



ECONOMIC UPDATE

December 11, 2023

This Week in Focus

Inflation data released tomorrow is expected to show that overall prices held steady last month, strengthening the case for a “soft landing.” These data are expected to motivate the Fed to not raise interest rates on Wednesday, a welcome sign for families facing higher borrowing costs. Another welcome sign for families is the JEC Dems’ recent [finding](#) that wages and salaries have grown faster than prices since January 2021.

Last week, the JEC Dems released an issue [brief](#) highlighting how climate risks are already destabilizing insurance markets and threatening Americans’ financial security. Climate disasters can quickly undermine the value of people’s homes, while the broader effects of the climate crisis can disrupt the health of the broader financial sector. Adequately characterizing and valuing these climate risks with better data and analysis can inform decision making and regulations to mitigate climate financial risk. Read more [here](#).

Last week the JEC Dems also analyzed the jobs report for November, finding that job growth continued in November as the U.S. economy added 199,000 jobs while unemployment fell to 3.7%. This makes November the 34th consecutive month of job growth under President Biden as workers and families continue to see the benefits of a strong labor market.

JEC Resources

- [Climate Risks Are Already Destabilizing Insurance Markets and Threatening Americans’ Financial Security](#)
- [Wages and Salaries Have Grown Faster Than Prices Since January 2021](#)
- [JEC Chairman Heinrich’s Statement on the November Jobs Report](#)
- [Youth Employment Programs Can Grow the Economy, Expand Opportunity, and Improve Public Safety](#)
- [Investing in Puerto Rico’s Clean Energy Future](#)
 - (ES) [Inversión en el Futuro de Energía Renovable Puertorriqueña](#)

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, December 12:** Inflation – The consensus forecast is for **headline CPI** in **November** to have remained **unchanged** while **core inflation** increased **0.3%**.
- **Wednesday, December 13:** Interest rates – The Federal Reserve is expected to not raise interest rates during the Federal Open Market Committee meeting.
- **Thursday, December 14:** Jobless claims – The consensus forecast is for weekly jobless claims to **increase slightly to 223K** from last week’s **220K**.

What You Need to Know

- **Starbucks** has said it is open to reopening [contract talks](#) with **Workers United**.
- Increased pressure on [corporate profits](#) could help **prevent further price hikes**.
- **BAE Systems** became the first company to [receive a grant](#) from the **CHIPS Act**.
- Data from New Jersey shows a [mismatch](#) between **job openings and job seekers** which might manifest nationally.

What to Watch This Week

Tuesday

- **Senate Judiciary Committee**, [Hearings to examine cleaning up the C-Suite, focusing on ensuring accountability for corporate criminals](#) at 10:00 am (EST).
- **House Foreign Affairs Committee**, [Reviewing the Bureau of Industry and Security, Part II: U.S. Export Controls in an Era of Strategic Competition](#) at 2:00 pm (EST).
- **Senate Appropriations Committee**, [Hearings to examine communities in crisis, focusing on what happens when disaster recovery funds are delayed](#) at 10:00 am (EST).

Wednesday

- **House Ways and Means Committee**, [Growth of the Tax-Exempt Sector and the Impact on the American Political Landscape](#) at 2:00 pm (EST).
- **Senate Judiciary Committee**, [Hearings to examine the impact of algorithms on competition and consumer rights](#) at 3:00 pm (EST).

What to Read From the Think Tank World

- [The Council of Economic Advisers \(CEA\)](#) released a brief on how federal efforts helped bolster U.S. education standing among peer nations based on the recent release of the Program for International Student Assessment (PISA) results. [The CEA](#) also released a brief diving deeper into the recent Jobs Day report, highlighting how many more people have entered the labor force and how that contributes to recent trends in the unemployment rate.
- [The Washington Center for Equitable Growth](#) researched the impacts of hospital mergers and consolidations, finding that workers and local economies—especially rural communities—may face increased prices while nurses and pharmacy workers may see lower wages and decreased job mobility.
- [The Hamilton Project at the Brookings Institution](#) estimated that 7.3% of prime-age adults (individuals ages 25 to 54), or 4.3 million people, were enrolled in postsecondary education in the United States in 2021—many of whom were also in the labor force.
- [The Urban Institute](#) analyzed how the wage gap and expenditures affect Black women’s wealth attainment.
- [The National Partnership for Women and Families](#) analyzed Friday’s Jobs Day report, finding the child care sector is still down more than 30,000 jobs since before the pandemic.

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 World’s Rust Belts: The Heterogeneous Effects of Deindustrialization on 1,993 Cities in Six Countries](#)
- [Natural and Neutral Real Interest Rates: Past and Future](#)
- [Market Design and Maintenance](#)