ECONOMIC UPDATE
October 25, 2019

Quote of the week

"Market stability should not be the subject of a tweet here or a tweet there. It requires consideration, thinking, quiet and measured and rational decisions."—Christine Lagarde

What you need to know

- Sales of existing homes fell in September, with most of the declines in the Midwest.

- Orders for long lasting goods dropped in September, providing more evidence of a cooldown in business investment.

- Over a month into the G.M. strike, autoworkers are voting this week on whether to accept a new contract. The Chicago Teachers Union Strike has continued for over a week.

- According to a report by McKinsey, 60% of the banking sector worldwide is returning profits below the cost of equity and would face severe challenges in a downturn.

- Financial firms are "laying the early groundwork" for the privatization of Fannie Mae and Freddie Mac after over a decade of government conservatorship, a move supported by the Trump administration.

Happening the week of October 28, 2019

- *Monday:* Census publishes the September trade deficit for goods.

- *Tuesday:* The Conference Board releases the October Consumer Confidence Index. The S&P updates the Case-Shiller Home Price Index and the National Association of Realtors releases new pending home sales numbers.

- *Tuesday-Wednesday*: The Federal Reserve's Open Market Committee (FOMC) will meet to decide whether to lower interest rates. The decision will be announced through a written statement from the committee and remarks from Chairman Powell on Wednesday afternoon.

- *Wednesday:* The Bureau of Economic Analysis (BEA) releases its first estimate of GDP in the third quarter.

- *Thursday:* Brexit deadline. The BEA releases personal income data and the PCE index.

- *Friday*: Jobs Day: the Bureau of Labor Statistics releases October jobs numbers. The Institute for Supply Management releases the October ISM Manufacturing Report, and the Census Bureau releases the September 2019 Monthly Construction Spending Report.
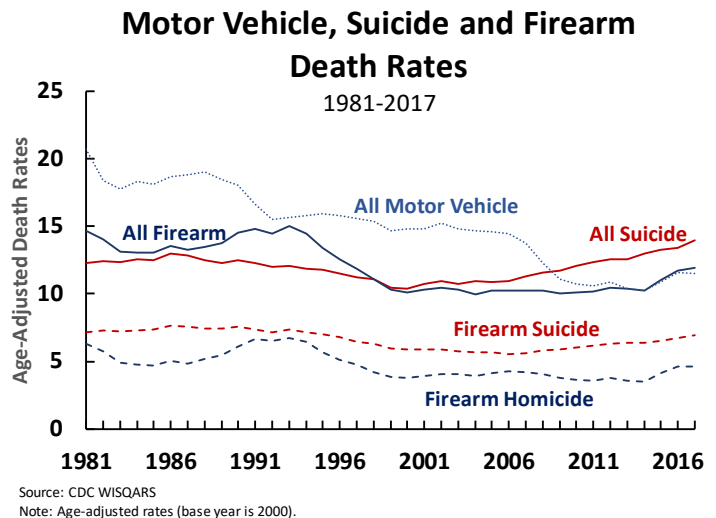
Good reads

- "[Christine Lagarde on the Global Economy: We Are All in This Together](#)," *60 Minutes* 10/20/2019

- "[In a Strong Economy, Why Are So Many Workers on Strike?](#)" *New York Times*, 10/19/2019

- "[C.E.O.s Are Anxious About the Economy. That's Bad for Stocks.](#)" *New York Times*, 10/24/2019

Chart of the week

The suicide rate in the United States rose by about 30 percent over the past 20 years, which could be correlated with economic distress due to mortgage defaults and rising unemployment as a result of the recessions of the early 2000s and 2007-2009.

Despite the subsequent economic recovery, suicide rates have continued to climb. Rates for youth and young adults have increased in recent years. Of the more than 47,000 suicides in the United States in 2017, over half were by gun.

Motor Vehicle, Suicide and Firearm Death Rates
1981-2017

Source: CDC WISQARS
Note: Age-adjusted rates (base year is 2000).

New research and reports

- The Joint Economic Committee Democratic staff released *[Guns and Suicide](#)*, a report linking access to guns to a suicide epidemic in the United States. The JEC also released [State Economic Snapshots](#) for each of the 50 states.

- Researchers at the University of Chicago estimate that more than [92% of the tariffs on goods imported from China are being paid by American businesses](#) in the form of higher prices.

- Research into occupational licensing found that, while licensed workers can earn 16% more per hour, [occupational licensing reduces welfare for both consumers and workers by about 12%](#).

Selected JEC resources

- *[The Economic State of the Latino Community in America](#)*

- *[U.S. Economy by the Numbers](#)*

- *[The Risk of Rising Corporate Debt](#)*

- *[Retirement Insecurity](#)*

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