



ECONOMIC UPDATE

June 5, 2023

This Week in Focus

Last week saw the passage of a bipartisan deal that raised the U.S. debt ceiling and helped avert a default on the nation's debt and obligations, without caving to the outrageous demands in the House GOP's original bill. Last Friday, Ajay Banga started his term as the President of the World Bank, offering hope for a fresh start after his Trump-appointed predecessor's term was marred by a disappointing lack of leadership on international climate finance.

May jobs numbers indicate the U.S. labor market [remains](#) strong after 339,000 jobs were added during the month and the number of jobs added during April and March was revised upwards. The overall unemployment rate rose slightly to 3.7%, and Black unemployment increased after falling to record lows in April. Analysis suggests that the increase in the unemployment rate was driven by people transitioning out of self-employment and not because of a broader contraction in the labor market, but we will keep a closer eye on these statistics next month to see what trends emerge.

JEC Resources

- [JEC Chairman Heinrich on May Jobs Report](#)
- [AANHPI Heritage Month: An Economic Snapshot](#)
- [State By State Fact Sheets: April Employment Data](#)

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, June 7:** Consumer Credit - The consensus forecast is that the total amount of credit outstanding fell to **\$22 billion** in April from **\$26.5 billion** in March.
- **Thursday, June 8:** Weekly Jobless Claims - The consensus forecast is that initial jobless claims rose to **237,000** for the week ending June 3, up from last week's 232,000.

What You Need to Know

- **To promote continued stability in the U.S. banking sector, U.S. regulators are proactively evaluating capital requirements for larger banks.** U.S. regulators are expected to [raise](#) capital requirements by around 20% for larger banks, as early as this month, to help strengthen the U.S. banking system in the wake of recent bank failures. This proposal makes up the final set of

capital rules that policymakers across the globe agreed to implement in the aftermath of the 2008 financial crisis.

- **The new World Bank president is expected to help usher in a new era in which addressing climate change is a key priority.** Ajay Banga [became](#) the 14th president at the World Bank on Friday and is expected to expand the Bank's focus on climate goals while maintaining its poverty reduction objectives.

What to Watch This Week

Tuesday

- **House Committee on Small Business - [American Ingenuity: Promoting Innovation Through the Tax Code](#) at 10:00 AM (EDT).**

Wednesday

- **House Committee on Financial Services - [Dollar Dominance: Preserving the U.S. Dollar's Status as the Global Reserve Currency](#) at 10:00 AM (EDT).**

Thursday

- **Senate Committee on Finance - [Consolidation and Corporate Ownership in Health Care: Trends and Impacts on Access, Quality, and Costs](#) at 10:00 AM (EDT).**
- **Senate Committee on Commerce, Science, and Transportation – [Protecting Consumers from Junk Fees](#) at 10:00 AM (EDT).**

What to Read From the Think Tank World

- The Center on Budget and Policy Priorities' analysis shows that [SNAP benefits](#) for almost 750,000 recipients aged 50-54 could be at risk under the new work reporting requirements (state-by-state numbers).
- Tax Policy Center unpacks the limited [budget cuts](#) included in the debt-limit deal and what those mean for the [IRS](#).
- The Kaiser Family Foundation highlights early data that shows almost 566,000 Medicaid enrollees have been disenrolled in the 12 states that have reported enrollment changes during the [unwinding period](#) (with the vast majority being disenrolled for procedural reasons).
- The Economic Policy Institute (EPI) spotlights harmful [child labor laws](#) and proposals with a focus on Iowa.
- [CEA](#), [CEPR](#), and [EPI](#) break down the May jobs report.

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 Effect of Means-Tested Transfers on Work: Evidence from Quasi-Randomly Assigned SNAP Caseworkers](#)
- [Top Talent, Elite Colleges, and Migration: Evidence from the Indian Institutes of Technology](#)
- [Carbon Border Adjustments, Climate Clubs, and Subsidy Races When Climate Policies Vary](#)