



ECONOMIC UPDATE

July 29, 2024

This Week in Focus

Last week, economic data showed the U.S. economy grew at a 2.8% annual rate in the second quarter, above expectations and double the rate seen during the first quarter of the year. Inflation data from last Friday also showed that price growth has slowed dramatically.

These readings, along with the broader trend of stabilizing growth and falling inflation will be front of mind for Federal Reserve policymakers when they meet to decide interest rate policy this week. Though they are not expected to cut rates at this week's meeting, market watchers are expecting Fed Chair Powell to signal rate cuts in September.

On Friday, new data on the health of the labor market will be released. Expectations are that the unemployment rate remained unchanged, while payrolls grew by 175,000 in July.

Programming note! The JEC Dems will not be publishing the Weekly Economic Update during August recess. Look for the next edition on September 9th. The JEC will keep publishing reports during August, so keep an eye on our [publications](#) page to stay up to date on our recent work. Just last week we released reports on how predatory [private equity](#) practices threaten Americans' health and the economy and how [fusion energy](#) could supercharge the economy.

JEC Resources

- [Fusion Energy Could Supercharge the Economy](#)
- [Predatory Private Equity Practices Threaten Americans' Health and the Economy](#)
- [State by State Data: June Employment](#)
- [Abortion Bans Harm Women's Reproductive Freedom and Cost Our Economy Billions of Dollars](#)
- [Incomes Are Rising Faster than Prices Throughout the Country](#)

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.

Tuesday, July 30th:

- **JOLTS Job Openings:** Job openings are predicted to have fallen to **8,055k** in June from **8,140k**.
- **Consumer Confidence:** The consensus forecast for the Conference Board's Consumer Confidence index projects the measure fell to **99.5** from **101.4**.

Wednesday, July 31st:

- **FOMC Policy Announcement:** The FOMC is likely to maintain rates.
- **Pending Home Sales:** Pending home sales are estimated to have increased by **1.5%** in June.

Thursday, August 1st:

- **Jobless Claims:** Jobless claims are expected to slightly increase to **236k** from **235k**.

Friday, August 2nd:

- **Employment Situation:** The consensus forecast predicts **nonfarm payrolls** increased by **175k** while the **unemployment rate** remains the same at **4.1%**. **Average hourly earnings** are again expected to increase by **0.3%**.

What You Need to Know

- A lack of affordable **child care** is **limiting** further labor market participation rate [gains](#) for **prime-age women**.
- **Low inflation** and strong levels of investment mean the next president is set to **inherit** a [booming](#) economy.
- More and more companies are being **forced** to **adjust operations** to **climate** change-driven extreme weather [events](#).
- **Homelessness** among those with [jobs](#) is on the **rise** as a lack of housing supply continues to drive rents up.
- A [slowdown](#) in **hiring** means that while the **labor market** remains **strong**, it is no longer the hottest labor market in a generation.

What to Watch This Week

Tuesday, July 30th:

- **Senate Finance Committee**, [Examining Tax Tools for Local Economic Development](#) at 10:00 am (EDT).
- **Senate Commerce, Science, and Transportation Committee**, [Examining Rural Opportunities, Focusing on Enabling Rural Businesses to Grow at Home While Competing Abroad](#) at 10:00 am (EDT).
- **Senate Banking, Housing, and Urban Affairs Committee's Economic Policy Subcommittee**, [Banning Noncompete Agreements: Benefits for Workers, Businesses, and the Economy](#) at 2:30 pm (EDT).

Wednesday, July 31st:

- **Senate Budget Committee**, [Charging Ahead: The Future of Electric Vehicles](#) at 10:00 am (EDT).
- **Senate Banking, Housing, and Urban Affairs Committee**, [Long-Term Economic Benefits and Impacts from Federal Infrastructure and Public Transportation Investment](#) at 10:00 am (EDT).

What to Read From the Think Tank World

- The [Council of Economic Advisers](#) found that real GDP beat expectations in the second quarter of the year, up 2.8 percent, powered by strong consumer spending, solid business investment, and a bounce back in inventory investment.
- The [Center on Budget and Policy Priorities](#) found that the long-term outlook for the Social Security trust funds has improved slightly, meaning that Social Security can pay full benefits for 11 more years while still facing significant, though manageable, funding shortfall afterwards.
- The [Brookings Institution](#) argued the Fed's implementation of its roles since the 2023 U.S. banking crisis caused substantial contradictions resulting in unnecessary financial instability, bailouts of creditors, slower economic growth, and greater income inequality.
- The [Center for American Progress](#) found the federal minimum wage has lost the ability to keep workers out of poverty as the minimum wage is worth nearly 30 percent less than it was 15 years ago and nearly 40 percent less than its peak value in 1968.
- The [Washington Center for Equitable Growth](#) analyzed hospital consolidation and found that rising health care prices can lead to job losses for U.S. workers.

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.

- [Changing Opportunity: Sociological Mechanisms Underlying Growing Class Gaps and Shrinking Race Gaps in Economic Mobility](#)
- [Estimating the Potential Impact of Combined Race and Ethnicity Reporting on Long-Term Earnings Statistics](#)
- [The Nexus between Long-term Care Insurance, Formal Care, Informal Care, and Bequests: The Case of Japan](#)
- [Taxing Capital in a Globalized World: The Effects of Automatic Information Exchange](#)