



ECONOMIC UPDATE

December 6, 2019

Quote of the week

“The [economic] slowdown is more significant than I would have thought, and I do think that goes to the trade war...The trade war is doing damage to the economy and the jobs market.”

—[Mark Zandi](#), Chief Economist for Moody’s Analytics

What you need to know

- It’s jobs day. [Nonfarm payroll employment grew 266,000](#) in November (including around 40,000 GM employees returning to work after the strike), and the unemployment rate was 3.5 percent. Average hourly earnings increased 3.1 percent from this time last year.
- A new industry report finds that Trump’s 2018 tariffs on solar imports have [cost over 62,000 jobs and almost \\$19 billion in new private sector investment](#).
- [Corporate debt is nearing a record \\$10 trillion](#) in the United States. A JEC issue brief, *The Risk of Rising Corporate Debt*, finds that this [could worsen a future recession](#) as companies default on their debts.
- The Trump administration approved a rule that allows states to impose work requirements on those who use the Supplemental Nutrition Assistance Program (SNAP, or food stamps). The change, which was announced just in time for the holidays, is expected to remove nearly [700,000 people from the SNAP program](#).

Happening the week of December 9, 2019

- *Tuesday*: NFIB releases the November [Small Business Optimism Index](#).
- *Tuesday-Wednesday*: The Federal Reserve Open Market Committee meets to discuss the state of the economy and to decide whether to lower or raise interest rates.
- *Wednesday*: Federal Reserve Chairman Jerome Powell announces the [FOMC's decision on interest rates](#) at 2 p.m. BLS releases the [Consumer Price Index](#) and [Real Earnings Data](#).
- *Thursday*: BLS releases the [Producer Price Index](#).
- *Friday*: Census releases advance estimates of [U.S. retail sales](#) for November.

Good reads

- [“More Americans Are Dying in the Prime of Life. A Better Approach Is Needed,”](#) *Washington Post*, 11/30/2019
- [“How I Get By: A Week in the Life of a McDonald’s Cashier,”](#) *VICE*, 12/5/2019
- [“Farm Bankruptcies Are Way Up This Year,”](#) *Modern Farmer*, 11/15/2019

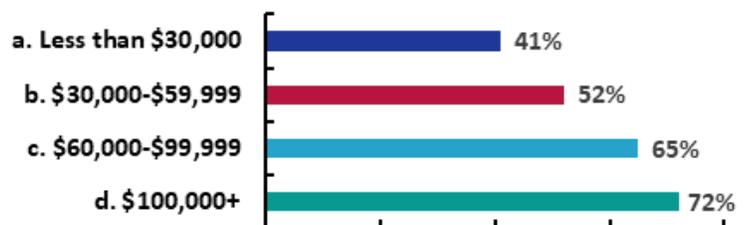
Chart of the week

Low-income workers are the least likely to receive paid family leave, but they are the ones who would benefit from it the most.

Women who use paid leave are more likely to return to their employers and maintain their pre-leave wages, which can boost their household income years down the line. Research in New Jersey found that women who took paid leave worked 15 to 20 percent more hours during the second year of their child’s life than those who did not, and that their hourly wages increased 5 percent.

Low-Income Workers Are the Least Likely to Receive Any Pay When They Take Leave

Percent of Workers in Each Income Category Who Took Leave and Were at Least Partly Paid



Note: Statistically significant differences for this chart: Row a is different from b. Rows c and d are not different from each other, but are both statistically significant from both rows a and b. Source: Better Life Lab Survey

New research and reports

- A Brookings [report on the low-wage workforce](#) studies the 44 percent of workers in low-wage jobs and recommends policies that improve worker skills and address discrimination and bias.
- The Center on Budget and Policy Priorities found that the administration’s lawsuit to dismantle the ACA, if successful, would [reduce taxes for the richest Americans while ending coverage for millions of Americans](#).
- The Brookings Institution found that the [administration’s new rule also would weaken SNAP’s ability to act as an automatic stabilizer](#) during recessions.

Selected JEC resources

- [50 State Economic Snapshots](#)
- [U.S. Economy by the Numbers](#)
- [Did Trump Create or Inherit the Strong Economy?](#)
- [The Supplemental Nutrition Assistance Program](#)

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