



JOINT ECONOMIC COMMITTEE

CHAIRMAN ERIK PAULSEN (R-MN)

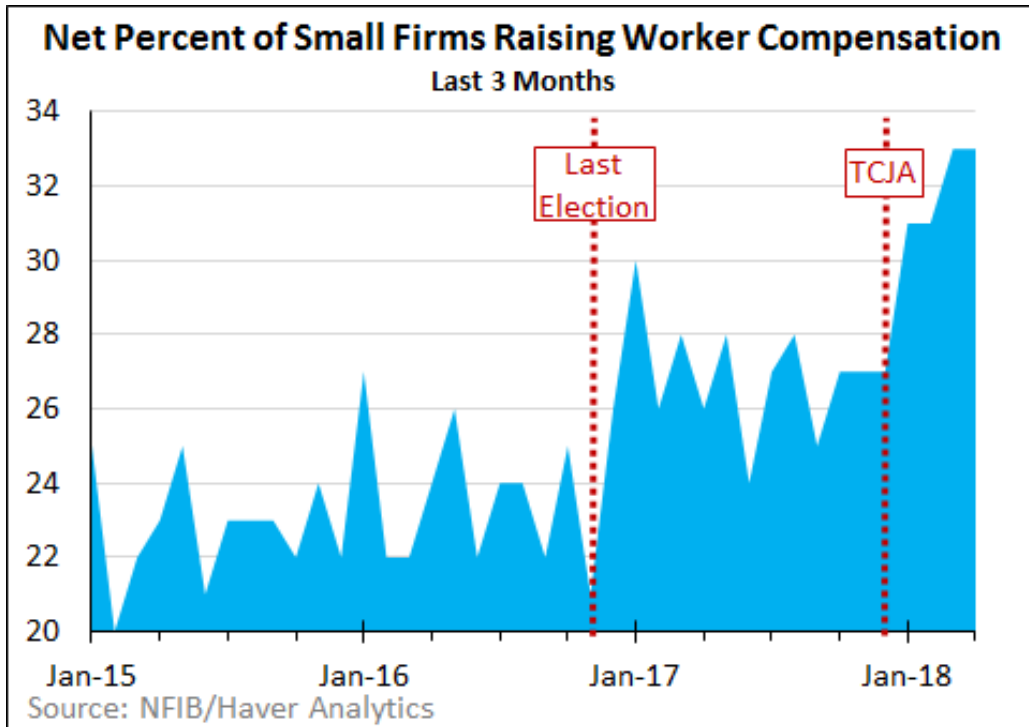


WEEKLY ECONOMIC UPDATE

May 14 – May 18

CHART OF THE WEEK

More Small Businesses are Giving Workers Raises



The NFIB (National Federation of Independent Businesses) [survey](#) data shows the net percentage of small businesses* raising worker compensation over the last three months has increased to 33%—a notable rise since the *Tax Cuts and Jobs Act* (TCJA) became law. See JEC Chairman Paulsen’s *Wall Street Journal* [op-ed](#) on how well tax reform is working. This reading is the highest since November 2000 and is tied for second highest in the indicator’s 34-year history.

*NFIB [notes](#) that the typical NFIB member employs 10 people.

LAST WEEK

News & Commentary

[Consumer inflation softer than expected in April, CPI shows](#) (MarketWatch)

[Inflation Vacation: PPI Comes In Below Expectations, Lending Positive Tone](#) (Forbes)

[The Fed has 'time to wait' while hiking rates, former vice chair Fischer says](#) (CNBC)

[Weekly Jobless Claims Hover Near 48-Year Low](#) (Newsmax)

[Senate Banking Committee Sets Confirmation Hearing for Two Fed Nominations](#) (Wall Street Journal)

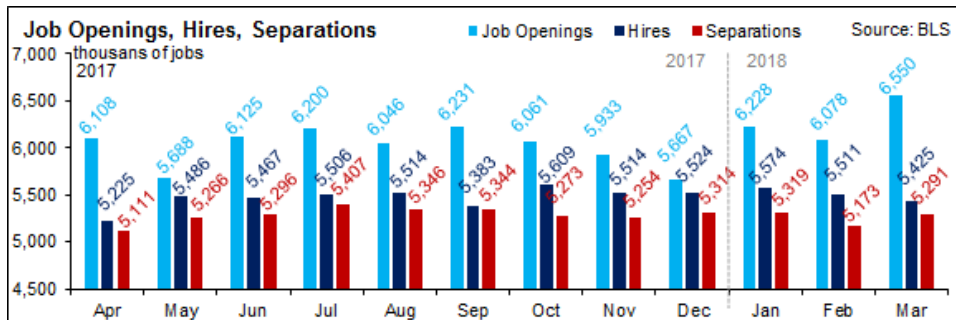
[The Fed’s Balance Sheet Strategy: What Now?](#) (Economics21)

Economic Indicator Highlights

Job Openings Remain at Record Highs

The number of [job vacancies](#) surged to a record high, indicating strong labor demand. Typically, hires exceed job openings. This changed in late 2014, suggesting a skills mismatch between workers and businesses.

Category (seasonally adjusted levels)	Mar	Feb	Jan
Job Openings (thousands)	6,550	6,078	6,228
Hires (thousands)	5,425	5,511	5,574
Separations (thousands)	5,291	5,173	5,319

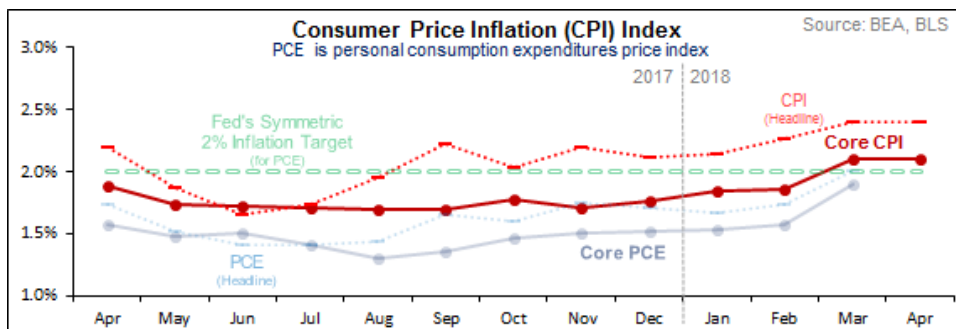


Source: [Job Openings and Labor Turnover Summary \(JOLTS\)](#) (March 2018)

Inflation Remains Moderate

The rate of inflation as measured by the [Consumer Price Index \(CPI\)](#) came in below expectations, as did the Producer Price Index (PPI). Lower than expected inflation rates make a faster pace of Federal Reserve interest rate increases less likely.

Category (percentage change from 12 months ago)	Apr	Mar	Feb
Headline CPI	2.4%	2.4%	2.3%
Core CPI (excludes food and energy)	2.1%	2.1%	1.9%



Source: [Consumer Price Index \(CPI\)](#) (April 2018)

THIS WEEK

Upcoming Economic Data

Monday

No releases

Tuesday

[Retail Sales](#) (8:30am)

[Empire State Manufacturing Survey](#) (8:30am)

[Business Inventories](#) (10:00am)

[Housing Market Index \(HMI\)](#) (10:00am)

Wednesday

[Housing Starts](#) (8:30am)

[Industrial Production and Capacity Utilization](#) (9:15am)

[Atlanta Fed Business Inflation Expectations Survey](#) (10:00am)

Thursday

[Jobless Claims](#) (8:30am)

[Philly Fed Manufacturing Survey](#) (8:30am)

[Leading Indicators](#) (10:00am)

[Federal Reserve Balance Sheet](#) (4:30pm)

[Money Supply](#) (4:30pm)

Friday

No releases