



ECONOMIC UPDATE

September 23, 2024

This Week in Focus

Last week was a big one: the Federal Reserve's Federal Open Market Committee (FOMC) [lowered](#) interest rates by half a percentage point and has signaled that it expects to cut rates by another half a percentage point this year. The FOMC's decision to cut now is a signal that they are convinced inflation is under control and the labor market is softening, although the unemployment rate remains near record lows. Check out our recently updated [map](#) to see unemployment trends in your state.

Also last week, the JEC Dems released a fact sheet on how Latinos have helped fight economic inequality through [labor movements](#), making the case for policies that support unions' ability to enhance wages, training, and working conditions. Today, the JEC Dems released an issue brief digging into how improving [school infrastructure](#) benefits students, the economy, and the environment.

JEC Resources

- [Celebrating Success: How Latinos Helped Fight Economic Inequality through Labor Movements](#)
- [Improving School Infrastructure Benefits Students, the Economy, and the Environment](#)
- [State by State Data: August Employment Data](#)
- [Protecting Farmworkers From Extreme Heat and Wildfire Smoke Helps the U.S. Economy](#)
- [How Democrats are Lowering Costs for Families in Every State](#)

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, September 24th:

- **Case-Shiller Home Price Index:** The consensus forecast for the Case-Shiller Index predicts a **0.4%** increase in August.
- **Consumer Confidence:** The Conference Board's Consumer Confidence Index is expected to increase to **103.5** in September from **103.3** in August.

Wednesday, September 25th:

- **New Home Sales:** New Home Sales are predicted to reach **696k** in August from **739k** in July.

Thursday, September 26th:

- **Jobless Claims:** Jobless claims are expected to slightly decrease to **225k** from **230k**.
- **Q2 GDP (Third Estimate):** The third estimate of Q2 GDP growth is expected to be **2.9%**, marginally smaller than the second estimate of **3.0%**.

Friday, September 27th:

- **Personal Consumption Expenditures (PCE):** Predictions for August are that there was a **0.1%** increase in real consumption, a **0.4%** increase in personal incomes, and a **0.2%** increase in core PCE inflation. This would put the Fed's preferred measure of annual inflation around 2.8%.
- **Consumer Sentiment:** The consensus forecast for the University of Michigan's Consumer Sentiment Survey anticipates an upward revision to the preliminary estimate to **69.3** from **69.0**.

What You Need to Know

- In anticipation of the Fed's decision to lower interest rates **interest rates** for **mortgages** and **car loans** started to go down.
- Lower U.S. interest rates are making it easier for central banks in other countries to bring down their **interest rates**.
- Falling interest rates should also drive up the prices of **stocks** and **bonds**.
- The U.S. and 13 other governments announced the **formation** of a Minerals Security Partnership today to coordinate **financing** for **critical minerals projects**.
- Differences between the **rates for bank deposits** at the Fed and **interest rates for savers** allowed **U.S. banks** to make over a trillion dollars in **windfall profits** over the last few years.

What to Watch This Week

Tuesday, September 24th

- **Senate Health, Education, Labor, and Pensions Committee**, Hearings to examine Novo Nordisk's high prices for Ozempic and Wegovy for patients with diabetes and obesity at 10:00 am (EDT).
- **Senate Finance Committee**, Hearings to examine women's health care at 10:00 am (EDT).

Wednesday, September 25th

- **House Small Business Committee**, Avenues to Success: Examining Workforce Training Programs for Employees at 10:00 am (EDT).
- **Senate Budget Committee**, Hearings to examine economic risks from housing unaffordability, focusing on the costs of inaction at 10:00 am (EDT).
- **Senate, Banking, Housing, and Urban Affairs Committee**, An oversight hearing to examine the Securities and Exchange Commission at 10:00 am (EDT).
- **Senate Health, Education, Labor, and Pensions Committee**, Hearings to examine preparing workers for AI at 2:00 pm (EDT).
- **Senate Finance Committee**, Hearings to examine providing small business relief from remote sales tax collection at 3:00 pm (EDT).

Thursday, September 26th

- **House Natural Resources Committee**, Oversight Hearing on "Examining Puerto Rico's Electrical Grid and the Need for Reliable and Resilient Energy" at 10:00 am (EDT).
- **Senate Environment and Public Works Committee**, Hearings to examine the public health impacts of PFAS exposures at 10:00 am (EDT).

What to Read From the Think Tank World

- The Council of Economic Advisers (CEA) highlighted how inflation forecasts were right but unemployment and economic growth defied expectations. The CEA also dug into the economic security of older women, noting they have lower retirement account balances and higher rates of poverty than older men.
- The National Women's Law Center released an interactive map with state-by-state wage gap data for 2023. Additionally, the Institute for Women's Policy Research found Latinas won't reach pay equity with white men until the year 2198.

- [The Pew Research Center](#) analyzed data on student loan borrowers and found that one in four U.S. adults under 40 have student loan debt and that young college graduates with student loans are more likely than those without to say they struggle financially.
- [The Center on Budget and Policy Priorities \(CBPP\)](#) found reinstating the expanded Child Tax Credit would lift 2.6 million children above the poverty line and provide an income boost to more than 60 million children, making the case for it to be a top priority in the 2025 tax debate.

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. These offer an early look at the latest academic research findings. These are our selected recommendations from the latest papers out this morning.

- [Economic Policy Challenges for the Age of AI](#)
- [Health Inequality and Economic Disparities by Race, Ethnicity, and Gender](#)
- [Perry Preschool at 50: What Lessons Should Be Drawn and Which Criticisms Ignored?](#)
- [Of Markets and Marriages: A Multidisciplinary, Multibook Review Essay of Recent Work on the Causes of U.S. Poverty](#)