



ECONOMIC UPDATE

February 12, 2024

This Week in Focus

Tomorrow the JEC Dems will be analyzing the newly released inflation data for January, where the consensus forecast is that the Consumer Price Index (CPI) rose 0.2%, the same rate reported for December. This is expected to bring annual inflation below 3% for the first time in three years. Core inflation—which excludes the often-volatile food and energy components—is expected to rise at 0.3% for the third month in a row. These data follow a strong employment report a few weeks back and are key measures impacting the Federal Reserve’s decision of when to cut interest rates.

In case you missed it, last week the JEC Dems released an [explainer](#) on what a carbon border adjustment mechanism (CBAM) is—an emerging bipartisan tool aims to cut global pollution and support American industry—and detailing some legislative proposals to make one.

JEC Resources

- [What is a Carbon Border Adjustment Mechanism \(CBAM\) and What Are Some Legislative Proposals to Make One?](#)
- [The Child Tax Credit Expansion in the Bipartisan Tax Bill Will Help Kids in Every State and Congressional District](#)
- [Addressing Rural Health Worker Shortages Will Improve Population Health and Create Job Opportunities](#)
 - (ES): [Afrontar la escasez de trabajadores de salud rural mejorará la salud de la población y creará oportunidades de empleo](#)
- [The Clean Energy Transition Motivates Innovation and Recycling in Critical Mineral Supply Chains](#)

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, February 13th:

- **Consumer Price Index:** The consensus forecast is that the CPI rose **0.2%** while core inflation rose by **0.3%**.

Thursday, February 15th:

- **Jobless Claims:** The consensus forecast is for weekly jobless claims to fall to **216k** from **218k**.
- **Industrial Production:** Industrial production in January is expected to have risen **0.3%** while manufacturing is expected to have remained the same.

Friday, February 16th:

- **Housing Starts:** The consensus forecast is that **housing starts** in January rose to **1,465k** from **1,460k**, and that **permits** also rose to **1,515k** from **1,493k**.

- **Producer Price Index:** The consensus forecast is that both headline and core PPI increased by **0.1%**.

What You Need to Know

- Most economies worldwide are seeing **soft landings**, but **strong fiscal policy** in the United States is driving high [growth](#) and an especially **good recovery**.
- Empty [offices](#) are warnings of upcoming **bank losses** on **commercial real estate** to be felt this year.
- [Mexico](#) replaced **China** as the United States' **largest source of imports** in 2023.
- **Fast food workers** in California have formed the California Fast Food Workers [Union](#) and are hoping to win **higher pay and benefits** across the industry.
- Subsidies from the **CHIPS and Sciences Act** are turning Maricopa County, Arizona into one of the **world's centers** of [semiconductor](#) manufacturing.

What to Watch This Week

Wednesday, February 14

- **House Budget Committee**, [The Congressional Budget Office's Budget and Economic Outlook](#) at 10:00 am (EST).
- **House Education and the Workforce Committee**, [Examining the Policies and Priorities of the Wage and Hour Division](#) at 10:15 am (EST).

Thursday, February 15

- **House Natural Resources Committee**, [Oversight Hearing on "Economic Diversification to Create Prosperous Tribal Economies"](#) at 10:00 am (EST).
- **House Ways and Means Committee**, [Hearing with Commissioner of the Internal Revenue Service, Daniel Werfel](#) at 10:00 am (EST).
- **House Energy and Commerce Committee**, [Safeguarding American Prosperity and People's Livelihoods: Legislation to Modernize Air Quality Standards](#) at 10:30 am (EST).

What to Read From the Think Tank World

- [The Council of Economic Advisers \(CEA\)](#) highlighted the important of the Inflation Reduction Act's investments for closing the difference between what taxpayers owe and what they pay.
- [The Congressional Budget Office \(CBO\)](#) released its budget and economic outlook for 2024 to 2034, projecting that growth and inflation will slow this year due to higher interest rates.
- [Liberty Street Economics at the New York Federal Reserve](#) analyzed wealth inequality by age in the post-pandemic era, finding younger adults' wealth growth far outpaces other groups.
- [The Center on Budget and Policy Priorities \(CBPP\)](#) highlighted how the Houses-passed bipartisan tax bill's Child Tax Credit expansion would help children living in rural areas.
- [The National Women's Law Center \(NWLC\)](#) found women of every race were more likely than white, non-Hispanic men renters to spend over 50% of their income on housing costs.
- [The Century Foundation](#) detailed how state and local fiscal recovery funds can bolster the child care sector.

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.

- [Applying AI to Rebuild Middle Class Jobs](#)
- [What Drives U.S. Import Price Inflation?](#)