



ECONOMIC UPDATE

October 7, 2024

This Week in Focus

The U.S. economy and labor market continue to exceed expectations. Last Friday, new data showed the U.S. economy added 254,000 jobs in September, while the unemployment rate ticked down to 4.1%. This made September the 44th consecutive month of job growth under the Biden-Harris administration with nearly 16.2 million total jobs gained. This Thursday, the JEC will analyze the latest inflation data. The consensus forecast is that the headline inflation rate rose by 0.1% in September—down from August’s 0.2%—and the core rate rose by 0.2%, signaling a continued cooling of inflation.

JEC Resources

- [Broadening Registered Apprenticeships Can Boost America’s Workforce and Grow the Middle Class](#)
- [Celebrating Success: How Latinos Helped Fight Economic Inequality through Labor Movements](#)
- [Improving School Infrastructure Benefits Students, the Economy, and the Environment](#)
- [Protecting Farmworkers From Extreme Heat and Wildfire Smoke Helps the U.S. Economy](#)
- [State by State Data: August Employment Data](#)

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, October 9th:

- **FOMC Meeting Minutes:** Minutes from September’s FOMC meeting are expected to underscore the Federal Reserve’s commitment to observing incoming economic data to guide future policy decisions, especially after the 50-basis-point cut in September.

Thursday, October 10th:

- **Jobless Claims:** Jobless claims are expected to increase to **237k** from **225k**.
- **Consumer Price Index (CPI):** Forecasts for CPI predict the headline figure rose by **0.1%** in September while the core figure rose by **0.2%**.

Friday, October 11th:

- **Producer Price Index (PPI):** The consensus estimate for PPI anticipates a **0.1%** increase in headline PPI and a **0.2%** increase in core PPI.
- **Consumer Sentiment:** The consensus forecast for the University of Michigan’s Consumer Sentiment Survey Index predicts the preliminary estimate for October will increase slightly to **70.3** from **70.1** in September.

What You Need to Know

- The **International Longshoremen’s Association (ILA)** suspended its three-day **strike** after reaching an [agreement](#) that could provide members a **wage increase** of more than **60%** over six years.
- **Stock prices** [jumped](#) in response to the strong jobs figures released on Friday.
- The **record surge** in small business formation during and after the **pandemic** may [herald](#) the end of a longer-term slump in **entrepreneurship**.
- As **tropical storms** become more **frequent**, new research [reveals](#) that these events lead to thousands of additional deaths in the years following.
- Early evidence suggests that **mortgage rates** may be [slow](#) in falling as the **Federal Reserve** cuts **interest rates**.

What to Read From the Think Tank World

- [The Council of Economic Advisers \(CEA\)](#) highlighted how small businesses are particularly likely to benefit from lower interest rates given how dependent many are on bank financing and that many have floating rate loans. [The CEA](#) also emphasized how strong job and wage gains continue to signal a strong economic recovery.
- [The Congressional Budget Office \(CBO\)](#) analyzed the distribution of family wealth from 1989 to 2022, finding it to be uneven and showing an increase in wealth inequality.
- [The Center for American Progress \(CAP\)](#) detailed lessons for creating good manufacturing jobs, including having strong domestic content requirements, ongoing oversight, unions, and further actions to raise standards and spread best practices.
- [The National Women’s Law Center \(NWLC\)](#) released state-by-state data on the over 14 million women living in poverty across the country.
- [The Brookings Institution](#) breaks down why mortgage rates have fallen—including 10-year Treasury bonds returning to higher rates than 7-year bonds—and where they’re headed.

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 .

- [Here Today, Gone Tomorrow? Toward an Understanding of Fade-out in Early Childhood Education Programs](#)
- [The Effects of “Buy American”: Electric Vehicles and the Inflation Reduction Act](#)
- [Pitfalls of Demographic Forecasts of US Elections](#)
- [On the Optimal Allocation of Policy-Making](#)