



## ECONOMIC UPDATE

January 22, 2024

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### This Week in Focus

This week is heavy on data releases, with data for state employment from December and for Gross Domestic Product (GDP) growth for Q4 2023. Forecasters expect that GDP grew by about 2.0% to close out the year, which would be consistent with strong and stable economic growth.

In case you missed it: last week the JEC Dems hosted a [hearing](#) exploring potential policy solutions to increase access to affordable and stable housing across the country. During the hearing, members of the Committee and witnesses agreed on the need to roll back local exclusionary zoning rules and confirmed the broad bipartisan support for bills that expand the Low-Income Housing Tax Credit like the Affordable Housing Credit Improvement Act. Learn more and watch the video of the hearing [here](#).

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### JEC Resources

- [How Renewable Energy Can Make the Power Grid More Reliable and Address Risks to Electricity Infrastructure](#)
- [Rebuilding the American Dream: Policy Approaches to Increasing Housing Supply in the U.S.](#)
- [Effective Policies Can Increase Available Workers in New Mexico](#)
- [Wages and Salaries Have Grown Faster Than Prices Since January 2021](#)

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### 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, January 23:

- **State employment** – The JEC Dems will release state-by-state fact sheets for employment in December 2023. See November's fact sheets [here](#).

#### Thursday, January 25:

- **Jobless claims** - The consensus forecast is for weekly jobless claims to rise to **200k** from last week's **187k**.
- **2023 Q4 GDP**: The consensus forecast is that **inflation-adjusted GDP** increased by **2.0%** in Q4.

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### What You Need to Know

- **Consumer [sentiment](#)** about the economy as measured by the University of Michigan survey has **jumped** over the previous two months.
- A **boom in imports** cheap enough to avoid tariffs under [de minimis](#) rules are threatening U.S. **garment manufacturers**.
- A **tight labor market** has brought **teenage [employment](#)** to its highest level in 14 years.
- **Home sales** have dropped to their **lowest [levels](#)** in almost 30 years.

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## What to Watch This Week

Wednesday, January 24

- **Senate Budget Committee**, [Hearings to examine how the climate crisis threatens ocean industries](#) at 10:00 am (EST).
- **Senate Small Business and Entrepreneurship Committee**, [Hearings to examine succession planning, focusing on opportunities to build wealth and keep jobs in local communities](#) at 2:15 pm (EST).

Thursday, January 25

- **Senate Aging Committee**, [Hearings to examine federal electric vehicle incentives including the federal government's role in fostering reliable and resilient electric vehicle supply chains](#) at 10:00 am (EST).
- **Senate Banking, Housing, and Urban Affairs Committee**, [Hearings to examine assisted living facilities, focusing on understanding long-term care options for older adults](#) at 10:00 am (EST).

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## What to Read From the Think Tank World

- Several groups have released materials analyzing components of the proposed tax deal:
  - [The Center on Budget and Policy Priorities \(CBPP\)](#) found half a million or more children would be lifted above the poverty line when the proposed Child Tax Credit expansion is fully in effect in 2025.
  - [The Brookings Institution](#) broke down the proposed expansion of the Child Tax Credit and argued it does not go far enough to support children in poverty.
  - [The Committee for a Responsible Federal Budget](#) noted that the timing of the corporate tax breaks and inflation indexing of the Child Tax Credit means the package is likely to cost roughly \$650 billion over a decade *if they are made permanent*.
- [The Congressional Budget Office \(CBO\)](#) published their demographic outlook for 2024-2054, making upward revisions to net immigration from 2024 to 2026 which boosts the size and growth of the prime working-age population, or those ages 25 to 54.
- [The Washington Center for Equitable Growth](#) found cuts to the IRS are bad for the federal budget and for tax fairness in the United States.
- [The Center for American Progress \(CAP\)](#) highlighted how women's earnings peak at earlier ages and drop faster with age than men's earnings due to occupational segregation; age discrimination; access to training, upskilling, and re-skilling; and caregiving responsibilities.
- [The National Women's Law Center \(NWLC\)](#) released a fact sheet with the most recent data on the gender wage gap, finding women in the United States who work full time, year-round are typically paid only 84 cents for every dollar paid to their male counterparts—translating to \$9,990 less per year in median earnings.

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## 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 Changing Nature of Pollution, Income, and Environmental Inequality in the United States](#)
- [Technology and the Global Economy](#)
- [Do Earmarks Target Low-Income and Minority Communities? Evidence from US Drinking Water](#)