



ECONOMIC UPDATE

July 1, 2024

This Week in Focus

Happy recess! Last week the JEC Dems analyzed the latest state employment data, updating our interactive data tool and chart. See the state-by-state data [here](#). The next big data release will be this Friday when the Bureau of Labor Statistics releases national-level employment data for June. The consensus forecast predicts 188,000 jobs were added in June—down from May’s blockbuster addition of 272,000 jobs—while the unemployment rate remained at 4.0%. This would make June the 41st consecutive month of job growth under President Biden and would continue the longest streak of an unemployment rate at or below 4.0% in more than 50 years.

JEC Resources

- [State by State Data: May Employment Data](#)
- [Incomes Are Rising Faster than Prices Throughout the Country](#)
- [JEC Democrats’ Response to the 2024 Economic Report of the President](#)
- [Small Business Growth is Booming Under Democrats, Far Faster than Growth Under Trump](#)
- [Flooding Costs the United States Between \\$179.8 and \\$496.0 Billion Each Year](#)

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. Oftentimes, news coverage of these indicators will report whether the final number came in above or below the expectations set by the forecasters’ consensus.

Tuesday, July 2nd:

- **JOLTS Job Openings:** The consensus forecast for JOLTS Job Openings predicts a decrease to **7,864k** in May from **8,059k** in April.

Wednesday, July 3rd:

- **Jobless Claims:** Jobless claims are predicted to slightly increase to **235k** from **233k**.
- **FOMC Meeting Minutes:** The FOMC minutes are expected to reiterate the Fed’s caution in policy decisions.

Friday, July 5th:

- **Employment Situation:** The consensus forecast predicts **nonfarm payrolls** increased by **188k** while the **unemployment rate** remained the same at **4.0%**. Meanwhile, **average hourly earnings** are expected to have increased by **0.3%**.

What You Need to Know

- A wide range of economists say former president **Trump’s** plans to **raise tariffs** in a second term could lead to thousands of dollars a year in **cost increases** for American households.

- President **Biden's** economic agenda for a second term would primarily focus on **lowering** the [costs](#) of basic **necessities** like groceries, housing, and prescription drugs.
- **Disputes** over a **no-layoff clause** in Nippon Steel's bid to acquire U.S. Steel is leading to [opposition](#) to the deal by the United Steelworkers.
- A **statement** over the weekend by the bank for International Settlements **criticized** rising levels of public [debt](#) around the world.
- Flagging levels of **consumer spending** among **lower-income** households are leading companies to cut down on [price](#) increases and offer **more discounts** for a wide range of basic goods like food and toilet paper.

What to Read From the Think Tank World

- [The Council of Economic Advisers \(CEA\)](#) released a brief highlighting impacts of the expiration of federal child care stabilization funding and the mitigating effects of state-level stopgap funding.
- [The Center for American Progress \(CAP\)](#) highlighted how the 2017 tax bill's pass-through deduction—which allows owners of pass-through businesses to deduct 20% of their qualified business income when calculating their taxes—largely favors the wealthy and encourages gaming of the tax code.
- [The Century Foundation](#) emphasized how the delay and errors associated with launching the new FAFSA form could result in application drop-offs and widen college attendance and completion gaps.
- [The National Women's Law Center](#) analyzed the impact of the wage gap, finding it will typically cost a Black woman working full-time, year-round nearly \$900,000 over a lifetime of work.
- [The Center for Economic and Policy Research \(CEPR\)](#) found LGBT workers in the United States struggle with issues of economic precarity at a significantly higher rate than their cis-hetero counterparts.

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 the latest academic research findings. These are our selected recommendations from the latest papers out this morning.

- [Wealth at Birth and its Effect on Child Academic Achievement and Behavioral Problems](#)
- [How Are Insurance Markets Adapting to Climate Change? Risk Selection and Regulation in the Market for Homeowners Insurance](#)
- [Price Discounts and Cheapflation During the Post-Pandemic Inflation Surge](#)
- [On the Ubiquity of Declining Business Dynamism](#)