



## ECONOMIC UPDATE

March 18, 2024

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### This Week in Focus

This Wednesday, we'll be tuning in to the Federal Reserve's Federal Open Market Committee for their latest update on when they will begin cutting interest rates. This follows last week's inflation data [release](#) showing an uptick in price growth in February, but that inflation is still down nearly two-thirds since its peak.

On Thursday, the JEC Dems will be hosting a virtual staff briefing from 3:00-4:00 pm (EST) with members of the Wildland Fire Mitigation and Management Commission to learn about their recent [report](#) which reflects one of the most sweeping and comprehensive reviews of the wildfire system to date. Staff can [register here](#) to attend. This Friday, we will also be updating our map and interactive data tool with state by state employment data for February, much like last week's release of data for [January](#).

In case you missed it, last week the JEC Dems released three new reports on important economic topics. These included an issue brief on how [higher revenues](#) are key to closing the budget deficit, a report on necessary upgrades to the [electricity grid](#), and a brief on how modernized [benefit systems](#) can save both families and the government time and money. The JEC also hosted a [hearing](#) last week on the fiscal situation of the United States, where Chairman Heinrich emphasized how the United States has a revenue problem driven by Republican tax cuts.

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### JEC Resources

- [Raising Revenue to Address the U.S. Debt Trajectory](#)
- [Transmission Upgrades and Efficient Energy Demand Management Are Essential For The Clean Energy Transition](#)
- [Modernizing Benefit Systems Can Improve Lives While Also Saving Time and Money](#)
- [JEC Chairman Heinrich's Statement on February CPI Data](#)
- [State by State Data: January Employment Data](#)

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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.*

#### Tuesday, March 19<sup>th</sup>:

- **Housing Starts:** The consensus forecast is for housing starts to have increased in February to **1,430k** from **1,331k**. Building permits are also expected to increase to **1,500k** from **1,470k**.

#### Wednesday, March 20<sup>th</sup>:

- **FOMC Meeting:** The Fed is expected **to not** raise interest rates.

#### Thursday, March 21<sup>st</sup>:

- **Jobless Claims:** The consensus forecast is for jobless claims to increase to **215k** from last week's **209k**.

#### Friday, March 22<sup>nd</sup>:

- **State Employment:** JEC Dems will update our map and interactive tool with state-by-state employment data for February, similar to last week's with data for January, found [here](#).

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## What You Need to Know

- President Biden's [budget](#) promises to **increase investments in social programs** and **decrease the deficit** by raising taxes on high earners and corporations, in contrast to Republican pledges for more tax cuts that benefit the wealthy.
- The **number of IT jobs** is expected to [decline](#) due to automation, while IT unemployment has already started to creep up.
- **The National Association of Realtors** agreed to settle litigation over [commissions](#) in a move expected to **bring down house prices** and reduce the fees involved in home sales.
- Big **increases in the prices** of [some](#) consumer goods have kept **consumer sentiment** about inflation low, even as price increases have dramatically slowed.
- A **district court judge** struck down **an NLRB rule** that would hold parent companies of [franchisees](#) responsible for working conditions if they controlled some conditions of employment.

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## What to Watch This Week

### Wednesday, March 20th

- **Senate Budget Committee**, [Hearings to examine the nature of climate costs](#) at 10:00 am (EST).
- **House Financial Services Committee**, [The Characteristics and Challenges of Today's Homebuyers](#) at 2:00 pm (EST).
- **Senate Finance Committee**, [Hearings to examine President's proposed budget request for fiscal year 2025 for the Social Security Administration](#) at 2:30 pm (EST).

### Thursday, March 21st

- **Senate Energy and Natural Resources Committee**, [Hearings to examine nominations to the Federal Energy Regulatory Commission](#) at 10:00 am (EST).
- **House Budget Committee**, [The President's Fiscal Year 2025 Budget Request](#) at 10:00 am (EST).
- **House Ways and Means Committee**, [Joint Social Security and Work & Welfare Subcommittee Hearing with the Commissioner of Social Security, Martin O'Malley](#) at 2:00 pm (EST).
- **House Appropriations Committee**, [Budget and Oversight Hearing -- President Biden's Fiscal Year 2025 Budget Request and Economic Outlook](#) at 2:30 pm (EST).

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## What to Read From the Think Tank World

- [The Council of Economic Advisers \(CEA\)](#) analyzed inflation—measured by the Consumer Price Index (CPI)—for February, highlighting how price growth for core goods has slowed, housing accounts for over a third of total price growth but has fallen significantly, and how food inflation has come down significantly for groceries while gas went up in February.
- [The Hamilton Project at the Brookings Institution](#) broke down enrollment declines in public schools, finding roughly 59%, 69%, and 69% of small, medium-sized, and large schools, respectively, saw their enrollment decline between 2019–20 and 2022–23.
- [The Center for American Progress](#) released a playbook for the advancement of women in the economy, with 13 chapters of data analysis and policy recommendations for everything from protecting and increasing abortion access, to closing the gender pay gap, to expanding women's access to male-dominated jobs.
- [The Urban Institute](#) examined the representation of Black women in potentially vulnerable occupations, considering factors such as pay, benefits, hours, and alternative work arrangements.
- [The Tax Policy Center](#) proposed and analyzed several major revenue-neutral sets of federal income tax reforms aimed at creating a simpler and more progressive tax system.

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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 upcoming economic research before it goes through the peer-review process. Below are a few papers out this morning.*

- [Community Engagement with Law Enforcement after High-profile Acts of Police Violence](#)
- [Within-Firm Pay Inequality and Productivity](#)
- [Re-assessing the Spatial Mismatch Hypothesis](#)
- [The Feasibility of Using Bayh-Dole March-In Rights to Lower Drug Prices: An Update](#)