



## ECONOMIC UPDATE

October 15, 2024

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### This Week in Focus

Last week the JEC Dems analyzed the latest inflation data, finding it increased by 0.2% in September after also increasing by 0.2% in July and August. Annual inflation also decreased to 2.4%, the lowest reading since February 2021, as annual inflation fell for the sixth straight month. JEC Chairman Heinrich [emphasized](#) how these data are further proof that the Federal Reserve should continue cutting interest rates. JEC Dems also released a new [analysis](#) last week showing how the U.S. economy performs better under Democratic presidents. This better track record holds for metrics like job growth, unemployment, real gross domestic product, manufacturing jobs, manufacturing investment, and small business growth.

Congratulations to this year's winners of the Nobel Prize in Economics: Daron Acemoglu, Simon Johnson and James Robinson! Their [work](#) focuses on how institutions set up during European colonialization can explain present-day differences in economic development and global inequality.

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### JEC Resources

- [The U.S. Economy Performs Better Under Democratic Presidents](#)
- [Broadening Registered Apprenticeships Can Boost America's Workforce and Grow the Middle Class](#)
- [Celebrating Success: How Latinos Helped Fight Economic Inequality through Labor Movements](#)
- [Improving School Infrastructure Benefits Students, the Economy, and the Environment](#)
- [Protecting Farmworkers From Extreme Heat and Wildfire Smoke Helps the U.S. Economy](#)
- [State by State Data: August Employment Data](#)

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### 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.*

#### Wednesday, October 16<sup>th</sup>:

- **Import Prices:** Import prices are expected to have dropped by **0.3%**, while import prices excluding petroleum are expected to remain the same.

#### Thursday, October 17<sup>th</sup>:

- **Jobless Claims:** The consensus forecast for jobless claims predicts a slight decrease in the measure to **253k** from **258k**.
- **Retail Sales:** The consensus estimate for total sales points to a **0.3%** increase in September. Meanwhile, estimates anticipate a **0.2%** increase in sales minus automobiles and a **0.4%** increase in control sales.
- **Industrial Production:** Total production is projected to decrease by **0.1%** in September while manufacturing is projected to decrease by **0.2%**.

- **Business Inventories:** Business inventories are expected to increase by **0.3%** in August.

### Friday, October 18<sup>th</sup>:

- **Housing Starts:** Housing starts are predicted to increase to **1,350k** in September while building permits are predicted to increase to **1,455k**.

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### What You Need to Know

- A fleet of “[shadow tankers](#)” is allowing **Russia** to partially evade the G7 **price ceiling** imposed on Russian **oil**.
- Contrary to claims made by some Republicans, there is little evidence **recent immigration** is driving up [housing prices](#).
- High **housing costs** are forcing **builders** to offer more **attractive [mortgage terms](#)** to **prospective buyers**.
- The **International Monetary Fund (IMF)** warned about rising worldwide **government [debt](#) levels** over the **next decade**.
- **Economist [Michael Pettis](#)**’s unorthodox **ideas** on **globalization, China, and free trade** are drawing attention on **both sides** of the aisle.

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### What to Read From the Think Tank World

- [The Council of Economic Advisers \(CEA\)](#) showed how falling inflation has had benefits for real—i.e. inflation-adjusted—wage growth. [CEA](#) Chair Jared Bernstein also congratulated the three winners of this year’s Nobel Prize in Economics: Daron Acemoglu, Simon Johnson and James Robinson.
- [The Brookings Institution](#) calculated it would cost between \$28 billion and \$47 billion to get lead out of the United States’ drinking water but would help the country avoid the massive health and economic costs associated with lead poisoning.
- [The Century Foundation](#) highlighted how Historically Black Colleges and Universities (HBCUs) have a higher return on investment than other types of institutions.
- [The Center for Economic and Policy Research \(CEPR\)](#) found gun violence lowers academic achievement, particularly for Black children.
- [The Roosevelt Institute](#) found that there are nearly 226 million acres of high-benefit, low-harm area available for solar deployment, nearly 15 to 60 times more land than the U.S. needs to meet solar deployment targets.

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### 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.*

- [Parents’ Earnings and the Returns to Universal Pre-Kindergarten](#)
- [New Evidence on the Economics of Climate and Conflict](#)
- [Job Search, Wages, and Inflation](#)
- [Poverty, Hardship, and Government Transfers](#)
- [Decarbonizing Heat: The Impact of Heat Pumps and a Time-of-Use Heat Pump Tariff on Energy Demand](#)