

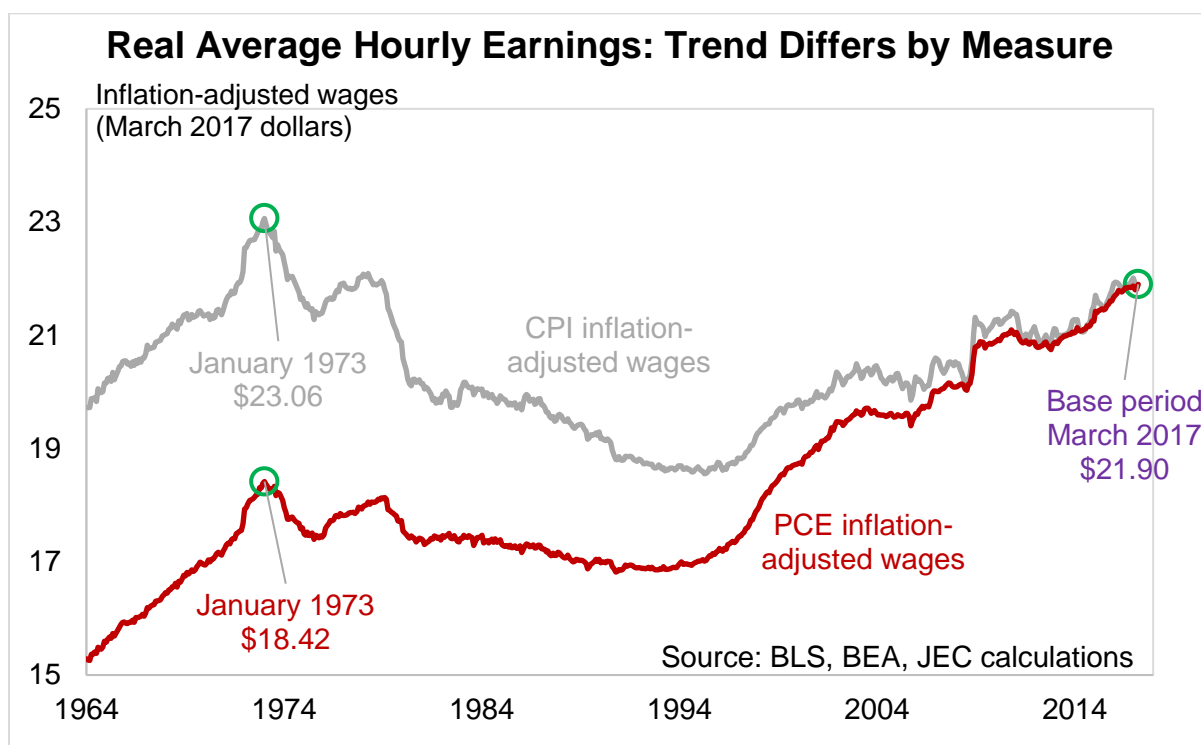


Weekly Economic Update

May 22 – May 26, 2017

CHART OF THE WEEK

By Common Measure, Real Wages Have Risen



The two main indices for making inflation adjustments are the Consumer Price Index (CPI) and the Personal Consumption Expenditures (PCE) price index. The [Federal Reserve prefers the PCE](#). Using the PCE, real average hourly earnings have risen substantially over the past 40 years.

LAST WEEK

News & Commentary Weekly Highlights

Journal Star: [The truth about the AHCA](#) (by JEC Member, Rep. Darin LaHood)

Wall Street Journal: [U.S. Jobless Claims Fell for Third Straight Week](#)

E21: [Forging a Consensus on Medicaid Reform](#)

Bloomberg: [Brazil Markets Sink, Triggering Circuit Breaker on Fresh Crisis](#)

Top Economic Indicator Highlights

Industrial Production and Capacity Utilization (April)

The Fed's industrial production index covers nearly everything tangible that is produced in the United States. Capacity utilization measures how much firms are actually producing relative to what they could potentially produce if operating at their maximum capability.

Industrial production (year-over-year percentage change)

April: 2.2% March: 1.5% February: 0.2%

Capacity utilization (percent of capacity in active use)

April: 76.7% March: 76.1% February: 75.8%

Noteworthy: From April 2015 to November 2016 the year-over-year growth rate of the industrial production index was negative. Since December 2016, it has avoided negative territory, and has continued to accelerate. The 1.5% increase is the largest since February 2015. Capacity utilization remains below its 1967-2007 average of 81.4%. The last time it was above 80% was March 2008.

JEC Releases

Lee Delivers Opening Statement During Hearing on Social Capital
State Employment Reports

THIS WEEK

Upcoming Economic Data and Events

Monday

Chicago Fed National Activity Index (8:30am)

Tuesday

Philly Fed Non-Manufacturing Survey (8:30am)

New Residential Sales (10:00am)

Richmond Fed Survey (10:00am)

Wednesday

Revised Building Permits (8:00am)

Existing Home Sales (10:00am)

Thursday

Advance Economic Indicators (8:30am)

Friday

Advance Durable Goods (8:30am)

Gross Domestic Product (Second Estimate) (8:30am)

Michigan Consumer Sentiment (Final) (10:00am)