



ECONOMIC UPDATE

June 20, 2023

This Week in Focus

Although there won't be any major data releases this week, macroeconomy-watchers may be interested in Chair Powell's testimony before the House Financial Services Committee on Wednesday and before the Senate Banking Committee on Thursday. Inflation news last week was largely positive, with the Consumer Price Index and Produce Price Index both slowing down in May, with the potential for more price relief in June. Summit talks in Paris on Thursday and Friday may generate headlines with suggested reforms of the World Bank and IMF to help poor and climate-vulnerable countries.

JEC Resources

- [State by State Fact Sheets: May Employment Data](#)
- [Unions Protect Employment and Raise Earnings, Including for Workers Who Are Immigrants](#)
- [Climate Change Makes Air Quality Worse Across the Country, With Devastating Effects on our Health](#)

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.

- **Thursday, June 22:** Weekly Jobless Claims - The consensus forecast is that initial jobless claims fell to **255,000** for the week ending June 16, down from last week's 262,000.

What You Need to Know

- **The National Labor Relations Board restored a standard that counts more workers as employees rather than contractors.** On Tuesday of last week, labor regulators [reversed](#) a Trump-era ruling that had classified many workers as independent contractors. Reversing the ruling will widen the definition of an employee for the purposes of labor regulations, which could [allow](#) millions of workers to organize and form unions.
- **Jared Bernstein was confirmed to be chairman of the White House Council of Economic Advisors.** On Tuesday of last week, the U.S. Senate narrowly confirmed [Jared Bernstein](#) to be the chairman of the White House Council of Economic Advisors.
- **Federal Reserve officials did not raise rates last week, but analysts are predicting that the Fed will raise rates in July.** On Wednesday of last week, the Fed held [interest rates steady](#) and projected more increases ahead, making a hike next month more likely according to analysts.
- **U.S. housing starts unexpectedly surged in May, increasing the most since 2016, and applications to build increased.** Today's data on [housing starts](#) exceeded all estimates,

suggesting residential construction is on track to help fuel economic growth after shrinking for much of last year.

What to Watch This Week

Wednesday

- **Senate Budget**, [Hearing to examine fossil fuel threats to climate and the budget](#) at **10:00 am (EDT)**
- **House Financial Services**, [The Federal Reserve's Semi-Annual Monetary Policy Report](#) at **10:00 am (EDT)**

Thursday

- **Senate Banking, Housing, and Urban Affairs**, [Hearing to examine the Semiannual Monetary Policy Report to the Congress](#) at **10:00 am (EDT)**
- **Senate Committee on Finance**, [Hearings to examine cattle supply chains and deforestation in the Amazon](#) at **10:00 AM (EDT)**

What to Read From the Think Tank World

- The Council of Economic Advisers (CEA) broke down the [May CPI report](#) and updated its [grocery inflation blog](#).
- The Center for American Progress (CAP) launched a tool that [tracks](#) the public and private-sector investments generated or supported by the Biden administration's economic policies.
- The Institute on Taxation and Economic Policy (ITEP) says Democrat's expanded [Child Tax Credit proposal](#) would help 60 million kids, especially those with low incomes.
- The Center on Budget and Policy Priorities (CBPP) explains why lawmakers should prioritize adequate funding for [rental assistance](#) in housing appropriations legislation.
- The Peterson Institute for International Economics (PIIE) discusses the Fed's interest rate [pause](#).

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.

- [Transmission Impossible? Prospects for Decarbonizing the US Grid](#)
- [Why Do Wages Grow Faster for Educated Workers?](#)
- [A Welfare Analysis of Tax Audits Across the Income Distribution](#)