



ECONOMIC UPDATE

February 26, 2024

This Week in Focus

Welcome back! The House and Senate are back in session this week and facing two looming budget deadlines, one on March 1st and another on March 8th, that could result in a partial or full government shutdown. House Republicans' refusal to fund the government in a bipartisan manner could halt vital government services as soon as this Saturday. Even a partial government shutdown would harm families and disrupt the economy.

In better news, the Washington Center for Equitable Growth [emphasized](#) the strength of the U.S. economy ahead of President Biden's State of the Union address next week. The U.S. has seen a much quicker recovery in terms of GDP, unemployment rates, wages, and loan delinquencies compared to after the Great Recession.

JEC Resources

- [The Child Tax Credit Expansion in the Bipartisan Tax Bill Will Help Kids in Every State and Congressional District](#)
- [What is a Carbon Border Adjustment Mechanism \(CBAM\) and What Are Some Legislative Proposals to Make One?](#)
- [Addressing Rural Health Worker Shortages Will Improve Population Health and Create Job Opportunities](#)
 - (ES): [Afrontar la escasez de trabajadores de salud rural mejorará la salud de la población y creará oportunidades de empleo](#)

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, February 27:

- **Consumer Confidence:** The consensus forecast is for consumer confidence measured by the Conference Board to have risen to **115** from **114.8**.

Wednesday, February 28:

- **Q4 GDP, Second Estimate:** The consensus forecast is for the Q4 GDP second estimate to remain unchanged from the initial estimate of **3.3%** growth.

Thursday, February 29:

- **Jobless Claims:** The consensus forecast is that jobless claims rose to **209k** from **201k**.
- **PCE:** The consensus forecast for the PCE is that **incomes** increased by **0.4%** in **January**, **real consumption** decreased by **-0.1%**, and the **core PCE inflation** measure rose by **0.4%**.

Friday, March 1:

- **Consumer Sentiment, Second Estimate:** The consensus forecast for consumer sentiment measured by the University of Michigan predicts no changes in the preliminary estimate of **79.6**.

What You Need to Know

- Big recent **improvements** in U.S. [productivity](#) are reminding some economists of the **productivity boom of the 1990s**.
- **Home sales** slightly [rebounded](#) in January **despite continued high interest rates**.
- American workers led a **record number** of major [strikes](#) in 2023, according to the Department of Labor.
- Five months after the [expiration](#) of **pandemic funding**, parents are **struggling to pay** for child care and providers are facing **staffing shortages**.

What to Watch This Week

Tuesday, February 27

- **Senate Health, Education, Labor, and Pensions Committee**, [Business meeting to consider nominations \(Julie Su, Moshe Marvit, Stephen Ravas\) and other pending calendar business](#) at 11:30 am (EST).

Wednesday, February 28

- **Senate Health, Education, Labor, and Pensions Committee**, [Hearings to examine the retirement crisis in America, focusing on expanding defined benefit pension plans for workers](#) at 10:00 am (EST).
- **Senate Energy and Natural Resources Committee**, [Hearings to examine the opportunities and challenges associated with developing geologic hydrogen in the United States](#) at 10:00 am (EST).
- **Senate Budget Committee**, [Hearings to examine reproductive health care](#) at 10:00 am (EST).

Thursday, February 29

- **Senate Aging Committee**, [Hearings to examine empowering people with disabilities to thrive in careers and the workplace](#) at 10:00 am (EST).

What to Read From the Think Tank World

- [The Council of Economic Advisers \(CEA\)](#) highlighted the benefits of the new Saving on a Valuable Education (SAVE) income-driven student loan repayment plan, finding that it helps Bachelor's degree holders have more disposable income in the short-term and a better chance of loan forgiveness in the long-term.
- [The Economic Policy Institute \(EPI\)](#) analyzed new data from BLS and found major strike activity increased by 280% in 2023.
- [The Center for American Progress](#) analyzed new data from BLS and found disabled workers saw record employment gains in 2023, yet gaps remain. Analyzing the same data, the [National Partnership for Women and Families \(NPWF\)](#) found disabled women are less likely to be in the labor force than disabled men, but women are slightly more likely than men to have a disability.
- [The Center on Budget and Policy Priorities \(CBPP\)](#) found the bipartisan Child Tax Credit expansions would benefit millions of workers in low-paid occupations.

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. Because it takes a long time for articles to appear in peer-reviewed journals, many economists look to this series for the latest academic research findings. These are our selected recommendations from the latest papers out this morning.

- [The Cost of Money is Part of the Cost of Living: New Evidence on the Consumer Sentiment Anomaly](#)
- [Climate Policy Reform Options in 2025](#)
- [Demand Shocks as Technology Shocks](#)
- [The Slanted-L Phillips Curve](#)