



ECONOMIC UPDATE

September 5, 2023

This Week in Focus

The Senate returns from August recess this week to a strong economy, though there are new signs that the labor market is beginning to cool down. Last Friday, the Bureau of Labor Statistics reported that nonfarm payroll employment increased by 187,000 in August while unemployment ticked up slightly to 3.8%, largely because more workers entered the labor market and started looking for jobs.

In the last month, the United States celebrated both the one-year anniversary of the Inflation Reduction Act (IRA) and the continued trend of lower inflation each month. Earlier in August, the JEC Democrats released [new data](#) on how transformational the IRA has been both [nationally](#) and at the [state level](#).

JEC Resources During Recess

- [JEC Chairman Heinrich on the August Jobs Report.](#)
- [Joint Economic Committee, Senate Democrats Release New Data Ahead of Inflation Reduction Act Anniversary.](#)
- [State by State Fact Sheets: July Employment Data.](#)
- [Inflation Reduction Act Anniversary Resources: National and State-by-State Data.](#)
- [The Mounting Costs of Extreme Heat.](#)
- [Relieving Student Debt & Growing Our Middle Class.](#)

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.

- **Thursday, September 7:** This week's **jobless claims** are expected to **rise to 234k** from last week's **228k**.

What You Need to Know

- The **cost per patient of Medicare** [has stopped](#) growing over the last decade.
- The **costs of child care** are [about to increase](#) as pandemic relief funds end.
- A **boom in electric vehicle production** is driving billions of dollars of [investment in new factories](#) across the South.
- The **pace of hiring** has slowed, [but layoffs have not increased](#) as the job market cools.
- **Higher deficits** are not leading to the [inflationary pressures](#) expected by some economists.
- **Payroll job gains** in August were down and the [unemployment rate increased](#) as more workers entered the labor market.

What to Watch This Week

Thursday

- **Senate Banking, Housing, and Urban Affairs Committee**, [Hearings to Examine Perspectives on Challenges in the Property Insurance Market and the Impact on Consumers](#) at 10:00 am (EDT).
- **Senate Energy and Resources Committee**, [Hearings to examine recent advances in artificial intelligence and the Department of Energy's role in ensuring United States competitiveness and security in emerging technologies](#) at 10:00 am (EDT).
- **Senate Environment and Public Works committee**, [Hearings to examine implementing IJJA, focusing on perspectives on the Drinking Water and Wastewater Infrastructure Act](#) at 10:00 am (EDT).

What to Read From the Think Tank World

- Groups analyzed the August jobs report, including [The Council of Economic Advisers](#) (CEA) and the [Economic Policy Institute](#) (EPI).
- [The Hamilton Project](#) at the Brookings Institution highlighted the role of prime-age women (ages 25 to 54) in the labor market recovery.
- [The Center on Budget and Policy Priorities](#) (CBPP) demonstrated how the government's pandemic response turned a would-be poverty surge into a record poverty decline.
- [The Center for American Progress](#) (CAP) covered how investing in workers and growing the labor supply can further erase inflation, boost economic growth, and grow the middle class.
- [The Pew Research Center](#) studied Black workers' views and experiences in the U.S. labor force.

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.

- [From Addiction to Aggression: The Spillover Effects of Opioid Policies on Intimate Partner Violence.](#)
- [Greed? Profits, Inflation, and Aggregate Demand.](#)
- [Distributional Equity in the Employment and Wage Impacts of Energy Transitions.](#)
- [“Invisible Killer”: Seasonal Allergies and Accidents.](#)