



ECONOMIC UPDATE

June 17, 2024

This Week in Focus

Last week the JEC Dems analyzed the latest inflation data, which showed that prices remained unchanged in May following the 0.3% increase in April. Grocery costs were unchanged in May, a welcome sign for families who have faced higher prices for food in recent years. In response to this welcome news and the stable labor market, JEC Chairman Heinrich [called](#) on the Federal Reserve to lower interest rates as they are holding back small business growth, hurting workers, and worsening the housing crisis.

Despite these restraints, the JEC Dems recently [found](#) the number of small businesses has been growing faster under President Biden than under former President Trump thanks to the economic recovery and key infrastructure policies passed by Democrats in Congress. Small business growth is important for the U.S. economy, providing jobs people can raise a family on and making sure there are economic opportunities in every community.

JEC Resources

- [Small Business Growth is Booming Under Democrats, Far Faster than Growth Under Trump](#)
- [Flooding Costs the United States Between \\$179.8 and \\$496.0 Billion Each Year](#)
- (EN) – [ICYMI: The Biden Administration Just Took Massive Steps to Protect Workers and the Climate](#)
 - (ES) – [ICYMI: La Administración Biden Acaba de Dar Pasos Enormes Para Proteger A los Trabajadores y el Clima](#)

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, June 18th:

- **Retail Sales:** The consensus forecast predicts **total sales** rose by **0.3%** in May, **sales minus automobiles** rose by **0.2%**, and **control sales** rose by **0.3%**.
- **Industrial Production:** The consensus forecast predicts **total production** and **manufacturing** both increased by **0.3%** in May.

Thursday, June 20th:

- **Jobless Claims:** The consensus forecast is for weekly jobless claims to fall to **234k** from **242k**.
- **Housing Starts:** The consensus forecast is for **housing starts** to increase to **1,380k** from **1,360k** while **permits** are expected to increase to **1,460k** from **1,440k**.

What You Need to Know

- Smaller [businesses](#) are starting to explore how to use **generative AI** as large businesses have already begun to adopt it.

- **The U.S. Supreme Court** ruled against the [NLRB](#) in a suit over efforts to **unionize a Starbucks** in **Memphis, Tennessee**.
- **Lower hiring numbers** are particularly hitting recent college [graduates](#) trying to get **entry-level** jobs.
- **Treasury officials** are announcing a **strategy** to crack down on [basis](#) shifting.
- **The Federal Reserve** signaled last week that it will likely [cut](#) interest rates only once or twice this year, though recent cooler inflation data may accelerate the pace of cuts.

What to Watch This Week

Tuesday, June 18th

- **Senate Commerce, Science, and Transportation Committee**, [Business meeting to consider S.4207, to reauthorize the spectrum auction authority of the Federal Communications Commission](#) at 10:00 am (EDT).
- **Senate Finance Committee**, [Hearings to examine work and Social Security Disability benefits, focusing on addressing challenges and creating opportunities](#) at 10:00 am (EDT).
- **Senate Appropriations Committee**, [Hearings to examine unlocking Department of Transportation financing for more transit-oriented housing development](#) at 10:00 am (EDT).

Thursday, June 20th

- **Senate Health, Education, Labor, and Pensions Committee**, [Hearings to examine the immediate and long-term challenges facing public school teachers, focusing on low pay, teacher shortages, and underfunded public schools](#) at 9:00 am (EDT).

What to Read From the Think Tank World

- The Council of Economic Advisers (CEA) released blogs on how growth in digitally-enabled services exports drives the U.S. services trade [surplus](#) and how wage [growth](#) has beat price growth for 15 months in a row.
- [The Economic Policy Institute \(EPI\)](#) highlighted how more states have strengthened child labor laws than weakened them in 2024.
- [The Brookings Institution](#) covered how U.S. cities are using federal American Rescue Plan funds to tackle housing affordability, finding that as of the end of December 2023, large U.S. cities and counties have used Coronavirus State and Local Fiscal Recovery Funds program to invest \$6.7 billion towards housing.
- [The National Women’s Law Center \(NWLC\)](#) released data on the demographics of workers in tipped occupations by state.
- [The Center for American Progress \(CAP\)](#) released recommendations for reauthorizing the Workforce Innovation and Opportunity Act (WIOA), guided by focusing on the needs of workers; encouraging fair pay; providing supportive services; ensuring diversity, equity, inclusion, and accessibility; promoting skills and career advancement; and using evidence-based decision-making.

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.

- [Extraordinary Labor Market Developments and the 2022-23 Disinflation](#)
- [Political Connections, Allocation of Stimulus Spending, and the Jobs Multiplier](#)
- [Preschool Lottery Admissions and Its Effects on Long-Run Earnings and Outcomes](#)
- [Effects of the Expansion of the Earned Income Tax Credit for Childless Young Adults on Material Wellbeing](#)