



ECONOMIC UPDATE

October 11, 2019

Quote of the week

“Imagine what might have been accomplished if we'd been willing to spend an extra \$300 billion a year on infrastructure. Instead, it was mainly tax cuts for businesses and the wealthy, which were supposed to supercharge growth. In reality it's unclear at this point whether the tax cut did anything for growth; it certainly didn't lead to the promised surge in investment.” --[Paul Krugman](#)

What you need to know

- The [number of job openings in August fell](#) to the lowest level since March 2018. Job openings fell in manufacturing and the Midwest, likely as a result of the President's erratic trade policies.
- The Congressional Budget Office (CBO) estimated a [budget deficit of nearly \\$1 trillion](#) (\$984 billion) in the 2019 fiscal year, [\\$205 billion more than in 2018](#), despite continuing economic growth and historically low unemployment.
- Minutes released this week from the Federal Reserve Board's September meeting revealed that Fed officials are increasingly worried about the state of the U.S. economy. Several noted that [the probability of an economic downturn “had increased notably in recent months.”](#) citing growing concern over the impacts of trade policy and the world economy, as well as decreased business investment and manufacturing.
- U.S. and Chinese officials met on Thursday and Friday to [continue negotiations over a trade deal](#) as Chinese officials began to soften their terms. President Trump met with Chinese Vice Premier Liu He on Friday. Markets took this as a good sign—for example, the [Dow rose more than 100 points](#) after [President Trump tweeted about the meeting](#) on Thursday.

Happening the week of October 14, 2019

- *Wednesday:* The Joint Economic Committee holds a [hearing on economic inequality](#). The Census Bureau releases [Retail Trade](#) and [Manufacturing and Trade Sales and Inventories](#) for September.
- *Thursday:* Census Bureau releases monthly [new residential construction data](#) for September. The Federal Reserve releases its [Industrial Production and Capacity Utilization](#) data.
- *All Week:* The International Monetary Fund and World Bank hold their fall meetings.

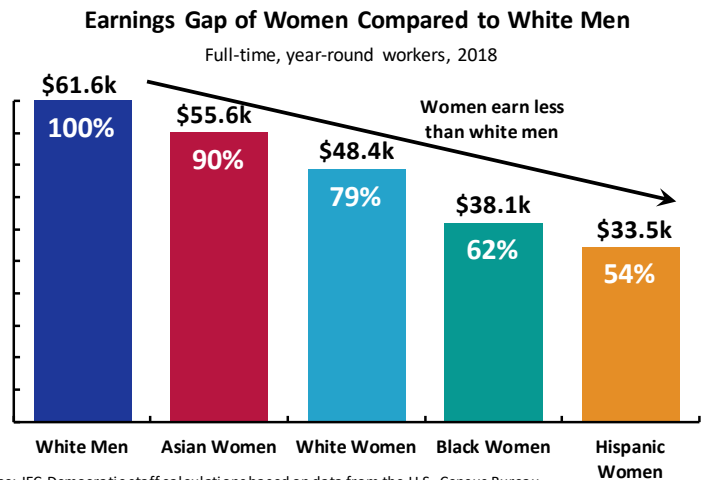
Good reads

- [“How to Tax Our Way Back to Justice,”](#) *The New York Times* 10/11/2019
- [“The deficit has gotten worse. This shouldn’t be a surprise,”](#) *Washington Post* 10/10/2019
- [“How Boeing vs. Airbus Became Trump vs. Europe,”](#) *The New York Times* 10/6/2019

Chart of the week

The gender wage gap is even larger for minority women. On average, a white woman working full-time, year-round earned 79 percent of a full-time white male worker in 2018. Black and Hispanic women earned 62 percent and 54 percent, respectively, of what white men were paid.

A [study](#) by the Washington Center for Equitable Growth found that most of Hispanic women’s wage gap is unexplained by human capital variables, and that workplace segregation and discrimination cause most of the wage gap.



Notes: "White" refers to "White Alone, not Hispanic"; "Black" refers to "Alone or in Combination"; "Hispanic" refers to "Hispanic or Latino Ethnicity"; "Asian" refers to "Asian Alone"; dollars rounded to nearest hundred.

New research and reports

- Joint Economic Committee Democrats and the Congressional Hispanic Caucus released a report on the [“Economic State of the Latino Community in America”](#) in celebration of Hispanic Heritage Month.
- An analysis of capital outflows from China reveals that [Chinese lending in the developing world has been underestimated](#) because of the prevalence of “hidden debts.”
- Economists found that [employment may not really be polarizing](#): while the share of workers earning middle wages since 1973 has decreased and there are more workers concentrated in high-wage occupations, there has not been a similar increase in the number of people employed in low-wage jobs.

Selected JEC resources

- [Macroeconomic Dashboard](#)
- [U.S. Economy by the Numbers](#)
- [The Risk of Rising Corporate Debt](#)
- [Retirement Insecurity](#)
- [A State-by-State Examination of the Economic Costs of Gun Violence](#)
- [Gun Violence in the United States: A Nation in a League of its Own](#)

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