

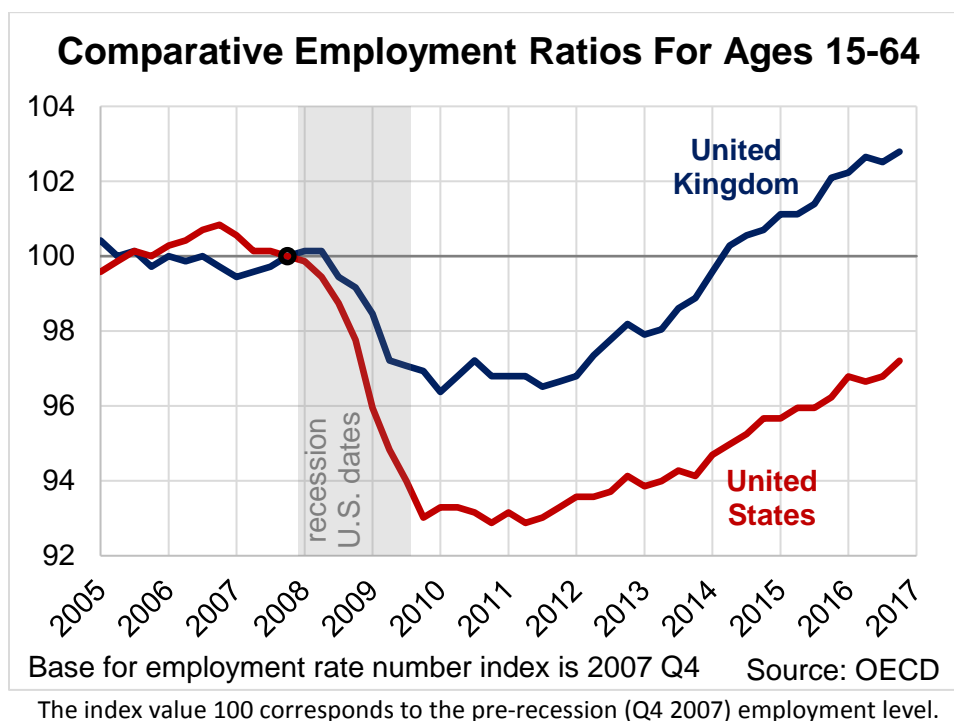


## Weekly Economic Update

July 17 – July 21, 2017

### CHART OF THE WEEK

#### Too Many Americans Remain on the Sidelines of the Labor Market



Compared with the United Kingdom, the employment index in the United States fell further during, and recovered more slowly after, the recession. The U.S. index was about 3 percent lower than the U.K. index at the end of the recession, now, it is over 6 percent lower. University of Chicago economics professor Casey Mulligan found that the British response to the recession reduced, or at least did not increase, disincentives to working and hiring unlike the U.S. response. Following the British Welfare Reform Act of 2012, which redesigned social assistance to lessen imbedded penalties on work, the U.K. index rose faster and now significantly exceeds its pre-recession level. [Diana Furchtgott-Roth's testimony](#) addressed the divergent labor market outcomes in a [JEC hearing](#) that explored the [growing number of U.S. job vacancies](#).

### LAST WEEK

#### News & Commentary Weekly Highlights

**Investor's Business Daily:** [How High Taxes, Generous Welfare and Lack of Training Keep Millions of Available Jobs Unfilled](#)

**Columbus Dispatch:** [Why can't people find work with 6 million jobs vacant?](#)

**Wall Street Journal:** [Governors and Mayors Should Be Begging for Trump's Tax Cut](#)

**Bloomberg:** [Inflation May Take Longer to Reach Fed's Goal After Today's CPI Report](#)

## Top Economic Indicator Highlights

[Consumer Price Index](#) (June, data reported here as percentage change from 12 months ago)

Core CPI (excludes food and energy)	<b>June: 1.7%</b>	May: 1.7%	April: 1.9%	March: 2.0%
Headline CPI	<b>June: 1.6%</b>	May: 1.9%	April: 2.2%	March: 2.4%

**Noteworthy:** While the Federal Reserve uses a broader measure of inflation (the personal consumption expenditures price index) to determine its [goal of maintaining 2% average inflation](#), the inflation rate as measured by the CPI continued to slow for the fifth consecutive month. If this trend continues, it reduces the likelihood of additional Fed interest rate hikes this year.

## JEC Releases

[Tiberi: We must find better ways to equip workers for 21st century jobs](#)

[A Record Six Million U. S. Job Vacancies: Reasons and Remedies \(video of hearing\)](#)

## CBO Releases

[An Analysis of the President's 2018 Budget](#)

## THIS WEEK

### Upcoming Economic Data and Events

#### Monday

[Empire State Manufacturing Survey](#) (8:30am)

[Survey of Consumer Expectations](#) (11:00am)

#### Tuesday

[Business Leaders Survey](#) (8:30am)

[Exports/Imports](#) (8:30am)

#### Wednesday

[New Residential Construction](#) (8:30am)

#### Thursday

[Philly Fed Manufacturing Survey](#) (8:30am)

[Composite Indexes](#) (10:00am)

#### Friday

No releases