



ECONOMIC UPDATE

February 20, 2024

This Week in Focus

The House and Senate are out of session this week and there are no major economic data releases. However, markets are looking to the release of the FOMC minutes on Wednesday for additional clues on rate cut timing after recent shifts in expectations. While much attention has been paid to recent inflation and jobs data, several Federal Reserve officials have noted that they are keeping an eye on recent trends in productivity growth. The last three quarters, productivity growth has averaged 3.9%—three times the rate in the decade prior to the pandemic. If sustained, this growth could help further reduce inflationary pressures while supporting higher wages for workers.

In case you missed it, the JEC Dems recently released an [explainer](#) on how a carbon border adjustment mechanism (CBAM) is an emerging bipartisan tool that aims to cut global pollution while supporting American industry.

JEC Resources

- [What is a Carbon Border Adjustment Mechanism \(CBAM\) and What Are Some Legislative Proposals to Make One?](#)
- [The Child Tax Credit Expansion in the Bipartisan Tax Bill Will Help Kids in Every State and Congressional District](#)
- [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](#)
- [The Clean Energy Transition Motivates Innovation and Recycling in Critical Mineral Supply Chains](#)

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, February 21st:

- **FOMC Minutes:** The FOMC minutes will likely reiterate the desire to see more evidence of lower inflation before cutting rates.

Thursday, February 22nd:

- **Jobless Claims:** The consensus forecast is for weekly jobless claims to rise to 216k from 212k.

What You Need to Know

- Based on **recent earning calls**, companies are starting to slow down price [increases](#) on food as sales begin to fall.
- A recent **legal filing** by Amazon tries to argue the **NLRB** is [unconstitutional](#).

- A **\$1.5 billion grant** made under the **CHIPS and Science Act** to chipmaker GlobalFoundries is planned to **expand production** at their facilities in upstate New York.
- Retail sales and industrial production both **fell** in January, but economic **fundamentals remain strong**.
- New adjustments by **CBO** reflecting higher-than-expected **immigration** found that it results in an **increase** in expected **GDP** in 2033 and a **decrease** in the **expected deficit**.

What to Read From the Think Tank World

- [The Council of Economic Advisers \(CEA\)](#) shared a statement by the Secretaries of Education, Labor, and Commerce on the administration’s work to create pathways to opportunity for more Americans.
- [The Brookings Institution](#) found that economically distressed counties are receiving a greater share of recent private investment in strategic sectors such as clean energy, semiconductors, and biomanufacturing.
- [The Roosevelt Institute](#) released a collection of essays from several scholars taking stock of U.S. industrial policy and the institutions and strategies needed to build on recent successes.
- [The Urban Institute](#) compared TANF policies across states, finding that 32 states opt for the most severe sanctions policy for noncompliance with work requirements.
- [Center for American Progress \(CAP\)](#) detailed how improving geographic representation on metropolitan planning organization boards can result in more sustainable transit investment.
- [Liberty Street Economics at the New York Federal Reserve](#) found that financially fragile households are disproportionately likely to use “buy now, pay later” plans for small, frequent purchases.

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.

- [Trade War and Peace: U.S.-China Trade and Tariff Risk from 2015–2020](#)
- [Lives vs. Livelihoods: The Impact of the Great Recession on Mortality and Welfare](#)
- [Gender Differences in Negotiations and Labor Market Outcomes: Evidence from an Information Intervention with College Students](#)
- [Taxing Top Wealth: Migration Responses and their Aggregate Economic Implications](#)