



ECONOMIC UPDATE

February 5, 2024

This Week in Focus

Last Friday's release of employment data for January exceeded expectations as a whopping 353,000 jobs were added to the U.S. economy while unemployment held steady at 3.7%. This is the 36th month of continued job growth under President Biden, as workers and families continue to see the benefits of a strong labor market despite the risks from the Federal Reserve's continued high interest rates. The JEC Dems also [estimated](#) the number of children who would benefit from the Child Tax Credit expansion in each congressional district. Learn more about the benefits for children in your district or state [here](#).

Join the JEC Dems this Thursday for a briefing with the authors of the Economics Chapter of the Fifth National Climate [Assessment](#) from 1:00-2:00 pm EST. This an opportunity to learn more about the National Climate Assessment and about climate risks to households and businesses, climate change impacts on insurance and housing markets, and the fiscal implications of climate. Please [register here](#) to attend the briefing and submit any questions you might have about this topic ahead of time.

JEC Resources

- [JEC Chairman Heinrich's Statement on the January Jobs Report](#)
- [The Child Tax Credit Expansion in the Bipartisan Tax Bill Will Help Kids in Every State and Congressional District](#)
- [Addressing Rural Health Worker Shortages Will Improve Population Health and Create Job Opportunities](#)
 - (ES): [Afrontar la escasez de trabajadores de salud rural mejorará la salud de la población y creará oportunidades de empleo](#)
- [The Clean Energy Transition Motivates Innovation and Recycling in Critical Mineral Supply Chains](#)

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, February 7

- **International trade:** The consensus forecast is for the overall trade deficit to fall to **\$62.2B** from **\$63.2B**.

Thursday, February 8

- **Jobless Claims:** The consensus forecast is for weekly jobless claims to fall to **220K** from **224k**.

Friday, February 9

- **CPI Revisions:** The BLS will release new seasonally-adjusted CPI data for January 2019 through December 2023.

What You Need to Know

- Fed Chair **Jerome Powell** made it clear both in remarks after last week's Fed meeting and during a Sunday interview with [60 Minutes](#) that he does not expect the Fed to start cutting rates in March, which pushes the likely start of the rate cutting cycle to the Fed's meeting in May.
- A new **working paper** published in the NBER found that Trump-era [tariffs failed to create jobs](#).
- **Economists** researching the [discrepancy](#) in the **number of new jobs** in the household and the payroll surveys suspect the difference comes from an **undercount** of the U.S. population.
- **Home prices** began to [increase](#) again in **December**.
- The **OECD's Pillar II 15% minimum corporate** tax deal recently **went into effect**, but the United States has yet to sign up.

What to Watch This Week

Tuesday, February 6

- **House Science, Space, and Technology Committee**, [Federal Science Agencies and the Promise of AI in Driving Scientific Discoveries](#) at 10:00 am (EST).
- **House Financial Services Committee**, [The Annual Report of the Financial Stability Oversight Council](#) at 10:00 am (EST).

Wednesday, February 7

- **House Ways and Means Committee**, [Advancing America's Interests at the World Trade Organization's 13th Ministerial Meeting](#) at 9:00 am (EST).

Thursday, February 8

- **Senate Banking, Housing, and Urban Affairs Committee**, [Hearings to examine the Financial Stability Oversight Council Annual Report to Congress](#) at 9:00 am (EST).
- **Senate Health, Education, Labor, and Pensions Committee**, [Hearings to examine the cost of prescription drugs](#) at 10:00 am (EST).
- **Senate Finance Committee**, [Hearings to examine Artificial Intelligence and Health Care, focusing on promise and pitfalls](#) at 10:00 am (EST).

What to Read From the Think Tank World

- [The Council of Economic Advisers \(CEA\)](#) analyzed the January employment report, digging into the data and providing a cautionary tale on reading too much into one month of survey data.
- [The Economic Policy Institute \(EPI\)](#) released a Family Budget Calculator that estimates the resources families need to make ends meet in the U.S., helping to set a living wage standard.
- [The Center on Budget and Policy Priorities \(CBPP\)](#) found Social Security lifts more people above the poverty line than any other program, including 16.5 million people ages 65 and older and 900,000 children.
- [The Brookings Institution](#) detailed how the Consumer Price Index accounts for the cost of housing, noting that housing makes up one-third of the market basket of goods and services used, is difficult to get timely and quality data for, yet was a driver of high inflation in 2022 and 2023.

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.

- [Immigration Enforcement and Public Safety](#)
- [Whatever-It-Takes Policymaking during the Pandemic](#)
- [Lives vs. Livelihoods: The Impact of the Great Recession on Mortality and Welfare](#)