Weekly Economic Snapshot

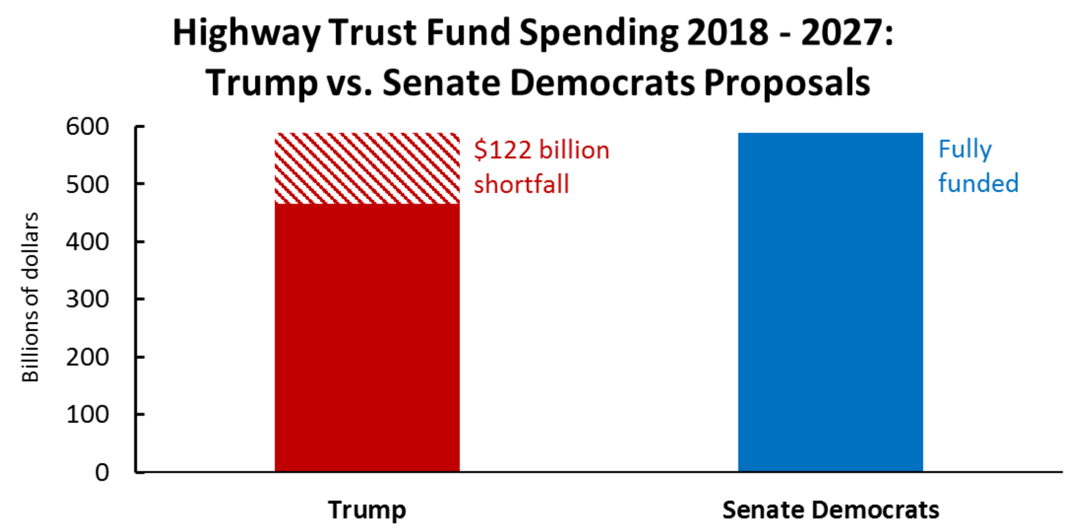
March 12, 2018

Joint Economic Committee Democratic Staff

Economic Facts for This Week

- Since the passage of the tax law, average weekly wages for production and nonsupervisory workers have gone up $7.97. While even these gains are likely not entirely attributable to the tax law, it is clear workers have seen nothing close to the $4,000 raise President Trump promised them. Shareholders, meanwhile, have received over $218 billion already.
- An OMB report shows that the regulations issued between 2006 and 2016 resulted in annual benefits of between $287 and $911 billion, with annual costs of between $78 and $115 billion (in 2015 dollars). This directly undermines the administration's talking point that the regulations issued during the Obama administration did more harm than good.
- The administration's proposed steel tariff would do little to address China's unfair trade practices, as China is not among the top 10 exporters of steel to the United States.

Chart of the Week



Source: JEC Democrats calculations based on CBO projections, Trump budget and infrastructure proposals, and Senate Democrats infrastructure proposal. 2021 is the year in which the HTF will start seeing shortfalls again.

Senate Democrats released an infrastructure proposal that would help repair and modernize the nation's deteriorating infrastructure systems. Included in the plan is $140 billion to shore up the Highway Trust Fund (HTF). The Trump administration, on the other hand, has proposed an infrastructure plan that will generate little to no new infrastructure spending, and a budget that would cut $122 billion in HTF spending. This would result in vital highway and transit projects across the country going unfunded or being delayed, and the nation's infrastructure falling further into disrepair.

ICYMI

- Former CEA Chair Jason Furman and conservative economist Robert Barro add to the litany of research showing that the Republican tax law will not create enough growth to come close to paying for itself.
- Automation has not reduced the total number of jobs in recent decades, but it has contributed to stagnant wage growth for many workers.
- Employment outcomes are becoming increasingly divided geographically, and improving job prospects in the hardest-hit places in America requires specifically targeting those regions, according to new research from Harvard economists.
- Nearly one in four workers work in a concentrated local labor market—meaning that they have fewer employers to choose from, which is likely leading to lower wage growth.

Coming This Week

- *Tuesday 8:30 am:* Consumer Price Index (inflation for Feb 2018): https://www.bls.gov/news.release/cpi.htm
- *Wednesday 8:30 am:* Retail Sales (for Feb 2018): https://www.census.gov/retail/marts/www/marts_current.pdf
- *Friday 8:30 am:* New Residential Construction (for Feb 2018): https://www.census.gov/construction/nrc/pdf/newresconst.pdf
- *Friday 10:00 am:* Job Openings and Labor Turnover (for Jan 2018): https://www.bls.gov/news.release/jolts.nr0.htm