



## ECONOMIC UPDATE

April 17, 2023

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### This Week in Focus:

Welcome back from the State Work Period and don't forget to file your taxes tomorrow. The JEC and many, many others will have lots to say about the tax code this week.

GOP brinksmanship over the debt ceiling will be returning as well. If they choose to focus on SNAP cuts, the Senate Agriculture, Nutrition, and Forestry Committee [hearing](#) on Wednesday should provide a dose of reality.

Meanwhile, last week's data support the view that we have turned the corner on inflation, with data from the Consumer Price Index showing promising trends for food, energy, and shelter costs. This reversal has helped change the public [discussion](#) around inflation since last year as well.

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### JEC Resources

- [State By State Fact Sheets: February Employment Data](#)
- [The Steep Costs of a Republican Default Crisis - State And District Data](#)
- [Despite Making Critical Contributions to The Labor Force, Women Face Obstacles to Economic Prosperity](#)
- [Women's Entrepreneurship Is Growing Rapidly](#)

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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, April 19:** Federal Reserve Beige Book - This qualitative survey conducted across the Fed's 12 business districts could offer some insights into the effect that recent upheaval in the banking sector has had on business activity and credit conditions.
- **Thursday, April 20:** Weekly Jobless Claims - The number of initial unemployment insurance claims is expected to be **240,000** for the week ending April 15, up from 239,000 the prior week.
- **Friday, April 21:** State-by-State Employment data – No forecasts for these numbers, but the JEC will distribute fact sheets highlighting the data from every state, D.C., and Puerto Rico on Monday, April 24<sup>th</sup>.

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## What You Need to Know

- **The Biden administration’s commitment to diversity is an important consideration in its search for Fed Vice Chair.** As the search for Lael Brainard’s successor at the Fed continues, considerations about diversity at the nation’s central bank [remain](#) an important one. Recent reporting suggest that Latino economists are on the list of potential candidates. If one is confirmed, this would be the first time that a Latino has served as a Fed governor or Fed president.
- **The United States and other G-7 members are trying to reduce their economic reliance on China.** The United States and its allies are [evaluating](#) their economic relationships with China, among concerns that Beijing could restrict the supply of key goods and materials in the event of a future pandemic or conflict and that unrestricted Western investment and expertise could help to develop China’s military strength.
- **The push for unionization continues.** Workers at Ben & Jerry’s flagship store in Vermont [filed](#) for a union election. If they vote to unionize, they will be the first at any of the company’s locations to do so.
- **GAO finds more evidence of IRS funding needs.** A recent report published by the Government Accountability Office [found](#) that one-third of the custom-built software applications which are critical to the Internal Revenue Service’s operations were dependent on outdated code or technology.
- **The need for tighter financial regulation remains.** A new analysis [shows](#) that financial regulators were right to step in to bolster the banking sector last month given the potential for systemic risk spilling over into other banks. While markets are now calmer, vulnerabilities remain that could be especially damaging to economically disadvantaged areas of the country that rely on bank lending to support small businesses and mortgage lending.

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## What to Watch This Week

### Tuesday

- [Senate Committee on Banking, Housing and Urban Affairs](#) – Nomination Hearing (several nominations including Dr. Jared Bernstein to be Chairman of the CEA)
- [Senate Committee on the Budget](#) – A Rigged System: The Cost of Tax Dodging by the Wealth and Big

### Wednesday

- [House Energy and Commerce](#) – Examining Existing Federal Programs to Build a Stronger Health Workforce and Improve Primary Care
- [Senate Agriculture, Nutrition and Forestry](#) – SNAP and Other Nutritional Assistance in the Farm Bill

### Thursday

- [Senate Special Committee on Aging](#) – Beyond the 9 to 5: Dismantling Barriers and Building Economic Resilience for Older Workers

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## What to Read From the Think Tank World

- The Center for American Progress says President Biden’s [tax proposals](#) would correct inequities created by the Trump tax cuts and raise additional revenues.

- The Tax Policy Center credits the IRS for thinking big about how to spend its [\\$80 billion boost](#) with the release of its strategic operating plan; the Tax Foundation also [has concerns](#).
- Equitable Growth [examines](#) the changing inflation narrative.
- Moody's Analytics says the banking system remains under [significant pressure](#) in the wake of SVB's collapse as interest rates continue to rise and economic growth slows.
- The Century Foundation says the [mifepristone ruling](#) threatens the FDA's independence and would have a disproportionate impact.

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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. 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.*

- [Should History Change The Way We Think About Populism?](#)
- [Consumption Segregation](#)
- [Local and National Concentration Trends in Jobs and Sales: The Role of Structural Transformation](#)

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