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Betsey Stevenson's wide-ranging economic commentary widely sought

May 29, 2023



Betsey Stevenson

In the run-up to conclusion of the debt ceiling negotiations, Ford School economics professor Betsey Stevenson </faculty/betsey-stevenson> was widely sought out for her expertise on the implications of the crisis, as well as the various signals from the U.S. economy on inflation and employment.

Here is a compendium of her appearances in May:

Higher mortgage rates, lower social security payments: The calamity Washington wants to avoid with a debt ceiling deal

<<https://www.cnn.com/2023/05/28/economy/debt-default-vs-missed-payment/index.html>>,

CNN, May 28, 2023

“What should Treasury do? Should it issue new debt it’s not authorized to issue? Should it fail to pay a bill it’s required to pay? Should it fail to honor the debt that the US government has issued? There is no clear legal answer,” she said. “Treasury doesn’t really want to answer that question, and they don’t really want to be in that position.”

States see record low unemployment across the US

<<https://idahocapitalsun.com/2023/05/24/states-see-record-low-unemployment-across-the-us/>>,

States News Service, May 24, 2023

Women’s labor force participation is also moving up. It increased by 0.6 percentage point in the past year. That growth is affecting women of all ages and education levels, and Black women and Hispanic

women have had some of the biggest labor force participation growth, at a 2.2% and 2.1% increase over the same period, according to an analysis from University of Michigan's Betsey Stevenson, professor of economics, and Benny Docter, a senior policy analyst.

CPI, PPI — what do the indexes really tell us about inflation?

<<https://www.marketplace.org/2023/05/11/cpi-ppi-what-do-the-indexes-really-tell-us-about-inflation/>>, Marketplace, May 11, 2023

“More measures are always better at giving us more precision in our predictions,” said Stevenson of the University of Michigan. “So are different measures of inflation all pointing in the same direction?” And right now, she added that the rate of inflation for both indexes is ticking down, which is a good sign for inflation overall.

Inflation cools in April as experts eye housing costs

<<https://www.cbsnews.com/video/inflation-cools-in-april-as-experts-eye-housing-costs/>>, CBS, May 10, 2023

“These figures were within expectations. And I think it's always good to be in line with expectations because it means we see what we are expecting to see. The big ticket item in our CPI are housing data and what's happening to housing prices. They are continuing to rise, but at less of a rate than they were before.”

Here's what the looming debt ceiling crisis means for your portfolio

<https://www.cnbc.com/2023/05/09/what-the-debt-ceiling-crisis-means-for-investors.html>,

CNBC, May 9, 2023

Experts say the current crisis could differ from the 2011 debt standoff, which ultimately led to a U.S. credit downgrade and significant market turmoil. "Congress was willing to play the game of chicken, but there were fewer members of Congress actually willing to crash the car," said Betsey Stevenson, professor of public policy and economics at the University of Michigan.

Top Obama economist draws 3 conclusions from the jobs report and the 'mystery of extra workers' <https://fortune.com/2023/05/05/furman-jobs-report-fed-rate-hikes/>,

Fortune, May 5, 2023

Breaking down U.S. jobs data with Former chief economist of the U.S. Department of Labor <https://www.bnnbloomberg.ca/investing/video/breaking-down-u-s-jobs-data-with-former-chief-economist-of-the-u-s-department-of-labor~2681364>,

jobs-data-with-former-chief-economist-of-the-u-s-department-of-labor~2681364>,

Bloomberg, May 5, 2023

"The U.S. has had a remarkable labor market recovery from the pandemic. And what we're seeing is that there are some groups of people who are working and participating in the labor market at a rate higher than they were before the pandemic."

The US teetering on a catastrophe; inequality in Australia and increasing productivity <<https://www.abc.net.au/radionational/programs/themoney/us-teetering-catastrophe-inequality-productivity/102223930>>, ABC Australia, May 4, 2023

The truth is nobody knows what would happen because it's a set of laws where the U.S. Treasury doesn't know what to do. By law it has to pay the bills in a timely fashion. By law, it's not supposed to exceed the debt ceiling. So what's it going to do? Which law is it going to break?"

March jobs report shows more signs of cooling labor market

<<https://www.marketplace.org/2023/05/02/job-openings-data-show-signs-of-cooling-labor-market/>>, Marketplace, May 2, 2023

For the labor market at least, these are signs that the Fed's rate hikes are finally doing what they're supposed to, according to University of Michigan professor Betsey Stevenson. "Their policy choices often have lagged effects," she said. "So we're likely to see the labor market continue to tighten over the next few months." Things are moving in the direction the Fed wants, Stevenson added — just not as quickly as it wants.

First Republic: JP Morgan snaps up major US bank

<<https://www.bbc.com/news/business-65445427>>, BBC, May 1, 2023

Betsey Stevenson, professor of economics at the University of Michigan, said First Republic did not have "systemic problems" but failed because customers panicked. The takeover by JP Morgan was better than the alternative - a fire sale of First Republic's holdings, she added.

Are we stuck with sticky inflation? <<https://www.bloomberg.com/news/videos/2023-04-28/bloomberg-markets-full-show-04-28-2023>>, Bloomberg, April 28, 2023

“What the Fed is going to be unhappy about is that we are seeing numbers that range from 3 and ½ to 5, and we just saw in the employer cost index, what we have is inflation moving sideways over the past six months, at around 4 and ½ percent. And that’s higher than the Fed wants. It’s definitely lower for the year, so that’s why you hear a lot of confusing talk about this. Some say inflation is coming down. It is, compared to a few months ago, but it has plateaued.”

</faculty/betsey-stevenson>

FACULTY EXPERT

Betsey Stevenson </faculty/betsey-

stevenson>

Professor of Public Policy and Economics

Stevenson is a labor economist who publishes widely about the labor market and the impact of

public policies on outcomes both in the labor market and for families. Her research explores women's labor market experiences, the economic forces shaping the modern family, and how these experiences and forces influence each other. She served as the chief economist of the U.S. Department of Labor from 2010 to 2011, participating as the secretary's deputy to the White House economic team.

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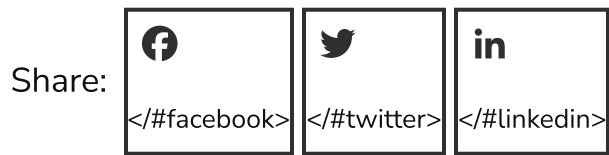
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