



ECONOMIC UPDATE

January 29, 2024

This Week in Focus

This Wednesday, the Federal Reserve's Federal Open Market Committee (FOMC) will hold a policy meeting where they are expected to leave interest rates unchanged. The Fed has signaled it will cut interest rates this year, but likely won't start cuts until March at the earliest. Though PCE inflation data last week was once again well within the Fed's target range of 2%, the central bank is likely waiting for additional evidence that inflation will not pick back up again. However, the Fed should be mindful of the risk that higher interest rates pose to workers.

This week we will also get new information on the state of the labor market on Friday when the Bureau of Labor Statistics releases employment data for January 2024. The consensus forecast is that the economy added 180,000 jobs in January while the unemployment rate stayed at 3.7%, which would both signal a strong a stable labor market that is back in balance.

JEC Resources

- [JEC Chairman Heinrich's Statement on Fourth Quarter GDP Growth](#)
- [The Clean Energy Transition Motivates Innovation and Recycling in Critical Mineral Supply Chains](#)
- [How Renewable Energy Can Make the Power Grid More Reliable and Address Risks to Electricity Infrastructure](#)
 - (ES): [Cómo la Energía Renovable Puede Fortalecer la Red Eléctrica y Atender a los Riesgos de la Infraestructura](#)
- [State by State Fact Sheets: December Employment Data](#)

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, January 30

- **Job Openings:** The consensus forecast is that the number of job openings fell to **8,709k** from **8,790k**.
- **Consumer Confidence:** The consensus forecast is for consumer confidence to have risen to **114** from **110.7**.

Wednesday, January 31

- **FOMC Meeting:** The Fed is expected **not** to raise interest rates.

Thursday, February 1

- **Jobless Claims:** The consensus forecast is for weekly jobless claims to fall to **210k** from last week's **214k**.

Wednesday, February 2

- **Employment:** The consensus forecast is that the U.S. added **180k** jobs in January, up from December's **216k**. The unemployment rate is expected to stay at **3.7%** while hourly earnings are expected to increase **0.3%**.

What You Need to Know

- Companies in **health care, tech, and finance**, among others, are starting to create **new chief A.I. executive roles**.
- The U.S. **economy grew** at a **3.3%** annualized rate in Q4 2023, despite high interest rates.
- Americans are continuing to **spend** down **pandemic savings**, though bank balances remain **higher than before the pandemic**.
- **Falling inflation** means that real interest rates (the interest rate minus the inflation rate) are now **higher**, which could encourage Fed **rate cuts** earlier this year.
- **Personal Consumption Expenditures** data for December shows the three- and six-month **inflation** rates **under the Fed's 2% target**.

What to Watch This Week

Tuesday, January 30

- **Senate Small Business and Entrepreneurship Committee**, [Pathways to Success: Supporting Entrepreneurs and Employees with Disabilities](#) at 10:00 am (EST).
- **House Science, Space, and Technology committee**, [From Risk to Resilience: Reauthorizing the Earthquake and Windstorm Hazards Reduction Programs](#) at 2:00 pm (EST).

Wednesday, January 31

- **Senate Banking, Housing, and Urban Affairs Committee**, [Hearings to examine Artificial Intelligence and housing](#) at 10:00 am (EST).
- **Senate Budget Committee**, [Hearings to examine expanding housing affordability](#) at 10:00 am (EST).
- **House Budget Committee**, [Creating a Culture of Fiscal Responsibility: Assessing the Role of the Congressional Budget Office](#) at 10:00 am (EST).

Thursday, February 1

- **Senate Banking, Housing, and Urban Affairs Committee**, [Hearings to examine scams and fraud in the banking system and their impact on consumers](#) at 10:00 am (EST).

What to Read From the Think Tank World

- The Council of Economic Advisers (CEA) released reports on the **strength** of the labor market across the country; 2024's record-high **enrollment** for health insurance under the Affordable Care Act (over 21 million people); and Friday's release of **GDP data**.
- Several groups analyzed the Bureau of Labor Statistics' data release on unions in 2023, including the **Economic Policy Institute (EPI)** and the **National Partnership for Women and Families**, noting the share of workers represented by unions was down from 11.3% in 2022 to 11.2% in 2023 yet Black women and Latinas saw increases in their union membership.
- **The Washington Center for Equitable Growth** found hospital consolidations may have harmful effects for Medicaid recipients seeking care, especially for those seeking birth-related hospital admissions.
- In honor of the 15th anniversary of the Lilly Ledbetter Fair Pay Act, **the National Women's Law Center** released a fact sheet on the wage gap for different groups of women and its root causes.

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.

- [Help for the Heartland? The Employment and Electoral Effects of the Trump Tariffs in the United States](#)
- [Policy Responses to Tax Competition: An Introduction](#)
- [Energy Transitions in Regulated Markets](#)