



ECONOMIC UPDATE

December 2, 2024

This Week in Focus

Welcome back! This week the JEC Dems will be analyzing the latest employment data for November. The consensus forecast is for the economy to have added 200k jobs in November with the unemployment rate ticking up slightly to 4.2% but sticking near record lows. It's possible these data are still impacted by the continued devastation from Hurricanes Helene and Milton. However, unlike the data for October, these will not be impacted by the since-[ended](#) Boeing strike.

Just before break, the JEC also published an [issue brief](#) showing how safety net programs dramatically reduce child poverty in New Mexico by comparing the Official Poverty and Supplemental Poverty Measures. Find this and other recently published products [here](#).

JEC Resources

- [Safety Net Programs Dramatically Reduce Child Poverty in New Mexico](#)
- [The Biden-Harris Bipartisan Infrastructure Law is Building a New Foundation for Economic Growth](#)
- [State and Local Fiscal Recovery Funds: Harnessing Federal Investment for Locally-Led Growth](#)
- [The U.S. Economy Performs Better Under Democratic Presidents](#)

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.

Monday, December 2nd:

- **Construction Spending:** October construction spending is expected to have increased by **0.2%**.

Tuesday, December 3rd:

- **JOLTS Job Openings:** The consensus forecast for JOLTS anticipates job openings rose in October to **7,510k** from **7,443k** in September.

Thursday, December 4th:

- **Jobless Claims:** Last week's jobless claims are expected to slightly increase to **215k** from **214k** the week prior.

Friday, December 6th:

- **Employment Report:** Non-farm payrolls are expected to increase by **200k** in November, with the unemployment rate slightly ticking up to **4.2%**.
- **Consumer Sentiment:** Preliminary December data for the University of Michigan's Consumer Sentiment survey index is predicted to come in at **73.0** from **71.8** in November.

What You Need to Know

- President-elect **Trump's threats** to place [tariffs](#) on **goods** from **Canada, Mexico, and China** threaten **massive price increases** on imports from the U.S.'s **three largest trading partners**.
- An **analysis** of **previous rounds** of **Trump tariffs** found they did not reduce [overall imports](#) to the U.S., but they did lead to fewer imports from China and more from other countries.
- New **rules** from the **Biden administration** place further [restrictions](#) on the **sales** of types of computer **chips** and **other equipment** to **Chinese firms**.
- A **Trump administration's** plans to **spin off Fannie Mae** and **Freddie Mac** could send **mortgage rates** up again.
- The **Trump's mass deportation** plans **threaten** the **jobs recovery** seen following the **pandemic**.

What to Watch This Week

Wednesday, December 4th:

- **Senate Homeland Security and Governmental Affairs**, [Hearings to examine new revelations about airline fees](#) at 10:00 am (EST).
- **House Financial Services**, [Innovation Revolution: How Technology is Shaping the Future of Finance](#) at 10:00 am (EST).
- **House Oversight and Accountability**, [Exposing the Truth on LNG: How the Administration Played Politics with America's Energy Future](#) at 2:30 pm (EST).

Thursday, December 5th:

- **House Oversight and Accountability**, [Oversight of the U.S. Census Bureau](#) at 10:00 am (EST).
- **House Veterans' Affairs**, [Fact and Fiction: Getting to the Bottom of the VA Budget Shortfall](#) at 10:15 am (EST).

What to Read From the Think Tank World

- [The Council of Economic Advisers \(CEA\)](#) highlighted how apprenticeships have grown across industries and how women are making up a growing share of apprentices.
- [The Economic Policy Institute \(EPI\)](#) found that women, Hispanic workers, and workers of color are more likely to participate in union-based apprenticeships than in nonunion programs.
- [The Center for American Progress \(CAP\)](#) and [Committee for a Responsible Federal Budget](#) released resources on how the budget reconciliation process works.
- [The Tax Policy Center](#) emphasized what Trump's Department of Government Efficiency gets wrong about the federal workforce, including that only a small percentage of agencies—including less than 1% of the IRS in 2023—write regulations.

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.

- [The Political Economy of School Finance Systems with Endogenous State and Local Tax Policies](#)
- [The Causal Effects of Income on Political Attitudes and Behavior: A Randomized Field Experiment](#)
- [Subsidizing Medical Spending through the Tax Code: Take-Up, Targeting and the Cost of Claiming](#)