



ECONOMIC UPDATE

September 9, 2019

Quote of the week

“We don’t talk about trade. Trade is not an issue for us...we stick to the things we’re responsible for, which are stable prices and maximum employment.” –Fed Chairman Jerome Powell

What you need to know

- On Friday, the Bureau of Labor Statistics (BLS) released its monthly jobs report. [Nonfarm payrolls added 130,000 jobs](#) (down from 159,000 in July), including 25,000 temporary hires for the 2020 Census. Unemployment remained unchanged at 3.7 percent, average hourly earnings rose 3.2 percent over last year and labor force participation rose to 63.2 percent.
- In a speech on Friday in Switzerland, Federal Reserve Chairman Jerome Powell reported [slow but persistent economic growth in the United States](#). Noting that low inflation, the global slowdown and trade policy uncertainty pose risks to the economy, Powell says that they are monitoring these risks closely and that the “outlook is good,” in part because the Fed has lowered the expected path of interested rates over the past year. Powell stated that “we are not forecasting or expecting a recession.”
- The U.S. trade deficit for goods and services in July [dropped to \\$54 billion](#), down from \$55.5 billion in June. The trade gap with China has fallen, likely because of the escalating trade war, but it has increased with the European Union, Mexico and South Korea.
- On Wednesday, BLS released its [2018-2028 projections of employment](#), projecting growth of 8.4 million jobs over that decade—an annual growth rate of 0.5 percent. This is lower than the 2008-2018 annual growth rate of 0.8 percent, likely because of the aging population and a continued decline in the labor force participation rate.

Happening the week of September 9, 2019

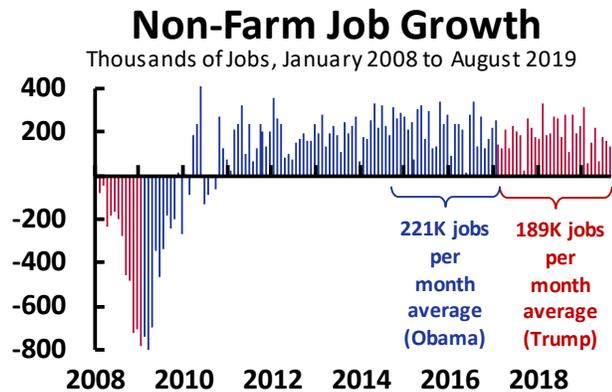
- *Tuesday, 9/10/2019*: BLS releases the [Job Openings and Labor Turnover Survey \(JOLTS\)](#) results for July. Census releases the [Current Population Survey Annual Social and Economic Supplement](#), including national-level income, poverty and health insurance coverage statistics for 2018.
- *Thursday, 9/12/2019*: BLS releases the [Consumer Price Index \(CPI\)](#) and [Real Earnings](#) for August. The Treasury publishes its [monthly statement on the budget](#).
- *Friday, 9/13/2019*: Census publishes [retail sales](#) for August.

Good reads

- [“A Nobel-Winning Economist Goes to Burning Man,”](#) *NYT* 9/5/2019
- [“How a Trump Tax Break to Help Poor Communities Became a Windfall for the Rich,”](#) *NYT* 8/31/2019
- [A Recession Isn’t Inevitable: The Case for Economic Optimism,](#) *NYT* 9/4/2019

Chart of the week

Job creation during the Trump administration has lagged behind the pace set during the same period at the end of the Obama administration. An average of 189,000 non-farm jobs have been added during the 31 months of President Trump’s term. This is less than the 221,000 jobs added, on average, during the last 31 months of the Obama presidency.



Source: Bureau of Labor Statistics. Note: Numbers reflect nonfarm job growth. Averages reflect a 31 month period.

New research and reports

- The National Bureau of Economic Research finds that strict voter identification laws [“are unlikely to have a meaningful impact on turnout or election outcomes.”](#)
- Another paper published this week found that a single mass shooting is associated with a [15% increase in the number of firearm bills](#) introduced in a state in the year after the shooting and that the effect increases with more media coverage. That said, the legislative impact of a mass shooting depends on the party in power. When there are mass shootings in states with Republican-controlled legislatures, the number of laws passed to loosen firearm restrictions doubles over the next year, but when there are mass shootings in states with Democrat-controlled legislatures, there is no significant change in the number of firearm-related laws passed. Mass shootings have not had a significant impact on the enactment of laws tightening firearm restrictions.
- Research by economists at the London School of Economics and Oxford found that [adult unemployment has adverse effects on babies’ health](#). “A one-percentage point increase in the unemployment rate leads to an increase in low birth weight and preterm babies of respectively 1.3 and 1.4%.”

Selected JEC resources

- [The Supplemental Nutrition Assistance Program](#)
- [U.S. Economy by the Numbers](#)
- [Gun Violence in the United States: A Nation in a League of its Own](#)
- [Retirement Insecurity](#)

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