



ECONOMIC UPDATE

April 22, 2024

This Week in Focus

We hope you were able to join us for last week's staff briefing on climate risk and insurance! Dig in deeper and read our previously released [report](#) on the topic. Additionally, in celebration of Earth Day and National Park Week, check out some of our many reports on related topics: the [economic](#) and [health](#) benefits of public lands, the importance of innovation in critical [mineral](#) supply chains, and clean energy [workforce](#) training.

This Thursday, the JEC Dems will be analyzing the newly released data on the Gross Domestic Product (GDP) for Q1 of 2024, where the consensus is that it grew by 2.5%, building on the 3.2% growth in Q4 of 2023. This follows last Friday's release of state employment data for March 2024 where state unemployment rates were largely stable. You can find our updated interactive map and data tool [here](#) to see employment and unemployment data in each state.

JEC Resources

- [State by State Data: March Employment Data](#)
- [The Many Economic Benefits of Investing in Early Childhood Education](#)
- [Electrifying Heavy-Duty Vehicles Will Benefit the U.S. Economy, Environment, and Public Health](#)
- [Raising Revenue to Address the U.S. Debt Trajectory](#)
 - (ES): [Hay que Aumentar los Ingresos para Enfrentar la Trayectoria de la Deuda de los Estados Unidos](#)

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.

Tuesday, April 23rd:

- **New Home Sales:** The consensus forecast is that new home sales rose to **670k** in March from 662k in February.

Thursday, April 25th:

- **GDP (Q1):** The consensus forecast predicts that GDP grew **2.5%** in Q1, building on the 3.2% growth in Q4.
- **Jobless Claims:** The consensus forecast is for jobless claims to slightly increase to **215k** from last week's **212k**.

Friday, April 26th:

- **Personal Consumption Expenditures:** The consensus forecast for the **PCE** is that **incomes** rose by **0.5%**, **real consumption** rose by **0.3%**, and the **core PCE deflator** rose by **0.3%**.
- **Consumer Sentiment (final estimate):** The consensus forecast for the final estimate of the University of Michigan's Consumer Sentiment survey predicts no change in the preliminary estimate of **77.9**.

What You Need to Know

- President Biden called for increased [tariffs](#) on **Chinese steel and aluminum** over the weekend.
- **Volkswagen workers** in Tennessee voted overwhelmingly to join the **United Auto Workers** in an [election](#) last week.
- **Yields on the 10-year Treasury** have increased after **strong economic data** in recent months led forecasters to **predict fewer interest rate cuts** this year.
- Average [mortgage](#) rates have **climbed over 7%**, according to a **survey of lenders** released by Freddie Mac on Thursday.
- Weak economic **growth** outside the United States is **driving down the IMF** international [growth](#) forecast.

What to Read From the Think Tank World

- [The Council of Economic Advisers \(CEA\)](#) highlighted seven facts about child care, including that its business model has been unsustainable, costs have been growing rapidly while sector wages remain low, and its investments have enormous returns. [The CEA](#) also assessed methods to integrate the physical and transition risks and opportunities of climate change into the President's macroeconomic forecasts.
- [The Century Foundation](#) emphasized how the CHIPS Act child care requirement is already showing promise.
- [The Hamilton Project at the Brookings Institution](#) proposed ways to improve the safety net for working-age adults, including expanding access to and increasing the generosity of programs like the EITC and SNAP.
- [The Urban Institute](#) analyzed public sector employment and its role in local economic development.
- [The Economic Policy Institute](#) dug into how a tight labor market and state minimum wage increases boosted low-end wage growth between 2019 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. These offer an early look at upcoming economic research before it goes through the peer-review process. Below are a few papers out this morning.

- [Child Tax Benefits and Labor Supply: Evidence from California](#)
- [The Benefits and Costs of Secured Debt](#)
- [Macroeconomics of Mental Health](#)
- [Human Capital Spillovers and Health: Does Living Around College Graduates Lengthen Life?](#)
- [Balancing Federalism: The Impact of Decentralizing School Accountability](#)