



ECONOMIC UPDATE

December 13, 2019

Quote of the week

“...none of us have much of a sense of what the economy will look like in 2021.”

—[Federal Reserve Chairman Jerome Powell](#)

What you need to know

- The House this week passed the FY 2020 National Defense Authorization Act, which includes a provision providing federal employees with [12 weeks of paid leave](#) to care for a new baby or adopted child.
- Democrats reached a compromise with the administration on the USMCA, which now includes [increased protections for workers and for the environment](#), the strongest ever enforcement, and provisions to lower drug costs and improve access to life-saving drugs.
- The president announced that the [U.S. and China have reached a Phase 1 trade deal](#), suspending the \$160 billion in tariffs that had been scheduled to take effect Sunday.
- Treasury reported that [federal spending outpaced revenue by nearly \\$209 billion](#) in November, bringing the deficit for FY 2020, which began in October 2019, to \$343 billion.
- The [Federal Reserve opted to leave interest rates unchanged](#) in their meetings this week, after three cuts this year. Policymakers signaled rates will stay unchanged throughout 2020.
- On Tuesday, the [Trump administration crippled the World Trade Organization](#) after years of blocking appointments to its panel that hears appeals in trade disputes.

Happening the week of December 16, 2019

- *Tuesday*: Census and HUD release [new residential construction](#) numbers for November, and the Fed publishes its [manufacturing index](#) for last month. BLS posts the [Job Openings and Labor Turnover Survey](#) (JOLTS) findings from October.
- *Thursday*: The National Association of Realtors releases [existing-home sales](#) data for November.
- *Friday*: BEA updates its estimate of [Q3 GDP](#), as well as [personal income](#) data and [the PCE deflator](#). BLS releases state-level [employment and unemployment](#) data.

Good reads

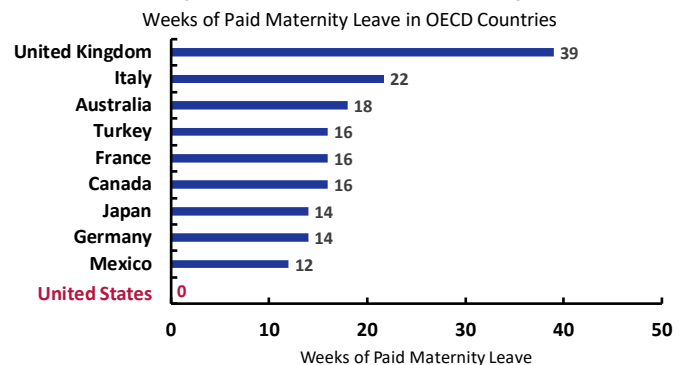
- [“The Myth of the Two-Parent Home,”](#) *New York Times*, 12/09/2019
- [“Eight Graphs that Tell the Story of U.S. Economic Inequality,”](#) Washington Center for Equitable Growth, 12/09/2019
- [“The Strongest Reason to Mourn Volcker: He Was Willing to be Unpopular,”](#) *Washington Post*, 12/9/2019

Chart of the week

Paid family leave can reduce the financial cost of illness, narrow the gender pay gap and make businesses more productive. It’s also better for children: research shows that it can have a positive impact on children’s health and development, and it can even affect long-term educational and earnings outcomes for children.

Despite these benefits, the United States is one of the only countries in the world that doesn't guarantee any form of paid leave to workers.

The United States Is the Only Developed Country Without Paid Maternity Leave



New research and reports

- Treasury economists found that IRS outreach to those who had previously paid a penalty under the ACA individual mandate [led to increased coverage and decreased mortality](#) among middle-aged Americans.
- A study found that [even computer algorithms programmed to make lending decisions discriminate against borrowers](#), though they discriminate less than humans (about 40 percent less for Latino/African-American borrowers).
- A Pew Research survey found that [most Americans agree that the economy is hurting the poor and middle class while it helps the rich](#). Nearly half of lower-income Republicans believe that current economic conditions are hurting them and their families.

Selected JEC resources

- [Macroeconomic Dashboard](#)
- [U.S. Economy by the Numbers](#)
- [Did Trump Create or Inherit the Strong Economy?](#)
- [The Supplemental Nutrition Assistance Program](#)

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