



## ECONOMIC UPDATE

November 6, 2023

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### This Week in Focus

Last Friday's employment report showed that job growth continued in October—the 33<sup>rd</sup> month of growth under President Biden—as the economy added 150,000 jobs and unemployment rose slightly to 3.9%. The sectors that saw the most gains were health care, government, social assistance, construction, and leisure and hospitality. The U.S. economy has gained nearly 14 million jobs under President Biden—the fastest job growth in history.

As Republicans continue to threaten IRS funding across their spending proposals, the JEC Dems released a [brief](#) highlighting how cutting IRS funding makes it easier for the wealthy to cheat on their taxes and increases the budget deficit. Maintaining IRS funding is crucial to ensure a fair tax system and is sound economics, with one recent paper finding that every \$1 spent making sure the wealthiest Americans pay their taxes leads to \$12 in returns. The Senate Budget Committee will explore this topic in a [hearing](#) on Wednesday, and Senate Finance holds a [hearing](#) on Thursday about tax avoidance among wealthy Americans.

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### JEC Resources

- [Cutting IRS funding makes it easier for the wealthy to cheat on their taxes and increases the budget deficit.](#)
- [JEC Chairman Heinrich Statement on October Jobs Report.](#)
- [Growing the economy of the future: job training for the clean energy transition.](#)
- [Undermining the Consumer Financial Protection Bureau would harm Americans' financial security.](#)
- [Sustained child care funding is critical to support families and the U.S. economy.](#)

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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, November 7:** International trade – The consensus forecast is that the U.S. **trade deficit** in **September** rose from **\$58.5 billion** to **\$60 billion**.
- **Tuesday, November 7:** Consumer credit – The consensus forecast is that the **stock of consumer credit** in **September** rose by **\$9 billion**.
- **Thursday, November 9:** Jobless claims – The consensus forecast is for weekly jobless claims to rise to **220K** from last week's **217K**.

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### What You Need to Know

- This summer's **tight job market** led to big gains for [workers with disabilities](#).
- The number of people [leaving their jobs](#) is **declining** as the labor market cools.
- More people **working from home** has led to [faster commutes](#) for workers across the country.

- Slower but steady **job growth** saw [public-sector hiring](#) return to pre-pandemic levels and reassured investors on Wall Street that the Federal Reserve is done tightening monetary policy.

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## What to Watch This Week

### Tuesday

- **Senate Commerce, Science, and Transportation Committee**, [Hearings to examine sustainable tourism for a thriving economy](#) at 10:00 am (EST).

### Wednesday

- **Senate Homeland Security and governmental Affairs Committee**, [Hearings to examine the philosophy of AI, focusing on learning from history and shaping our future](#) at 9:30 am (EST).
- **Senate Environment and Public Works Committee**, [Hearings to examine accessing clean water infrastructure assistance, focusing on small, rural, disadvantaged and underserved communities](#) at 10:00 am (EST).
- **Senate Budget Committee**, [Fairness and Fiscal Responsibility: Cracking Down on Wealthy Tax Cheats](#) at 10:00 am (EST).

### Thursday

- **Senate Energy and Natural Resources Committee**, [Hearings to examine the implementation of federal coal mine land reclamation and abandoned coal mine land economic revitalization programs](#) at 10:00 am (EST).
- **Senate Finance Committee**, [Hearings to examine how the tax code affects high-income individuals and tax planning strategies](#) at 10:00 am (EST).

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## What to Read From the Think Tank World

- The Council of Economic Advisers (CEA) released reports on [reducing racial employment and unemployment gaps](#), [the retirement security rule](#), and [consumer spending](#).
- [Liberty Street Economics](#) at the Federal Reserve Bank of New York gave an update on banking system vulnerability.
- [The Economic Policy Institute \(EPI\)](#) highlighted how access to paid sick leave has expanded through state action.
- [The Washington Center for Equitable Growth](#) demonstrated how public investments can help mitigate unintended consequences of raising child care workers' wages, similar to the minimum wage.
- [The Center on Budget and Policy Priorities \(CBPP\)](#) analyzed the U.S. Department of Agriculture's annual report on food security, finding 44.2 million people in the U.S. could not afford enough food to eat at some point in 2022.
- [The Century Foundation \(TCF\)](#) released results of their recent polling, finding 62% of Americans believe that addressing the child care cliff should be a top priority for federal policymakers.

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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.*

- [Fiscal Influences on Inflation in OECD Countries, 2020-2022](#)
- [A Tale of Two Fields? STEM Career Outcomes](#)
- [Tax Policy and the Heterogeneous Costs of Homeownership](#)
- [Partisan Traps](#)