



ECONOMIC UPDATE

May 30, 2023

This Week in Focus

With the House called back into session, both the House and Senate will be in this week to move forward on this weekend's debt ceiling deal before the revised "X-date" of June 5th. Meanwhile, the "Jobs Day" report this Friday will provide context on how the labor market is weathering the fiscal brinksmanship, banking sector stress, and continued effects of monetary tightening over the last month.

Please see the resources below for state and district-level data on how the Republican's original Default on America Act would have harmed American families and hurt the country. These statistics quantify the much worse scenarios that were avoided through this debt ceiling agreement.

JEC Resources

- [Update: The Steep Costs of a Republican Default Crisis](#)
- [The GOP's Reckless DOA Act Would Threaten Green Energy Jobs, Increase Emissions, And Harm The Planet](#)
- [How the Default on America Act Hurts the U.S. Economy - State and District Data](#)
- [How the Default on America Act Threatens Public Safety](#)
- [AANHPI Heritage Month: An Economic Snapshot](#)

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, May 31:** Job Openings and Labor Turnover Survey - The consensus forecast is that the total number of job openings fell to **9,350,000** in April.
- **Thursday, June 1:** Weekly Jobless Claims - The consensus forecast is that initial jobless claims rose to **235,000** for the week ending May 27, up from last week's 229,000.
- **Friday, June 2:** Employment data - According to consensus forecasts, **190,000** jobs were added in May, the unemployment rate ticked up to **3.5%**, and average hourly earnings rose by **0.3%**.

What You Need to Know

- **The bipartisan agreement will raise the debt ceiling and curb domestic spending for two years:** The agreement reached by the Biden administration and House Republicans would [raise](#) the debt ceiling for two years, past the 2024 election, and would curb domestic spending for two

years and introduce new work requirements for individuals receiving SNAP benefits and those in TANF.

- **As a result of Republican spending cuts, the IRS could request additional technology and enforcement funding sooner than expected.** The IRS will [lose](#) \$21.4 billion from its \$80 billion expansion, which was passed in a wider legislative package in 2022, as part of the bipartisan deal reached on the debt limit. Due to the debt-ceiling deal, the IRS could ask for extra enforcement and technology funding sooner than expected.
- **The Biden administration announced that it had reached a deal with 13 other countries in the Indo-Pacific region which is expected to bolster economic cooperation and American competitiveness in the region.** The Biden administration announced that it had [arrived](#) at a deal with 13 other countries in the Indo-Pacific region to coordinate supply chains in an attempt to reduce the level of dependence those countries have on China. America's economic cooperation with partners in the Indo-Pacific region helps American companies do business there and makes the United States more globally competitive.

What to Watch This Week

Wednesday

- Senate Committee on Health, Education, Labor and Pensions - [Solving the Child Care Crisis: Meeting the Needs of Working Families and Child Care Workers](#) - 10:00 AM
- Senate Committee on Banking, Housing and Urban Affairs - [Countering China: Advancing U.S. National Security, Economic Security, and Foreign Policy](#) - 10:00 AM

Thursday

- Senate Energy and Natural Resources Committee - [Hearing to Examine the Reliability and Resiliency of Electric Services in the U.S. in Light of Recent Reliability Assessments and Alerts](#) - 10:00 AM

What to Read From the Think Tank World

- The [Center on Budget and Policy Priorities](#) (CBPP) and [Center for a Responsible Federal Budget](#) react to the debt limit deal.
- CBPP updated its “unwinding watch,” which tracks [Medicaid coverage](#) as pandemic protections end. Data show that both Arkansas and Florida terminated coverage for more than half of the enrollees subject to renewal, with the majority losing coverage for procedural reasons (i.e. missing paperwork) and not because they are no longer eligible.
- The Economic Policy Institute (EPI) analysis shows that young workers have experienced strong [wage growth](#) since 2020.
- EPI explains how aggregate income statistics obscure [child poverty](#) data among Asian American Native Hawaiian and Pacific Islander communities.
- The New York Fed documents large disparities in labor force participation and earnings between [veterans and nonveterans](#), with education and disability status accounting for most of the difference.

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.

- [Policy Packages and Policy Space: Lessons from COVID-19](#)
- [Who Gains from Corporate Tax Cuts?](#)
- [Child Health, Parental Well-Being, and the Social Safety Net](#)

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