



ECONOMIC UPDATE

March 4, 2024

This Week in Focus

It's a busy week on Capitol Hill! This Thursday, President Biden will give his State of the Union Address. On Friday, we will also get the latest employment data for February 2024. The consensus is for nonfarm payrolls to rise by a healthy 200k, following January's blockbuster 353k, while the unemployment rate is expected to hold at 3.7%. This is all on top of Congress' ongoing work to avoid a partial government shutdown at the end of the week.

JEC Resources

- [The Child Tax Credit Expansion in the Bipartisan Tax Bill Will Help Kids in Every State and Congressional District](#)
- [What is a Carbon Border Adjustment Mechanism \(CBAM\) and What Are Some Legislative Proposals to Make One?](#)
- [Addressing Rural Health Worker Shortages Will Improve Population Health and Create Job Opportunities](#)
 - (ES): [Afrontar la escasez de trabajadores de salud rural mejorará la salud de la población y creará oportunidades de empleo](#)

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.

Wednesday, March 6th:

- **JOLTS Job Openings:** The consensus forecast is that the number of job openings fell to **8,870k** from **9,026k**.

Thursday, March 7th:

- **Jobless Claims:** The consensus forecast is for weekly jobless claims to remain the same as last week at **215k**.

Friday, March 8th:

- **Nonfarm Payrolls:** The consensus forecast is that nonfarm payrolls rose **200k** in February, down from January's **353k** increase. The unemployment rate is expected to remain the same at **3.7%**, while hourly earnings are predicted to increase **0.2%**.

What You Need to Know

- An upcoming [election](#) at a **Volkswagen plant** in Chattanooga, TN will be a crucial moment in the **UAW's campaign** to unionize auto workers across the country.
- "[Shrinkflation](#)" is inspiring **consumer outrage** and has led to a rebuke from President Biden.
- The price of auto [insurance](#) has spiked to **match increases** in the **price of cars** over the last several years.
- **Lags** in the measurement of [rents](#) are **keeping official measures of inflation high**, though more current data shows increases in rents are stalling.
- A strike [threat](#) by **Teamsters** at Anheuser-Busch has won workers there **higher wages** and **better job security**.

What to Watch This Week

Wednesday, March 6th:

- **Senate Budget Committee**, [How Primary Care Improves Health Care Efficiency and markup of S. 1274 \(the Railroad Employee Equality and Fairness Act\)](#) at 9:30 am (EST).
- **House Science, Space, and Technology Committee**, [Winning in Weather: U.S. Competitiveness in Forecasting and Modeling](#) at 10:00 am (EST).
- **House Financial Services Committee**, [The Federal Reserve's Semi-Annual Monetary Policy Report](#) at 10:00 am (EST).
- **House Agriculture Committee**, [For the Purpose of Receiving Testimony from The Honorable Rostin Behnam, Chairman, Commodity Futures Trading Commission](#) at 10:00 am (EST).

Thursday, March 7th:

- **Senate Banking, Housing, and Urban Affairs Committee**, [Business meeting to consider the nomination of Ron Borzekowski, of Maryland, to be Director, Office of Financial Research, Department of the Treasury; to be immediately followed by hearings to examine the Semiannual Monetary Policy Report to the Congress](#) at 9:40 am (EST).
- **Senate Health, Education, Labor, and Pensions Committee**, [Hearings to examine the Older Americans Act, focusing on supporting efforts to meet the needs of seniors](#) at 11:00 am (EST).

What to Read From the Think Tank World

- [The Council of Economic Advisers \(CEA\)](#) used health and health care examples to explain the new social discount rate, or what is used to compare costs and benefits that are experienced at different points in time, and highlight its economic importance.
- [The Congressional Budget Office \(CBO\)](#) released a new report analyzing how changes in funding for the IRS affect revenues, noting even a \$5 billion recession would reduce revenues by \$5.2B over the 2024-2034 period and increase the cumulative deficit for that period by \$0.2B.
- [The Center on Budget and Policy Priorities \(CBPP\)](#) highlighted how the impending expiration of federal Elementary and Secondary School Emergency Relief (ESSER) funds could pose challenges for states and school budgets.
- [The Century Foundation](#) laid out how unemployment benefits for striking workers would have low costs and high rewards.
- [The Pew Research Center](#) found 73% of surveyed U.S. adults say strengthening the economy should be a top priority for the president and Congress to address this year—a larger share than for any other priorities.

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.

- [What Drives Inflation? Lessons from Disaggregated Price Data](#)
- [Inequality Within Countries is Falling: Underreporting-Robust Estimates of World Poverty, Inequality and the Global Distribution of Income](#)
- [The Multigenerational Impact of Children and Childcare Policies](#)
- [Tax Policy and Investment in a Global Economy](#)