



## ECONOMIC UPDATE

April 29, 2024

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### This Week in Focus

Did you catch last week's two big wins for workers? Last Tuesday, the Federal Trade Commission [banned](#) noncompete agreements for workers and the U.S. Department of Labor made many more workers [eligible](#) for overtime pay. Both of these actions will boost wages and economic mobility for millions of workers and are sure to be challenged in court by big business groups. Dive deeper into these and other recent worker wins in the Economic Policy Institute's [recap](#).

The JEC Dems also released two new fact sheets laying out some important ways that Democrats are lowering costs and boosting the economy. The first [fact sheet](#) lays out how Democrats are lowering the cost of prescription drugs and health insurance for millions of Americans, while the second highlights the [manufacturing renaissance](#) spurred by investment from the Inflation Reduction Act, Bipartisan Infrastructure Law, and Chips and Science Act.

Turning to this week, the Fed is expected to hold interest rates steady on Wednesday given continued economic strength and persistent inflation. Friday brings new employment data for April, with the consensus forecasts that 250,000 jobs were added while the unemployment rate remains at 3.8%.

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### JEC Resources

- [Fact Sheet: The Manufacturing Renaissance That Will Drive the Economy of the Future](#)
- [Thanks to Democrats, Americans Are Paying Less for Prescription Drugs and Health Insurance](#)
- [The Many Economic Benefits of Investing in Early Childhood Education](#)
- [Electrifying Heavy-Duty Vehicles Will Benefit the U.S. Economy, Environment, and Public Health](#)
- [JEC Chairman Heinrich's Statement on First Quarter GDP Growth](#)

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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.*

#### Tuesday, April 30<sup>th</sup>:

- **Consumer Confidence:** The consensus forecast predicts the Conference Board's confidence index slightly fell to **104.1** in April from **104.7** in March.

#### Wednesday, May 1<sup>st</sup>:

- **Construction Spending:** The consensus forecast is that construction spending rose **0.3%** in March.
- **JOLTS Job Openings:** The consensus forecast is that the number of job openings slightly fell to **8,725k** from **8,756k** in February.
- **FOMC Policy Announcement:** The FOMC is likely to maintain rates and reiterate that higher inflation numbers have made them more cautious about easing rates.

#### Thursday, May 2<sup>nd</sup>:

- **Productivity and Unit Labor Costs:** The consensus forecast predicts **productivity** increased by **1.5%** while **unit labor costs** increased by **2%** in Q1.

- **Jobless Claims:** The consensus forecast is for weekly jobless claims to rise to **215k** from last week's **207k**.

### Friday, May 3<sup>rd</sup>:

- **Employment Situation:** The consensus forecast is for nonfarm payrolls to rise to **250k** in April. The unemployment rate is expected to remain at **3.8%** while hourly earnings increased by **0.3%**.

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## What You Need to Know

- **Stubborn inflation** is leading many commentators to **lower** their expected number of [rate](#) cuts this year.
- **Credit bureaus** are seeking to **incorporate loans** from “buy now, pay later” platforms into consumers' [credit](#) histories.
- A plan drawn up by a group of **Donald Trump's advisers** would threaten the **independence of the Fed** by giving the president more [review](#) power over Fed decisions.
- Current **high home prices** are raising the net worth of boomers while making the dream of [homeownership](#) **tougher for young people**.
- A new rule from the **Department of Labor** is raising the [threshold](#) under which workers must be paid time-and-a-half **for overtime** to cover over 4 million more workers.

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## What to Watch This Week

### Tuesday, April 30<sup>th</sup>

- **House Ways and Means Committee**, [Hearing with Treasury Secretary Janet Yellen](#) at 10:00 am (EST).

### Wednesday, May 1st

- **House Financial Services Committee**, [Merger Policies of the Federal Banking Agencies](#) at 10:00 am (EST).

### Thursday, May 2<sup>nd</sup>

- **Senate Banking, Housing, and Urban Affairs Committee**, [Hearings to examine how shrinkflation and technology impact consumers' finances](#) at 10:00 am (EST).
- **Senate Energy and Natural Resources Committee**, [Hearings to examine the President's proposed budget request for fiscal year 2025 for the Department of the Interior](#) at 10:00 am (EST).
- **Senate Commerce, Science, and Transportation Committee**, [Hearings to examine the future of broadband affordability](#) at 10:00 am (EST).
- **Senate Health, Education, Labor, and Pensions Committee**, [Hearings to examine what Congress can do to address the severe shortage of minority health care professionals and the maternal health crisis](#) at 10:00 am (EST).

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## What to Read From the Think Tank World

- [The Council of Economic Advisers \(CEA\)](#) gave an overview of economic indicators like GDP and employment as of late, noting the U.S. economy continues to deliver strong job and real wage gains, which is helping consumers generate steady, persistent growth.
- [The Congressional Budget Office \(CBO\)](#) released its planned work for 2024, including projects on the distribution of family wealth, flood insurance coverage and flood damage avoided by federal spending on climate adaptation, how discount rates are built into their analysis, and more.
- [The Hamilton Project at the Brookings Institution](#) found the extraordinary and surprising increase in the creation and ownership of employer businesses since 2020 has been concentrated among certain demographic groups, including Black owners.
- [The National Women's Law Center \(NWLC\)](#) highlighted how unions are good for women workers, helping them access workplace benefits like paid leave and get higher wages.

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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. 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.*

- [Immigration's Effect on US Wages and Employment Redux](#)
- [Cities, Heterogeneous Firms, and Trade](#)
- [Inflation Preferences](#)
- [Estimating Racial Disparities When Race is Not Observed](#)