



ECONOMIC UPDATE

June 12, 2023

This Week in Focus

Inflation data out tomorrow is expected to show that the pace of inflation continues to slow on an annual basis as a result of falling gas and grocery prices. On Wednesday, the Federal Reserve will announce its decision on whether to raise interest rates. Given the steady labor market growth and cooling inflation, some Fed watchers [anticipate](#) that the Fed's rate setting committee may decide to hold rates steady this week before determining if further increases are needed when they meet again in July.

JEC Resources

- [Climate Change Makes Air Quality Worse Across The Country, With Devastating Effects On Our Health](#)
- [The EPA's New Standards For Fossil Fuel Power Plants Will Improve Public Health While Tackling The Climate Crisis](#)
- [AANHPI Heritage Month: An Economic Snapshot](#)

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 13:** Consumer Prices - The consensus forecast is that the headline consumer price index rose by 0.2% in May and the core rose by 0.4%.
- **Wednesday, June 14:** FOMC Announcement - The consensus forecast is that the Federal Open Market Committee (FOMC) will vote to hold rates steady.
- **Thursday, June 15:** Weekly Jobless Claims - The consensus forecast is that initial jobless claims fell to 250,000 for the week ending June 10, down from last week's 261,000.
- **Friday, June 16:** State employment data – The Bureau of Labor Statistics is scheduled to release state-level employment data. The JEC Democratic Staff will produce fact sheets using these data that can be found on our website.

What You Need to Know

- **Following the debt ceiling agreement, Republican lawmakers released a series of proposed tax cuts that would help corporations lower their taxes and limit tax credits for EVs.** On Friday of last week House Republicans [released](#) a series of proposed tax cuts that would revive tax cuts for corporations and place limits on EV tax credits.

- **Some lawmakers are urging the administration to come up with an alternative student debt forgiveness plan.** A number of lawmakers are pressing the Biden administration to [compile](#) an alternative plan to cancel student debt given the Supreme Court could soon strike down the White House's original student loan forgiveness program.
- **A new study reports that the Inflation Reduction Act could give domestic producers a 30% cost advantage for key clean energy inputs.** New [research](#) indicates that the incentive targeted at U.S. manufacturers under the Inflation Reduction Act [makes](#) solar panels over 30% less expensive to produce than imports.

What to Watch This Week

Tuesday

- **Senate Banking, Housing, and Urban Affairs, [Hearings to examine the Consumer Financial Protection Bureau's Semi-Annual Report to Congress](#) at 10:00am (EDT)**
- **Senate Banking, Housing, and Urban Affairs, Housing, Transportation, and Community Development Subcommittee, [Hearings to examine the state of Native American housing](#) at 2:30 PM (EDT)**

Wednesday

- **Senate Committee on Finance, [Hearings to examine anti-poverty and family support provisions in the tax code](#) at 10:00 AM (EDT)**

What to Read From the Think Tank World

- The Council of Economic Advisers (CEA) says [grocery inflation](#) is finally showing signs of cooling, and reported on how improvements in [supply chains](#) have helped ease goods inflation.
- The Institute on Taxation and Economic Policy discusses a trio of [Republican tax bills](#) released on Friday that are heavily skewed to benefit the wealthy.
- The Center on Budget and Policy Priorities (CBPP) calls for the [pass-through deduction](#) to expire as scheduled, and calls for [expanding the CTC](#) as a part of any upcoming tax legislation.
- Tax Policy Center explains how [expanding the CTC](#) provides more effective inflation relief than a higher standard deduction.
- Brookings says [high mortgage rates](#) are likely here to stay.

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.

- [Do Green Users Become Green Voters?](#)
- [The Economic Determinants of Heat Pump Adoption](#)
- [Pandemic-Era Changes to Medicaid Enrollment and Funding: Implications for Future Policy and Research](#)