



ECONOMIC UPDATE

December 18, 2023

This Week in Focus

While it is a lighter week in Congress, Friday brings us data for November on both personal incomes and the Federal Reserve's preferred price indicator, core Personal Consumption Expenditures (PCE) inflation. Forecasts [expect](#) that this measure of inflation will be well-aligned with the Fed's inflation target, signaling important economic progress. The Congressional Budget Office (CBO) [projects](#) inflation will continue to fall during 2024 and 2025. The JEC Dems also recently [detailed](#) how national average wages and salaries grew by nearly \$15,000 between January 2021 and October 2023, which outpaced price growth during that period by over \$3,500.

Note: The next JEC Dems' Weekly Economic Update will be released on January 2, 2024. Enjoy the holidays!

JEC Resources

- [JEC Chairman Heinrich's statement on the November CPI data](#)
- [Wages and Salaries Have Grown Faster Than Prices Since January 2021](#)
- [Climate Risks Are Already Destabilizing Insurance Markets and Threatening Americans' Financial Security](#)
- [Youth Employment Programs Can Grow the Economy, Expand Opportunity, and Improve Public Safety](#)

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, December 20:** Consumer confidence – The consensus forecast is for consumer confidence to have risen to **104** from **102**.
- **Thursday, December 21:** Jobless claims – The consensus forecast is for weekly jobless claims to rise to **213k** from last week's **202k**.
- **Friday, December 22:** Personal consumption – The consensus forecast is for **personal incomes, real consumption, and core PCE inflation** to have risen **0.4%, 0.2%, and 0.2%**, respectively.

What You Need to Know

- The NLRB is seeking to **reopen 23 Starbucks** locations it claims were closed for [union organizing](#).
- The FOMC **did not raise interest rates** at their latest meeting and signaled three planned [rate cuts](#) next year.
- **After spiking in the fall, rates on U.S. government debt have fallen in recent weeks as inflation has cooled and the Fed has signaled future rate cuts**, suggesting that the earlier

increase had more to do with concerns around Fed policy and less to do with investors demanding [premiums](#) on Treasuries due to deficit concerns.

- **U.S business activity** reached its [highest level](#) in five months, according to one survey.

What to Read From the Think Tank World

- [The Council of Economic Advisers \(CEA\)](#) published an explainer breaking down how the goods, housing, and non-housing services inflation categories are contributing to the decline in core inflation.
- [The Congressional Budget Office \(CBO\)](#) released a report on their view of the economy from 2023 to 2025, projecting the labor market will continue to soften and inflation will continue to slow.
- [The Economic Policy Institute \(EPI\)](#) found wage inequality fell in 2022 because stock market declines brought down pay of the highest earners.
- [The Center for American Progress \(CAP\)](#) created a dashboard and [map](#) of national- and state-level data on child care and early learning in the United States.
- [The Pew Research Center](#) found nearly one in five Americans ages 65 and older (19%) were employed in 2023—nearly double the share who were working 35 years ago.

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.

- [Does Political Partisanship Affect Housing Supply? Evidence from US Cities](#)
- [Accessing the Safety Net: How Medicaid Affects Health and Recidivism](#)
- [The Cost of Climate Policy to Capital: Evidence from Renewable Portfolio Standards](#)
- [Inflation, War Bonds, and the Rise of Republicans in the 1950s](#)