



## ECONOMIC UPDATE

July 22, 2024

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### This Week in Focus

Last week, the JEC Dems analyzed state employment data for June from the Bureau of Labor Statistics. The team [updated](#) the state-by-state chart and map that highlight key trends from June, which included a record low unemployment rate in Arizona of 3.3%.

Looking forward, we get two important data releases this week with GDP data for Q2 2024 on Thursday and PCE inflation data for June released on Friday. Forecasters expect that GDP grew around 2% last quarter while PCE inflation was moderate compared to readings earlier this year. These are the last two main economic indicators before the Federal Reserve's next Federal Open Market Committee meeting on July 3 and should inform their decisions on future rate cuts.

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### JEC Resources

- [State by State Data: June Employment](#)
- [Abortion Bans Harm Women's Reproductive Freedom and Cost Our Economy Billions of Dollars](#)
- [Incomes Are Rising Faster than Prices Throughout the Country](#)
- (EN) [Small Business Growth is Booming Under Democrats, Far Faster than Growth Under Trump](#)
  - (ES) [El Crecimiento de las Pequeñas Empresas Está Aumentando Más con los Demócratas que con Trump](#)

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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. 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, July 24<sup>th</sup>:

- **New Home Sales:** New home sales are projected to increase to **645k** in June from **619k** in May.

#### Thursday, July 25<sup>th</sup>:

- **Jobless Claims:** Jobless claims are expected to fall to **240k** from last week's **243k**.
- **Q2 GDP:** The consensus forecast for the advance estimate of Q2 GDP predicts the measure increased by **1.9%**, up from Q1's **1.4%** growth.

#### Friday, July 26<sup>th</sup>:

- **Personal Consumption Expenditures (PCE):** The consensus forecast for PCE predicts **incomes** rose by **0.4%**, **real consumption** rose by **0.2%**, and the **core PCE deflator** rose by **0.2%**.
- **Consumer Sentiment:** The University of Michigan's Consumer Sentiment Survey index is expected to fall to **66.5** from **68.2** in June.

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## What You Need to Know

- **Landlords** who used **price-fixing algorithms** now face **lawsuits** and a U.S. Department of Justice investigation for collusion.
- A **White House proposal** to take away tax **breaks** for large landlords who raised rents above 5% a year has invited **controversy** from some in the housing industry.
- American **automakers** have started to shift their plans for future **vehicles** away from **EVs** back towards **gas-powered cars**.
- Donald Trump and J.D. Vance have both **backed plans** to **intentionally weaken** the **dollar**, which would raise prices for American consumers.
- A **Senate Health, Education, Labor, and Pensions Committee investigation** has linked Prime Day to an **increase in injuries** among Amazon workers.

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## What to Watch This Week

### Tuesday, July 23rd

- **House Small Business Committee**, [Leveling the Playing Field: Examining the Landscape of Veteran Owned Small Businesses](#) at 10:00 am (EDT).
- **House Oversight and Accountability Committee**, [The Role of Pharmacy Benefit Managers in Prescription Drug Markets Part III: Transparency and Accountability](#) at 10:00 am (EDT).
- **House Agriculture Committee**, [Financial Conditions in Farm Country](#) at 10:00 am (EDT).
- **Committee on House Administration**, [Congress in a Post-Chevron World](#) at 10:15 am (EDT).
- **Senate Homeland Security and Governmental Affairs Committee**, [An oversight hearing to examine how Zelle and the big banks fail to protect consumers from fraud](#) at 3:30 pm (EDT).

### Thursday, July 25<sup>th</sup>

- **House Agriculture Committee**, [Reauthorizing the CFTC: Stakeholder Perspectives](#) at 8:30 am (EDT).
- **Senate Banking, Housing, and Urban Affairs Committee**, [Hearings to examine advancing national security through export controls, investment security, and the Defense Production Act](#) at 10:00 am (EDT).

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## What to Read From the Think Tank World

- The [Federal Reserve Bank of New York](#) found wage insurance increased the probability of employment in the first two years for workers displaced by international trade. The program also resulted in net savings to the government because workers collected fewer benefits and paid taxes on their increased earnings.
- The [Brookings Institution](#) found the progressivity of corporate income taxes is sensitive to assumptions about who bears the burden of taxes and in the United States it is the most affluent employees who receive the largest benefits, not rank-and-file workers.
- The [Center on Budget and Policy Priorities \(CBPP\)](#) estimates that efforts to stabilize Medicaid coverage and lower health insurance premiums led to record low uninsured rates in 2022 and meant that millions of small-business and self-employed workers gained coverage under the Affordable Care Act (ACA).
- A [Economic Policy Institute](#) report links inferior pay and job quality for workers across the South in recent decades to a racist and anti-worker Southern economic development model.
- The [Washington Center for Equitable Growth](#) analyzed a proposed rule by the U.S. Department of Labor to protect workers from heat related on-the-job injuries and deaths and highlighted how its new approach takes into account how the rule affects the most vulnerable workers.

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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 the latest academic research findings. These are our selected recommendations from the latest papers out this morning.*

- [Job Search, Unemployment Insurance, and Active Labor Market Policies](#)
- [Granular Income Inequality and Mobility using IDDA: Exploring Patterns across Race and Ethnicity](#)
- [The U.S. Low-Wage Structure: A McWage Comparison](#)
- [The Speed of Firm Response to Inflation](#)