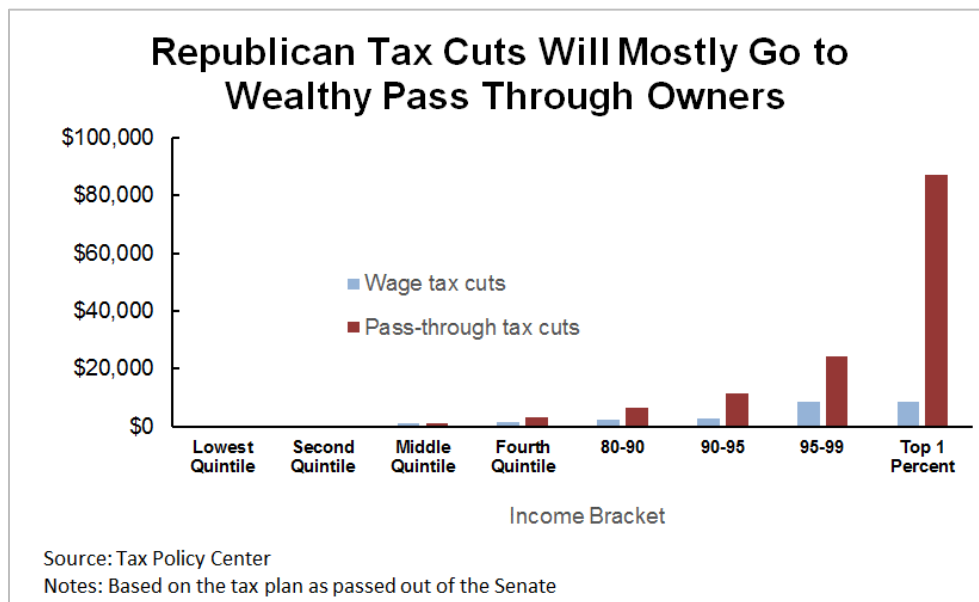
December 18, 2017

Joint Economic Committee Democratic Staff

## Economic Facts for This Week

- The Treasury Department issued a one-page release claiming that economic growth will pay for the Republican tax cuts, despite no evidence backing up the claim. Actual models show that this will not happen—the tax plan will have a [negligible effect on growth](#) and will [add trillions to the debt](#).
- The Republican tax plan will [hurt public investment](#) by curtailing the state and local income tax deduction and potentially [triggering PayGo cuts](#). This will have a negative impact on growth-boosting investments in infrastructure and education.
- Community health centers serve [1 in 12 Americans](#), almost three-fourths of whom live below the poverty line. Republicans' failure to fund the Community Health Center Fund could result in [9 million Americans losing access to health care](#). Rural and smaller health centers would be the most at risk, as well as those in states that did not expand Medicaid.
- Countries that spend more on research and development [produce more high-quality patents](#). As other countries are ramping up spending, U.S. lawmakers should work to reverse the downward trend in federal R&D investment.

## Chart of the Week



Despite claims that the Republican tax cuts are aimed at working families, wealthy owners of pass-through businesses (such as partners in large law firms and hedge funds) will see substantially more benefits than workers. In 2019, primarily-wage workers in the bottom 20 percent of earners would average a \$40 tax cut. This contrasts with an average tax cut of \$87,000 for pass-through owners in the top one percent. Because of the windfall that high-earners will see

by becoming a pass-through, many more will seek to use the pass-through loophole in the future—eroding tax revenues and worsening income inequality.

## ICYMI

- A new JEC report explains how the Republican agenda threatens to undermine market stability and puts Main Street Americans at risk.
- Recent auction bids cast doubt on Republican claims that drilling in the Arctic National Wildlife Refuge will raise substantial revenue, according to a new [JEC analysis](#).
- A JEC factsheet highlights the groups that lose the most under the [GOP tax plan](#), including working families, schools, and future generations.
- New research has found that [cutting H1-B visas](#) does not increase hiring for native-born workers.

## Coming This Week

- *Tuesday 8:30am*: Housing Starts (for November 2017) – <https://www.census.gov/construction/nrc/pdf/newresconst.pdf>
- *Wednesday 10:00am*: Existing-Home Sales (for November 2017) – <https://www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales>
- *Thursday 8:30am*: Gross Domestic Product (3<sup>rd</sup> quarter, final estimate) – <https://www.bea.gov/newsreleases/national/gdp/gdpnewsrelease.htm>
- *Friday 10:00am*: New Home Sales (for November 2017) - <https://www.census.gov/construction/nrs/index.html>
- *Friday 10:00am*: University of Michigan Consumer Sentiment Survey (for December 2017, final) – <http://www.sca.isr.umich.edu/>