



# Week In Review

June 28, 2019

## ***Manufacturing***

The June MNI Chicago Business Barometer (Chicago PMI) fell from 54.2 to 49.7, far below expectations of 53.5.

**Our Take:** According to this report, manufacturing is contracting in the Chicago region. This is another in a long list of disappointing manufacturing reports. The sector is unlikely to be a strong source of economic growth for the foreseeable future.

## ***Personal Income and Consumption***

Personal income rose 0.5% in May, while spending increased 0.4%. Over the last twelve months, incomes and spending have risen 4.1% and 4.2%, respectively.

**Our Take:** As manufacturing continues to struggle, consumers are likely to be the main driver of growth in the second quarter. Continued increases in incomes clearly helps.

## ***Municipals***

New Jersey Governor Philip Murphy and lawmakers remain at odds over next year's budget. Last week lawmakers passed a \$38.7 billion budget, though Governor Murphy's tax on the wealthy was not included. However, additional spending which was not in Governor Murphy's original budget proposal was included. If a budget is not in place by July 1, a government shutdown could occur.

**Our Take:** Governor Murphy indicated that he would sign a budget bill before the deadline to avoid a shutdown, which would furlough workers and affect government services, state parks, and beaches. Many expect Murphy to veto some of the additional spending items, which could then be overridden by lawmakers. The governor and lawmakers have two days to complete the budget process. A shutdown is clearly not in the best interest of New Jersey residents.

—There is no additional Week In Review detail for this page.—

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