



ECONOMIC UPDATE

June 26, 2023

This Week in Focus

This is a light week for high-profile economic indicators, though the Federal Reserve will keep a close eye on PCE inflation that will be released on Friday morning. On the employment side, we hope that the [JEC Dem's factsheets](#) on the latest state-level labor market developments will be helpful to you all during this current state/district work period. As June comes to a close, we hope that the JEC Dem's recent resources focused on [Pride Month](#) and [Immigrant Heritage Month](#) can be helpful in making the case for a more inclusive economy.

JEC Resources

- [Pride Month: Keeping Up the Fight for LGBTQI+ Rights](#)
- [State by State Fact Sheets: May Employment Data](#)
- [Unions Protect Employment and Raise Earnings, Including for Workers Who Are Immigrants](#)

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 29:** Weekly Jobless Claims - The consensus forecast is that initial jobless claims rose to **265,000** for the week ending June 23, up from last week's 264,000.
- **Thursday, June 29:** GDP (Revision) – First quarter 2023 GDP increase is expected to be revised upward to **1.4%** from the previous estimate of **1.3%**.
- **Friday, June 30:** Personal Consumption Expenditures (PCE) – The consensus forecast is that the core PCE measure of prices rose 0.3% in May, which would equate to a 4.6% increase in core prices over the last year.

What You Need to Know

- **President Biden announces \$42 billion to expand high-speed internet access.** Today, President Biden is set to announce more than [\\$42 billion](#) to expand high-speed internet access nationwide, which is estimated to help 8.5 million families and businesses.
- **Federal Reserve Chairman Jerome Powell said the central bank will continue to raise interest rates but more slowly than before** Last week, in Chairman Powell's [testimony](#) to Congress, he said, "Given how far we've come, it may make sense to move rates higher but to do so at a more moderate pace."

- **The pause on student loan payments is ending, creating consequences for the economy.** The end of three years of relief from payments on \$1.6 trillion in student debt will [reverse](#) its positive effects on borrowers' lives and the broader economy.
- **A coalition of shareholder groups is demanding a child labor audit on McDonald's.** The Department of Labor has found more than [450 minors](#) working at McDonald's franchises in violation of child labor laws since December 2022.
- **Are Americans better off today than they were in the 1980s?** Two conservative thinkers [debate](#) a new measure called the Cost-of-Thriving Index to explore this question.

What to Watch This Week

As the Senate and House have entered a two-week recess period, there are no relevant hearings between June 26 and July 7.

What to Read From the Think Tank World

- The Center on Budget and Policy Priorities discusses how the [debt-ceiling deal](#) squeezes non-defense appropriations.
- The Tax Policy Center (TPC) finds that the House Republican plans to temporarily [raise the standard deduction](#) and restore more generous business tax deductions would result in modest tax cuts for all income groups in the near term that would dissipate quickly once certain provisions expire.
- TPC also looks at [research and development \(R&D\) tax breaks](#) as business groups are pushing for the more generous R&D deduction (i.e. immediate expensing) to be reinstated.
- The Center for American Progress (CAP) says a Ways and Means-passed bill would slash [business tax revenues](#), further enlarging the primary cause of the nation's increasing debt ratio.
- CAP also highlights how unions are crucial for building [working-class economic power](#).
- The Century Foundation highlights the impending "[child care cliff](#)" as 3.2 million children are likely to lose child care spots with the end of American Rescue Plan funding.
- The Council of Economic Advisers looks at progress and remaining challenges for [women in the labor market](#) to mark the anniversary of the Equal Pay Act.

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.

- [Does Anger Drive Populism?](#)
- [Is it the Message or the Messenger? Examining Movement in Immigration Beliefs](#)
- [Gender-Neutral Language and Gender Disparities](#)