



ECONOMIC UPDATE

January 2, 2024

This Week in Focus

Welcome back and Happy New Year! This Friday, the JEC Dems will be analyzing the newly released employment data for December. The consensus forecast is that the labor market remained strong to close out the year, with 163,000 jobs added in December and the unemployment rate remaining below 4%.

On the subject of a strong labor market, the JEC Dems released a [brief](#) highlighting how expanding access to health and child care, boosting literacy rates, and investing in broadband and training programs can help increase available workers in New Mexico. While the brief is specific to New Mexico, many of the strategies apply nationwide. The JEC Dems also released state-by-state [fact sheets](#) on November employment data.

Before 2024 gets in full swing, be sure to check out a recap of the highlights from the JEC Dems' reports and briefs from 2023 [here](#).

JEC Resources

- [Effective Policies Can Increase Available Workers in New Mexico.](#)
- [State by State Fact Sheets: November Employment Data.](#)
- [Cutting IRS Funding Makes It Easier for the Wealthy to Cheat on Their Taxes and Increases the Budget Deficit.](#)
- [A Republican Shutdown Threatens WIC Nutrition Benefits in Every State and Congressional District.](#)

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, January 3:** Job openings – The consensus forecast is that the number of job openings rose from **8,733k** to **8,850k**.
- **Thursday, January 4:** Jobless claims – The consensus forecast is for weekly jobless claims to fall to **215k** from last week's **218k**.
- **Friday, January 5:** Employment – The consensus forecast is that the U.S. added **163,000 jobs** in December and the unemployment rate ticked up to **3.8%** from the **3.7%** reading in November.

What You Need to Know

- **Prices [fell](#) in November 2023**, according to the **Personal Consumption Expenditure survey**.
- Early data indicate **consumer [spending](#) increased** over the holiday season, compared to last year.
- A tentative agreement between **Southwest Airlines and the Southwest Airlines Pilots Association** would **increase [wages](#)** by 50 percent over the next couple years.

- Falling [response](#) rates to **economic surveys** could negatively **impact data quality**.
- The **tight labor market** is leading to pay [increases](#) for **low-paid workers**, outpacing recent rises in minimum wages across the country.

What to Read From the Think Tank World

- The Council of Economic Advisers (CEA) published [ten charts that explain the U.S. economy in 2023](#) and a [progress report on climate-energy-macro modeling](#).
- [The Economic Policy Institute \(EPI\)](#) found areas with greater labor union density had considerably more ballot drop boxes per capita than areas with less density during the 2022 midterm elections.
- [The Washington Center for Equitable Growth](#) highlighted additional evidence the Tax Cuts and Jobs Act benefits U.S. business owners and executives, not average wage workers.
- [The Century Foundation](#) emphasized the need to prioritize maternal and infant mental health, finding that the U.S. National Maternal Mental Health Hotline received more than 12,000 calls and texts from mothers seeking support during its first year.
- [The Institute for Women’s Policy Research \(IWPR\)](#) published a brief breaking down recent studies demonstrating the causal relationship between contraception, abortion, and economic well-being.

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.

- [Labor Market Tightness and Union Activity](#)
- [Do Cities Mitigate or Exacerbate Environmental Damages to Health?](#)
- [Infrastructure Inequality: Who Pays the Cost of Road Roughness?](#)
- [Creating the “American Way” of Business: Evidence from WWII in the U.S.](#)
- [The Psychology of Poverty: Where Do We Stand?](#)