The Daily Dish

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New AAF analysis reveals Medicare Advantage cuts will hit seniors to the tune of $1,538 per year. This is a 13.32 percent reduction in benefits per senior compared pre-ACA baseline. “The overwhelming majority of Medicare Advantage enrollees will face significant benefit cuts in 2015, relative to benefit levels in 2014. This is primarily the result of ACA-mandated changes to the benchmark payment formula, and the elimination of the star rating bonus pilot program.”

It does not look like the Obama administration will be moving a bipartisan immigration reform forward. According to the Majority Leader Eric Cantor, “The president called me hours after he issued a partisan statement which attacked me and my fellow House Republicans and which indicated no sincere desire to work together. After five years, President Obama still has not learned how to effectively work with Congress to get things done. You do not attack the very people you hope to engage in a serious dialogue.” AAF has looked into how smart immigration reform could economically benefit the country.

Eakinomics: The State of the Recovery

The Fed released its beige book — a summary of on-the-ground observations in each of the 12 Federal Reserve districts — yesterday. The summary was simple: “Reports from the twelve Federal Reserve Districts suggest economic activity increased in most regions of the country since the previous report. The expansion was characterized as modest or moderate by the Boston, Philadelphia, Richmond, Atlanta, Minneapolis, Kansas City, Dallas, and San Francisco Districts. Chicago reported that economic growth had picked up, and New York and Philadelphia indicated that business activity had rebounded from weather-related slowdowns earlier in the year. The Cleveland and St. Louis Districts both reported a decline in economic activity.”

Put differently, there appears to be some confirmation that the recent spate of improved data is reflected in the experience of business communities across the country. We have seen stronger reports of employment growth, a return to pre-recession levels in new claims for unemployment insurance, firmer prices, and other indicators of more rapid growth. Reports indicate that banks are opening the lending spigots. All are promising reports.

Nevertheless, the housing market has yet to ramp up in 2014. Until growth is strong enough to translate into organic demand for housing, and that demand jump starts new housing construction, the recovery will remain incomplete. Fed Chair Janet Yellen echoed caution on the outlook yesterday, noting that the economy remained fragile and that there was little chance inflation would come in above the Fed’s 2 percent target. In particular, she said. “At present, I rate the chances of this happening as significantly below the chances of inflation persisting below 2 percent.”

2014 was widely heralded as the year that the economy shifted gears and moved from 2 percent growth to something closer to 3 percent. Bad weather assuredly nixed that hope in the 1st quarter — my bet is that growth will come in under 1 percent — but there appears to be a rebound. But that rebound gets us back to 2 percent growth and does not yet assure a rise to the higher pace.