



ECONOMIC UPDATE

May 20, 2024

This Week in Focus

Last week, new Consumer Price Index data featured welcome news that the cost of groceries fell during the month of April. While a promising development, JEC Chairman Heinrich joined a [letter](#) with Senate colleagues to push the Biden administration to take greater executive action to push down food costs and reduce corporate concentration in this sector. Sustained government action can help cut families' grocery bills while taking on corporate power.

Looking internationally, the JEC Dems also released an [issue brief](#) on how the recently renewed Compacts of Free Association (COFAs) support U.S. economic, national security, and climate goals. This formal relationship between the United States and the Marshall Islands, the Federated States of Micronesia, and Palau increases security and environmental cooperation in the Indo-Pacific region while allowing citizens of these countries to live and work in the United States. The JEC Dems also updated the state-by-state data tool and interactive map with employment data for April. Check out the data for your state [here](#).

JEC Resources

- [How the Renewed Compacts of Free Association Support U.S. Economic, National Security, and Climate Goals](#)
- [State by State Data: April Employment Data](#)
- [ICYMI: The Biden Administration Just Took Massive Steps to Protect Workers and the Climate](#)
- [Protecting Groundwater is Essential for Our Country and Economy](#)
- [Fact Sheet: The Manufacturing Renaissance That Will Drive the Economy of the Future](#)

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.

Wednesday, May 22nd:

- **The minutes from this month's FOMC Meeting** will be released.

Thursday, May 23rd:

- **Jobless Claims:** Jobless claims are expected to fall marginally from **222K last week** to **220K this week**.
- **New Home Sales:** The consensus forecast is for new home orders in **April** to have fallen to **675K** from **693K** in **March**.

Friday, May 24th:

- **Durable Goods Orders:** **Durable Goods Orders** in April are expected to have fallen **0.8%** and increased **0.1% ex-transportation**.

What You Need to Know

- President's Biden [tariffs](#) on **Chinese EVs** will have a limited impact on prices in the United States because we currently import **almost no Chinese EVs**.
- On the other hand, Trump's proposals to **massively increase tariffs** on all goods produced outside the U.S. will likely **increase prices** because they apply to many important goods.
- A **union election** at two Mercedes-Benz plants in Alabama **failed** on Friday, a **setback** in the UAW's drive to unionize Southern auto plants.
- **Home prices** in Texas and Florida have started to [fall](#), driven by a recent **increase** in home **construction**.
- **Economists predict** Donald Trump's proposed [immigration](#) policies could **devastate** the job market and spur inflation.

What to Watch This Week

Tuesday, May 21st

- **Senate Judiciary Committee**, [Hearings to examine competition in the prescription drug market, focusing on ensuring affordable and accessible medications](#) at 10:00 am (EDT).
- **Senate Energy and Natural Resources Committee**, [Hearings to examine the opportunities, risks, and challenges associated with growth in demand for electric power in the United States](#) at 10:00 am (EDT).
- **Senate Finance Committee**, [Hearings to examine child savings accounts and other tax-advantaged accounts benefiting American children](#) at 10:00 am (EDT).
- **Senate Finance Committee**, [Hearings to examine trade enforcement and entry of merchandise at U.S. ports](#) at 2:30 pm (EDT).

Wednesday, May 22nd

- **Senate Environment and Public Works Committee**, [Hearings to examine Federal programs for the circular economy, focusing on state and local perspectives on efforts to improve reuse and recycling](#) at 10:00 am (EDT).
- **Senate Budget Committee**, [Hearings to examine water scarcity in a changing climate](#) at 10:30 am (EDT).
- **Senate Banking, Housing, and Urban Affairs Committee**, [Hearings to examine protecting consumers' pocketbooks, focusing on lowering food prices and combatting corporate price gouging and consolidation](#) at 2:30 pm (EDT).
- **Senate Finance Committee**, [Hearings to examine rural health care, focusing on supporting lives and improving communities](#) at 10:00 am (EDT).

Thursday, May 23rd

- **House Budget Committee**, [Breaking Up Health Care Monopolies: Examining the Budgetary Effects of Health Care Consolidation](#) at 10:00 am (EDT).

What to Read From the Think Tank World

- The Council of Economic Advisers (CEA) released resources making sense of [unemployment claims](#) as a signal of the strength of the labor market, highlighting strong labor market [outcomes](#) for Black Americans, and emphasizing the [importance](#) of Historically Black Colleges and Universities (HBCUs) in the higher education and economic mobility of Black Americans and the ways in which the Biden-Harris administration has supported them.
- [The Economic Policy Institute \(EPI\)](#) showed how average wages have surpassed inflation for 12 straight months.
- [The Center for American Progress \(CAP\)](#) demonstrated how unions give workers a voice over how AI affects their jobs.

- [The Center for Economic and Policy Research \(CEPR\)](#) detailed how the student debt crisis would likely worsen under a second Trump administration.
- [The Pew Research Center](#) found half of Latinas say Hispanic women's situation has improved in the past decade and that they expect more gains.

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.

- [Unions, Wages, and Hours](#)
- [What Went Wrong with Federal Student Loans?](#)
- [A Flexible Model of Food Security: Estimation and Implications for Prediction](#)
- [Inflation's Impact on American Households](#)