

JOINT ECONOMIC COMMITTEE

CONGRESSWOMAN CAROLYN MALONEY, VICE CHAIR



ECONOMIC UPDATE

September 20, 2019

Quote of the week

“Trade developments have been up and down and then up, I guess, or back up perhaps, over the course of this intervening period. In any case, they’ve been quite volatile.”—[Federal Reserve Chairman Jerome Powell](#)

What you need to know

- The Federal Open Market Committee [voted to cut rates by one-quarter point](#), the second rate cut this year. The target federal funds rate is now 1.75-2%. Chairman Powell called the rate cut an “[insurance against ongoing risks](#)” like slow global economic growth, trade policy, manufacturing slowdowns and inflation remaining persistently below 2%.
- A coordinated series of attacks on a major oil processing facility in Saudi Arabia over the weekend caused a 15% spike in oil prices on Monday. The facility, which handles up to 70% of Saudi Arabia’s oil production (7% of the world total) may take months to completely repair. As a result, gas prices are expected to rise approximately 20 cents a gallon, [which could impact the U.S. economy](#).
- Factory workers at General Motors went on strike nationwide on Monday. Although the strike is the largest called by the United Auto Workers in a decade, and comes in the midst of what may already be a slowdown in the manufacturing sector, [the strike would have to last for a relatively long time](#) to have a major effect on the economy as a whole.

Happening the week of September 23, 2019

- *Tuesday*: The Conference Board releases its September [Consumer Confidence Survey](#). The Consumer Confidence Index declined marginally in August.
- *Wednesday*: Census releases data on [New Residential Sales](#) for August. The Dallas Fed releases its [Energy Survey](#) of approximately 200 oil and gas firms.
- *Thursday*: The Bureau of Economic Analysis (BEA) releases its third estimate of [Q2 GDP](#). Census releases international [trade and inventories](#) for August.
- *Friday*: BEA releases [Personal Income data and the PCE Deflator](#). Census releases [Advance Durable Goods](#) orders for August.

Good reads

- “[Wall Street Is Buzzing About Repo Rates. Here’s Why.](#)” *NYT* 9/18/2019
- “[The Autoworkers Strike is Bigger Than G.M.,](#)” *NYT* 9/17/2019
- “[China’s Economic Slowdown Won’t Restore U.S. Manufacturing Jobs,](#)” *Bloomberg* 9/20/2019

Chart of the week

In 2017, almost 40,000 Americans died from gun violence. The personal costs of this loss of life, largely incalculable, come with a substantial economic cost.

The latest estimate is that gun violence imposes \$229 billion in total annual costs on the United States—[1.4 percent of GDP](#).



New research and reports

- The Joint Economic Committee released a report on the [economic costs of gun violence](#) in all 50 states. The report finds that rural states have the highest cost of gun violence measured as a share of their economies and that states with the highest rates of gun ownership have the highest rates of gun suicide.
- The New York Federal Reserve found that unexpected changes in the federal funds target rate have instantaneous and [statistically significant impacts on households’ economic confidence](#).

Selected JEC resources

- [Macroeconomic Dashboard](#)
- [U.S. Economy by the Numbers](#)
- [Retirement Insecurity](#)
- [Gun Violence: Research Freeze Hinders Search for a Solution](#)
- [Gun Violence in the United States: A Nation in a League of its Own](#)

For more information, visit www.jec.senate.gov/resources or contact hope_sheils@jec.senate.gov

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