



## ECONOMIC UPDATE

June 10, 2024

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### This Week in Focus

This morning the JEC Dems published a new [report](#) estimating that flooding—from overflowing rivers, rising coastal waters, or flash floods—costs the United States between \$179.8 and \$496 billion each year in 2023 dollars. Climate change increases the threat of these disasters in both inland and coastal communities. Recent strings of deadly flooding years in states like Vermont, California, and Kentucky—along with higher threats of future floods—underscores the massive costs of flooding and climate inaction.

This Wednesday at 3:00 pm EDT the JEC Dems will be holding a [hearing](#) titled “Made in America: The Boom in U.S. Manufacturing Investment.” The hearing will be held in room G-50 in the Dirksen Senate Office Building and will include witnesses from Array Technologies and Employ America. On the data front, we will get new CPI inflation data on Wednesday that is expected to show muted price increases, and the Federal Reserve is expected to announce they will keep interest rates where they are. While the rate decision is expected, the news focus will be on what Fed Chair Powell signals about the timing of future rate cuts later this year.

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### JEC Resources

- [Flooding Costs the United States Between \\$179.8 and \\$496.0 Billion Each Year](#)
- [How the Renewed Compacts of Free Association Support U.S. Economic, National Security, and Climate Goals](#)
- (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](#)
- [Protecting Groundwater is Essential for Our Country and 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.*

#### Wednesday, June 12<sup>th</sup>:

- **Consumer Price Index (CPI):** The consensus forecast predicts **CPI** increased by **0.1%** while **core CPI** increased by **0.3%**.
- **FOMC Policy Announcement:** The FOMC is likely to keep rates where they are and reiterate that clearer progress on inflation is needed to begin easing rates.

#### Thursday, June 13<sup>th</sup>:

- **Jobless Claims:** The forecast is for weekly jobless claims to fall to **225k** from last week's **229k**.
- **Producer Price Index (PPI):** The consensus forecast predicts **PPI** increased by **0.1%** while **core PPI** increased by **0.3%**.

#### Friday, June 14<sup>th</sup>:

- **Import Prices:** The consensus forecast predicts a small **0.1%** increase in overall import prices in May.
- **Consumer Sentiment:** The consensus forecast for the University of Michigan's Consumer Sentiment survey index predicts the preliminary estimate for June will be **73.0**, above the latest May reading of **69.1**.

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## What You Need to Know

- A two-year pause on [tariffs](#) on **Chinese solar panels** ended Thursday as President Biden seeks to help grow **American solar manufacturing**.
- Softening **consumer spending** is leading companies to begin to **lower prices** and offer **more discounts**.
- Purchasing [incentives](#) for **cars** have also begun to return following **increased demand** for cars during the pandemic.
- Predictions of a [recession](#) due to current high interest rates have **still failed to materialize**, in large part due to a **strong job market**.
- Some economic [indicators](#) are starting to **diverge slightly** for high- and low-income Americans as **consumer spending** softens but **asset prices** remain high.

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## What to Watch This Week

### Wednesday, June 12th

- **Senate Health, Education, Labor, and Pensions Committee**, [Hearings to examine the Workforce Innovation and Opportunity Act, focusing on supporting efforts to meet the needs of youth, workers, and employers](#) at 10:00 am (EDT).
- **Senate Budget Committee**, [Hearings to examine making Wall Street pay its fair share, focusing on raising revenue and strengthening our economy](#) at 10:00 am (EDT).
- **Senate Health, Education, Labor, and Pensions Committee**, [Hearings to examine building our critical minerals workforce](#) at 2:30 pm (EDT).
- **Joint Economic Committee**, [Hearings to examine the boom in U.S. manufacturing investment](#) at 3:00 pm (EDT).

### Thursday, June 13<sup>th</sup>

- **House Financial Services Committee**, [The Semi-Annual Report of the Bureau of Consumer Financial Protection](#) at 10:00 am (EDT).
- **House Budget Committee**, [Medicare and Social Security: Examining Solvency and Impacts to the Federal Budget](#) at 10:00 am (EDT).
- **House Energy and Commerce Committee**, [Securing America's Critical Materials Supply Chains and Economic Leadership](#) at 10:30 am (EDT).

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## What to Read From the Think Tank World

- The Council of Economic Advisers (CEA) released reports on foreign direct [investment](#) in U.S. clean energy manufacturing and the [shares](#) of industries contributing to job gains and losses as well as [remarks](#) by CEA Chair Bernstein at the 2024 China-U.S. Symposium.
- Several groups analyzed Friday's Jobs Day report, including the [Economic Policy Institute \(EPI\)](#) and the [Center for Economic and Policy Research \(CEPR\)](#).
- [The Center for American Progress \(CAP\)](#) found permanently extending the Trump tax cuts would increase upward pressure on the debt ratio by more than 50%.
- [The Committee for a Responsible Federal Budget \(CRFB\)](#) found that, despite Republicans' claims that these tax cuts will pay for themselves, these tax cuts would only pay for 1-14% of the cost of extension.

- [The National Women’s Law Center \(NWLC\)](#) published a report on state child care policies in 2023, examining income eligibility limits, waiting lists, copayments, payment rates for providers serving families receiving assistance, and eligibility for parents searching for a job.

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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. These offer an early look at the latest academic research findings. These are our selected recommendations from the latest papers out this morning.*

- [Employment and Labor Supply Responses to the Child Tax Credit Expansion: Theory and Evidence](#)
- [Tasks and Black-white Inequality over the Long Twentieth Century](#)
- [Automation and Rent Dissipation: Implications for Wages, Inequality, and Productivity](#)
- [Place-Based Economic Development and Long-Run Firm Employment and Sales: Evidence from American Indian Reservations](#)