

Weekly Economic Snapshot

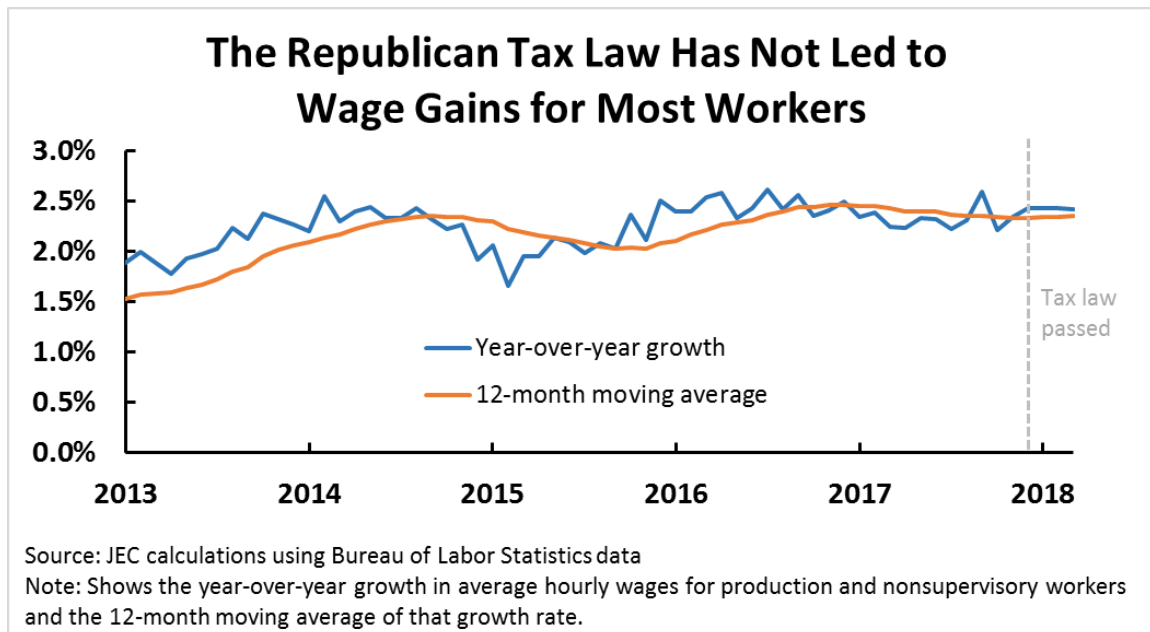
April 9, 2018

Joint Economic Committee Democratic Staff

Economic Facts for This Week

- Rather than simplify the tax system, the Republican tax law created a confusing system to determine whether or not small businesses will qualify for the new [pass-through deduction](#), which could drive up compliance costs for small businesses.
- Gun violence takes lives, results in higher health care and emergency services costs, and disrupts communities. One estimate finds that gun violence costs the American economy [\\$229 billion per year](#).
- Wages are not growing for the average worker, only rising [6.1 percent since 1979](#), after adjusting for inflation. Contrary to Republican claims, the new tax law will not solve this problem, as it ignores the root causes. Instead, a broad agenda like the Better Deal is necessary to give workers the raises they deserve.
- After adding \$1.5 trillion to the national debt in tax breaks for large corporations and wealthy individuals, House Republicans are expected to schedule a vote on a balanced budget amendment. Had such an amendment been in place as the economy recovered from the Great Recession, an additional [15 million Americans](#) would have lost their jobs.

Chart of the Week



Republicans have misleadingly claimed that the new tax law is aimed at the middle class, by boosting wages through corporate tax cuts. They have highlighted a few companies that have announced bonuses or raises since the tax cuts were enacted as evidence that the new law is already helping American workers. But a look at the overall data shows that wage growth has not

substantially changed since the passage of the law. In March, average hourly earnings for production and nonsupervisory workers (a good proxy for the median worker) were 2.4 percent higher than one year ago, a growth rate that has been hit repeatedly in recent years.

ICYMI

- A new OECD report examines which jobs are most [at risk of being automated](#), and finds that young workers and those with low levels of education are most at risk. Additionally, workers in the highest risk jobs are the least likely to be receiving on-the-job training.
- New Raj Chetty research looking at the relationship between [race and economic mobility](#) finds that black and American Indian individuals have lower incomes even after controlling for parental income and neighborhood.
- The JEC [state economic snapshots](#) for March are out, providing the latest data on a range of indicators that matter to American families.

Coming This Week

- *Monday 2:00 pm:* CBO Budget and Economic Outlook
<https://www.cbo.gov/topics/economy/outlook-budget-and-economy>
- *Wednesday 8:30 am:* Consumer Price Index (inflation, for March)
<https://www.bls.gov/news.release/cpi.htm>
- *Wednesday 2:00 pm:* JEC hearing on Unleashing America's Economic Potential
- *Friday 10:00 am:* Job Openings and Labor Turnover Survey (JOLTS, for February)
<https://www.bls.gov/news.release/jolts.htm>