

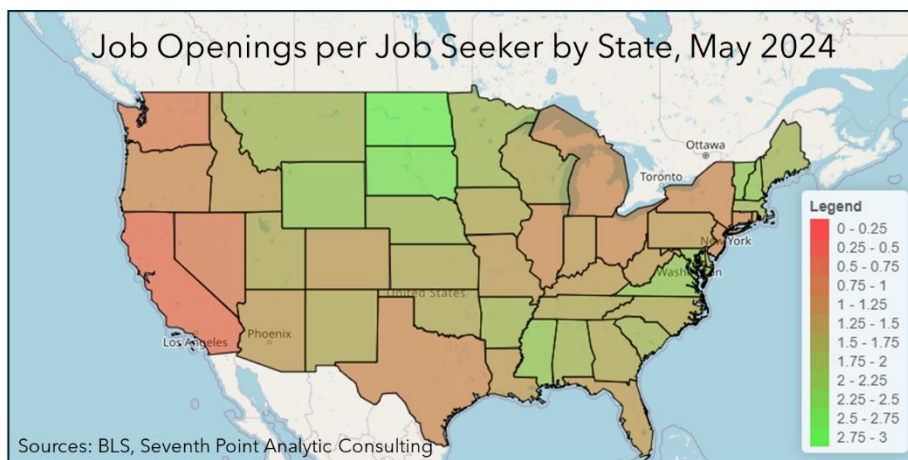


Friday, July 26, 2024

On Monday, the National Association of Business Economics (NABE) released its latest [quarterly Business Conditions Survey](#). As I discussed on the [Money Life podcast](#), some of the results are a little counterintuitive:

- 🙄 A majority of respondents' firms/industries are raising prices, but most face flat or declining costs
- 😬 A quarter of respondents' firms/industries are hiring, but a fifth say they predict layoffs soon

A little contradiction isn't surprising. After all, we get responses from all over, and the economy isn't as monolithic [as we like to treat it](#). So what's happening locally? Some labor markets are getting a bit rough.



The map at left shows job openings per seeker by state for May, released this week by BLS. Six of the ten largest states by population have fewer than 1.2 jobs per seeker, and three states have fewer than one (e.g., CA is currently at 0.7 jobs/seeker).

As [discussed in previous reports](#), once jobs/seeker falls below 1.0, unemployment usually skyrockets, and we get a recession.

This supports findings reported by the Fed in its [regional macroeconomic report released last week](#), which notes, "Several districts reported some slowing of wage growth due to increased worker availability and less competition for workers. Five noted flat or **declining** activity—three more than in the prior reporting period."

So maybe "we" aren't in a recession, but that doesn't mean California isn't or that "we" aren't next 🙄

In other news, the BEA reported just this morning that core PCE inflation for June (+2.63%) was not only still well above target, it was even a tiny bit higher than May (+2.62%) 🙄. The Fed meets next week to discuss whether to cut interest rates, like the [European Central Bank \(ECB\) did back in June](#). [You feeling lucky?](#) 😬

Until next week,

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PS - Thanks for your patience in waiting on this report. The vacation was planned, but the COVID wasn't 😬