



The Daily Dish

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Congressional Republicans are [pushing legislation on drug addiction prevention](#), specifically for opioid use. Drug overdoses kill more than 120 Americans daily, killing more people than car accidents. The CDC [reported](#) that in 2014 drug overdoses hit a record high with over 47,000 deaths. In addition, the [rate of ER visits due to drug use](#) has nearly doubled since 2004.

President Obama [announced a \\$4 billion plan](#) to increase computer-science education in schools. This new program would increase students' accessibility to computer science and computational thinking from preschool to high school, as well as provide training for teachers. There is an increasing amount of data that suggests [edtech makes instruction in diverse classrooms](#) more effective and efficient.

Eakinomics: How Strong Is Growth?

Friday's report on growth in Gross Domestic Product (GDP) during the fourth quarter of 2015 checked in at a paltry 0.7 percent annual rate. The weak GDP report, coupled with a disastrous start to 2016 in equity markets, has raised considerable chatter about an impending U.S. recession. For what it's worth, that is far from the consensus in the economics profession. The *Financial Times* [reports](#) that "Leading global economists now see a 20 percent chance of the US falling into recession this year". Still slowing global growth and financial market turbulence have taken their toll; the same group previously put the probability of recession at 15 percent over the next two years.

This makes sense. Inside the GDP report were two temporary factors — a big inventory decline and sharp drop in net exports — that subtracted nearly one percentage point from 4th quarter growth. One would expect that these factors would reverse somewhat early in 2016. Still, there is some reason for caution. Growth in household spending (personal consumption expenditures — PCE) downshifted from 3.0 percent in the third quarter to 2.2 percent in the fourth. As a result, PCE growth contributed only 1.5 percentage points to growth, well below the over 2 percentage points it averaged in 2015.

The big question is what happens next? In January the [Reuters/University of Michigan](#) consumer sentiment index decreased 0.6 point from 92.6 in December to 92.0. Today, the Department of Commerce will release the December data on personal income and outlays. It will be an important check of whether consumers will continue to use the windfall of lower oil prices to raise personal saving, or translates into greater momentum for household spending. Similarly, Friday will see the Department of Labor's report on employment in January. Will December's strong growth (292,000 jobs) hold up?

Business investment has been relatively weak throughout the recovery and governmental finances remain strapped. Residential construction is a relative strength, but the bottom line is that top-line GDP growth will rise and fall with the U.S. consumer. They bear close scrutiny in the months to come.

From the Forum

[Week in Regulation](#) by Sam Batkins, AAF Director of Regulatory Policy

[Secretary Kerry Admits Lifting Iran Sanctions Will Help Fund Terror](#) by Rachel Hoff, AAF Director of Defense Analysis