Monday, June 10, 2024

We get important macroeconomic data every week, but the last few weeks have given us so much data it feels like Christmas. Here's a quick summary:

🙁	Current Unemployment	4.0%	Up 0.6% since last April. Roughly **997K jobs lost**
😩	Current Openings/Seeker	1.2	**Down half a job** per seeker vs. last year
😬	Real GDP Q1/Q4 SAAR	+1.3%	**Less than half** last quarter's growth rate
😧	Core Prices vs. YA	+2.8%	**40% above target** and **unchanged** in 3 months
😭	Real Median Wages vs. YA	+0.4%	**Less than half** the 5 and 10-year averages

These metrics reflect an uncomfortable climate for American workers. Unemployment is rising, increasing the risk of income loss. The number of job openings per seeker is declining, meaning if you lose your income, it's now harder to replace it. And real GDP growth is slowing, which means it may get harder still because this reflects slowing growth among employers. Also, when the labor market looks this tough, people want to save more money in case they lose their jobs, but it's especially hard right now because wage growth is slowing and inflation isn't. In short, it's an increasingly scary time for workers.

The Misery Index (Deconstructed)

Sources: BEA BLS, NBER, Seventh Point Analytic Consulting
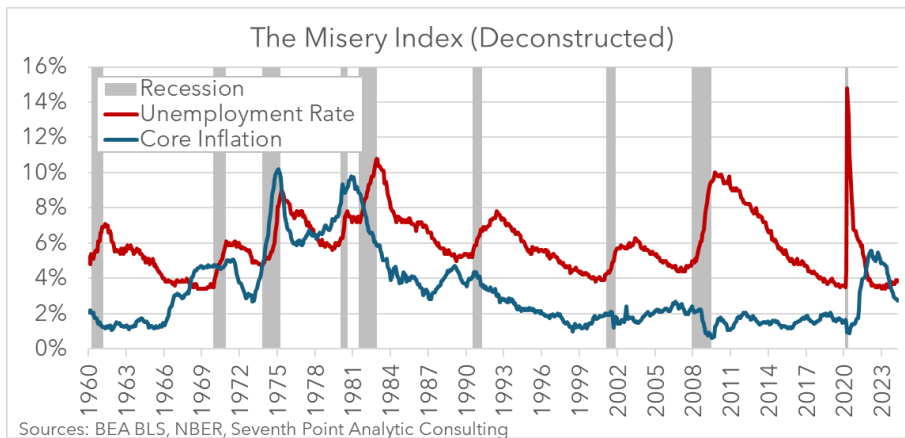
Many blame the Fed for all this, but again, these are interesting times. As the graph at left shows, the current inflationary period has been marked by an inflation rate that exceeded that of unemployment, which hadn't happened since 1981. As ADP chief economist Dr. Nela Richardson said on last Friday's Marketplace, "[The Fed] is in this position of being data-dependent but not knowing what data to depend on." She's not wrong.

The European Central Bank (ECU) cut its monetary policy rate last week, partially relieving discomfort in Europe. The Fed Open Market Committee meets this week to discuss whether they'll cut interest rates too.

[Ron Howard Narrator Voice] They won't.

Until next week,

Michael Uhrich
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