



ECONOMIC UPDATE

May 28, 2024

This Week in Focus

Welcome back from the long weekend! With both chambers out of session, we hope you're able to check things off your reading list. Be sure to check out our recent work on the renewed [Compacts of Free Association](#), the Biden administration's recent steps to protect workers and climate (published in [English](#) and [Spanish](#)), the importance of protecting [groundwater](#), and how the current [manufacturing renaissance](#) is driving the economy of the future. And don't forget about our interactive map and data tool with state-by-state [employment](#) data for April.

Looking ahead to this week, new PCE inflation numbers on Friday are expected to show slowing price growth compared to the start of 2024. The Federal Reserve prefers using PCE data to measure price growth, which makes deceleration in this indicator especially important for its future interest rate plans.

JEC Resources

- [How the Renewed Compacts of Free Association Support U.S. Economic, National Security, and Climate Goals](#)
- (EN) – [ICYMI: The Biden Administration Just Took Massive Steps to Protect Workers and the Climate](#)
 - (ES) – [ICYMI: La Administración Biden Acaba de Dar Pasos Enormes Para Proteger A Los Trabajadores y el Clima](#)
- [Protecting Groundwater is Essential for Our Country and Economy](#)

Economic Indicators This Week

Below are a series of economic indicators that will be released later this week, along with the consensus estimates from a group of professional forecasters about what the data point will be once it is reported. Oftentimes, news coverage of these indicators will report whether the final number came in above or below the expectations set by the forecasters' consensus.

Tuesday, May 28th:

- **Case-Shiller House Prices:** The Case-Shiller Home Price Index reported that house prices increased by **0.3%** in March, in line with expectations.
- **Consumer Confidence:** The Conference Board's consumer confidence measure was **102** in May, above both last month's reading of 96 and exceeding analysts' expectations of 97..

Thursday, May 30th:

- **GDP (Q1, Second Estimate):** The consensus forecast predicts GDP will be revised down to a **1.3%** increase from the initial estimate of **1.6%**.
- **Jobless Claims:** Jobless Claims are expected to rise slightly to **217k** from last week's **215k**.

Friday, May 31st:

- **Personal Consumption Expenditures:** The consensus forecast for PCE is that **incomes, real consumption, and the core PCE measure of inflation** all rose by **0.3%**.

What You Need to Know

- **Businesses** are starting to look into replacing [executives](#) and **management with AI**.
- The **N.C.A.A** is allowing schools to pay [players](#) in the face of a **unionization** drive.
- The **Biden administration** announced last week that it will complete the congressionally-mandated [release](#) of 1 million **barrels of gasoline** from the Northeast Gasoline Supply Reserve this summer. Unlike oil, gasoline has a limited shelf-life that made this reserve inefficient to operate.
- **California** is failing to build more multifamily [housing](#) in wake of state-wide **zoning laws** being repealed three years ago due to opposition by local governments.
- New **economics research** is questioning the **effectiveness** of behavioral [nudges](#).

What to Read From the Think Tank World

- The Council of Economic Advisers (CEA) released [remarks](#) by CEA chair Jared Bernstein at the anti-monopoly summit, a [blog post](#) highlighting the importance of central bank independent, and an [issue brief](#) on the macroeconomic implications of low U.S. fertility rates.
- [The Congressional Budget Office \(CBO\)](#) published testimony from a House Budget Committee hearing digging into the federal budget effects of the increasingly consolidated markets for hospitals' and physicians' services.
- [The Hamilton Project at the Brookings Institution](#) made the case for a federal grid planning authority.
- [The Center for American Progress \(CAP\)](#) laid out how a lack of paid leave hurts Americans' health, causing them to delay or forego needed health care.
- [Pew Research Center](#) found about 6 in 10 Americans live within 2 miles of a public electric vehicle charger.

Latest Academic Articles Selected From NBER

The National Bureau of Economic Research, a private research organization, circulates a series of working papers in economics every Monday morning. These offer an early look at the latest academic research findings. These are our selected recommendations from the latest papers out this morning.

- [The Simple Macroeconomics of AI](#)
- [People's Understanding of Inflation](#)
- [The Effect of Inequality on Redistribution: An Econometric Analysis](#)