

NEWSLETTER

Newsletter: Housing Hits a Soft Spot, Hiring Half-a-Million Workers



U.S. existing-home sales fell in September. PHOTO: SCOTT MCINTYRE/BLOOMBERG NEWS

By Jeffrey Sparshott

Oct 23, 2019 6:48 am ET

This is the web version of the WSJ's newsletter on the economy. You can sign up for daily delivery [here](#).

The U.S. housing market took a step back, Census is looking for half-a-million temps, tariffs mean consumers are paying more for washing machines, Brexit has a bit more momentum, and Elizabeth Warren wants answers on the repo market.

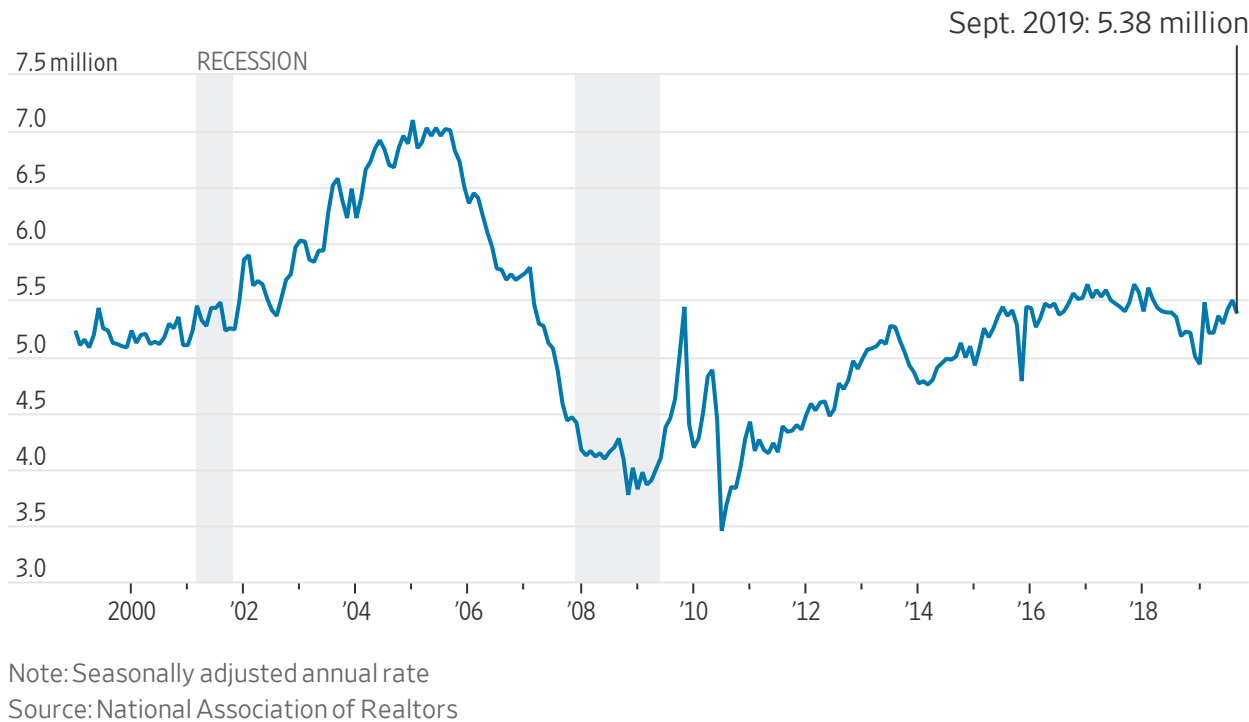
Burning Down the House

The housing market sputtered in September as a lack of homes for sale and high prices disrupted what was shaping up as a rebound in the second half of the year, Laura Kusisto and Harriet Torry report.

- Home sales rose for two straight months in July and August but fell 2.2% in September, the National Association of Realtors said.

- **Buying conditions** had turned more hospitable in recent months, thanks to falling mortgage rates, a growing selection of homes for sale and slowing home-price growth. But the latter two factors have quickly reversed course.
- **“You can sit there and go, ‘Oh my god, look how low mortgage rates are.’”** said Tom Lawler, founder of Lawler Economic and Housing Consulting. **“But then you go, ‘Look how high home prices are.’”**

U.S. existing-home sales



WHA
T TO
WAT
CH
TOD
AY

The
Euro
pean
Com
missi
on’s
adva
nce
euro
zone
cons
umer

confidence index for October is out at 10 a.m. ET.

Japan’s Nikkei manufacturing index is out at 8:30 p.m. ET.

TOP STORIES

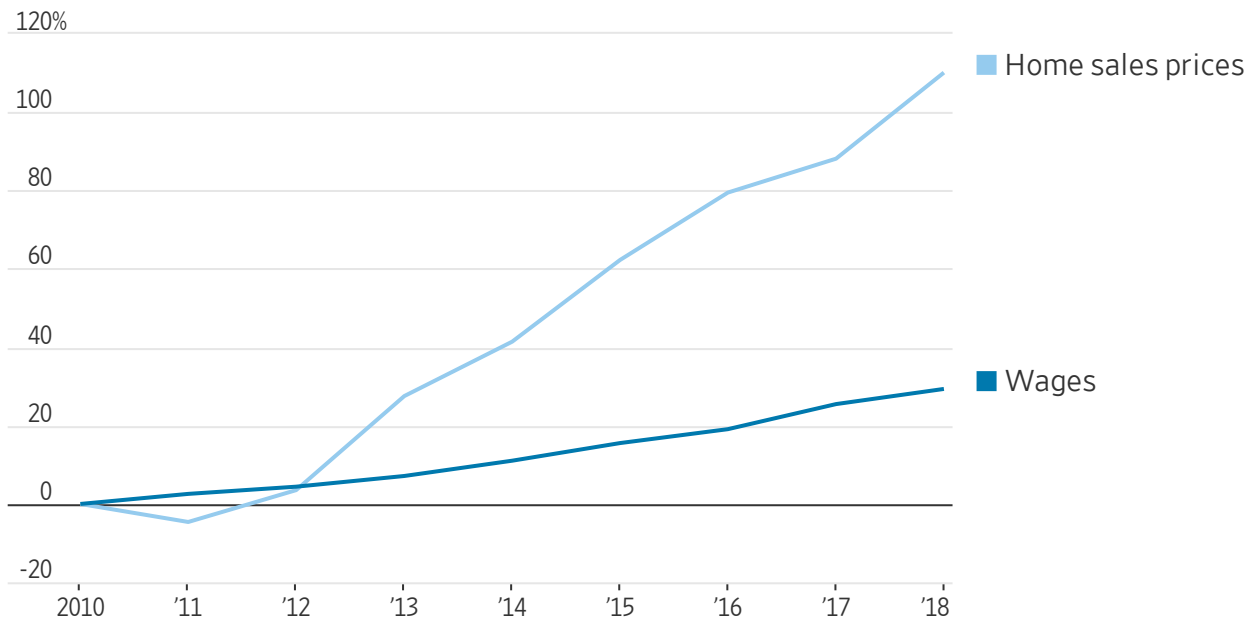
Does Oregon Have the Answer to High Housing Costs?

Oregon’s state legislature in June passed a zoning law requiring cities of 25,000 people or more to allow two-, three- and four-unit residential buildings in neighborhoods of single-family homes. In Bend, which sits on the Oregon high desert and is one of the fastest-growing small cities in the country, much of what the new zoning law requires is already under way. The city started liberalizing its building codes more than three years ago. Early results there suggest the new zoning encouraged more building and could help start to alleviate the housing shortage, Will Parker reports.

Field Experiment: Where Can I Find Half-a-Million Workers?

Bending Toward Unaffordable

Growth in wages versus growth in home prices in Bend, Ore., since 2010



Sources: Oregon Employment Center (wages) and Zillow (home sales prices)

The U.S. Census Bureau is looking to hire about 500,000 temporary workers for

the 2020 Census. The agency said it's already received around 900,000 applications, but that it needs about two million more to meet its hiring goal.

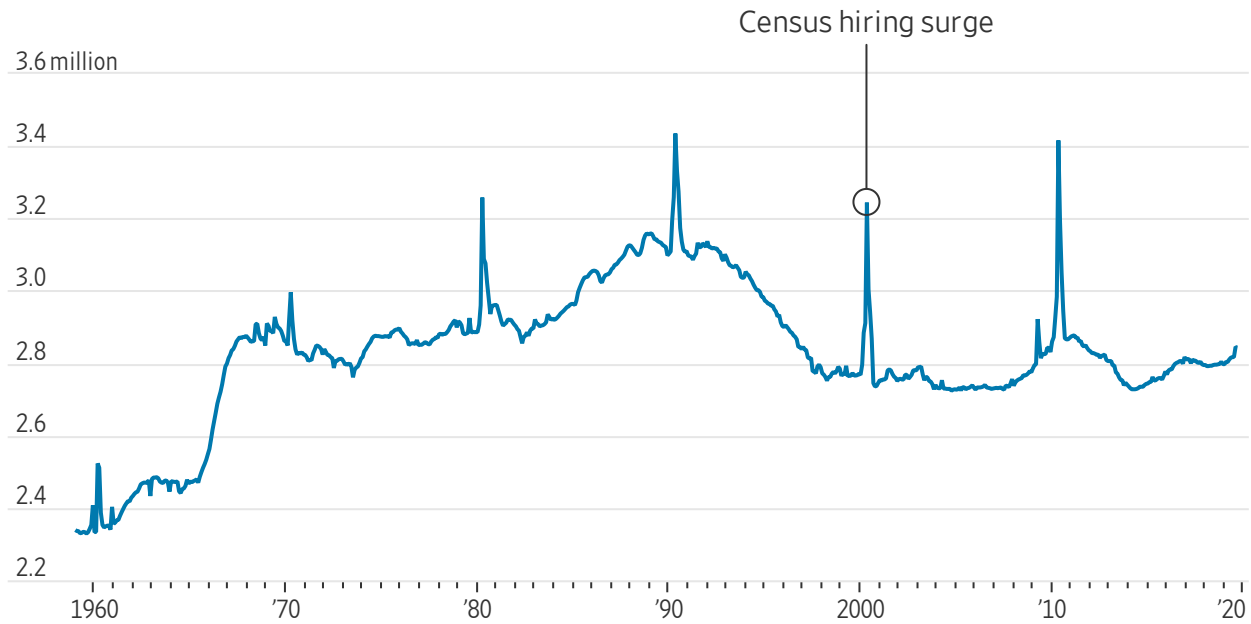
- **Census is looking** for temps who will follow up with households that don't respond to the census survey online, via phone or via a paper questionnaire.
- **The challenge:** The unemployment hit a 50-year low last month. Census is turning to paid advertising and 4,000 local events to help ramp up recruitment. The temp jobs will begin next year and pay from \$13.50 to \$30 per hour, depending on location.
- **Back in the spring**, the bureau received 232,000 qualified applicants for the first batch of 50,000 jobs that started at the end of this summer. The bureau hit its applicant goal for that worker pool 2½ months ahead of schedule.

—Amara Omeokwe

Power Wash

Whirlpool beat profit expectations, as the company continued to benefit from charging higher prices for its laundry and washing appliances. In North America, Whirlpool sold 6.9% fewer appliances in the third quarter, but at higher prices, leading to a 0.5% increase in revenue and higher profitability for the region, Austen Hufford reports.

U.S. federal government employment



Note: Seasonally adjusted

Source: Labor Department

- **The problem:** The Trump administration imposed tariffs on washing machines last year after Whirlpool requested protection from foreign competition. But a separate set of tariffs on imported steel and aluminum led to a \$300 million increase in costs in 2018 and an estimated \$150 million this year.
- **The solution:** “We saw ways to deal with them by either moving the supply base, taking costs out or raising prices,” Chief Executive Marc Bitzer said.

Whirlpool's share price



Source: FactSet

The
End
of
the
Begin
ning

U.K.
lawm
akers
endo
rsed
a
Brexi
t deal
for
the

first time on Tuesday, an important step that gave critical momentum to the deal negotiated by Prime Minister Boris Johnson. But in a vote minutes later, lawmakers rejected Mr. Johnson's plan to rush his deal through Parliament. As a consequence, the prime minister will likely fail in his oft-repeated ambition to pull the country out of the EU by Oct. 31, Max Colchester and Jason Douglas report.

Brexit uncertainty has been weighing on the U.K. economy. October surveys from the Confederation of British Industry showed investment plans hitting a post-financial crisis low, business optimism falling at the fastest pace since July 2016, and the outlook for exports posting its biggest drop in eighteen years.

Repo Ructions

The Federal Reserve Bank of New York injected \$99.9 billion in temporary liquidity and \$7.5 billion in permanent reserves into financial markets Tuesday. The intervention is part of an effort to help tame volatility in short-term rate markets with temporary and permanent injections of liquidity, Michael S. Derby reports.

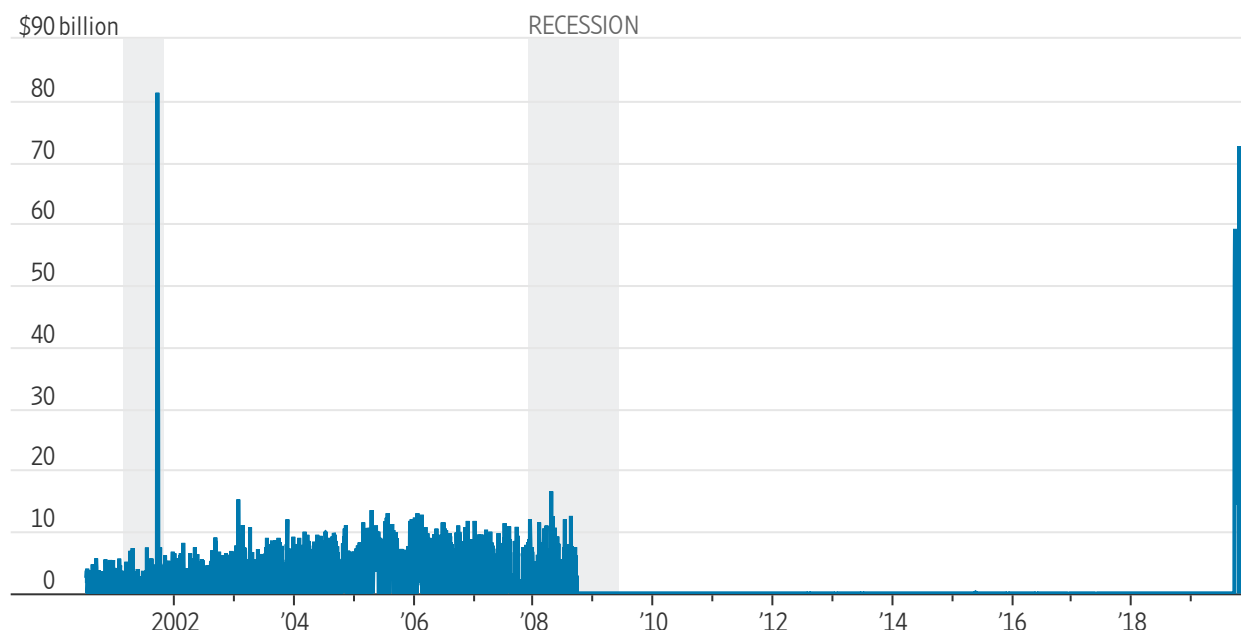
The repo-market turmoil caught Sen. Elizabeth Warren's eye. "While the Federal Reserve has taken the necessary action to ensure that markets continue to function, I am alarmed that it has been required to engage in money market interventions that have not been used since the 2008 financial crisis," the Massachusetts Democrat and presidential candidate wrote in a letter to Treasury Secretary Steven Mnuchin. Ms. Warren said she's worried big banks will use market chaos to pressure for laxer regulations.

Fiscal Fizzle

The European Central Bank has called on governments to boost the economy with a dose of fiscal stimulus. The International Monetary Fund is pleading with advanced economies to spend more. And the Reserve Bank of Australia would like some help as it slashes interest rates to record lows. But they're not getting it. The latest: Australian Treasury Secretary Steven Kennedy pushed back on calls for the government to ramp up spending. "In periods of crisis, there is a case for further temporary fiscal actions...The circumstances or crisis that would warrant temporary fiscal responses are uncommon," he said Wednesday in testimony before Australia's Parliament.

In some developing countries, anti-austerity drives have taken on a different tone. Chilean President Sebastian Piñera pledged to withdraw a subway fare increase after riots rocked the capital. Ecuador's president, Lenín Moreno, agreed to scrap a decree eliminating fuel subsidies after almost two weeks of street clashes. The latest unrest in Lebanon was triggered by a proposal to tax people for using WhatsApp.

Overnight repurchase agreements: Treasury securities purchased by the Federal Reserve in temporary open-market operations



Source: Federal Reserve Bank of New York via the St. Louis Fed

Are happy workers more productive workers? “We show that workers make around 13% more sales in weeks where they report being happy compared to weeks when they are unhappy. ... These effects are driven by workers making more calls per hour, adhering more closely to their workflow schedule, and converting more calls into sales when they are happier,” Clement Bellet, Jan-Emmanuel De Neve and George Ward write in a Said Business School working paper.

Sign Up for Our Calendar

Real Time Economics has launched a downloadable Google calendar with concise previews, forecasts and analysis of major U.S. data releases.

- To add to your Google Calendar on desktop, [click here](#).
- To add to your Google calendar app on mobile, [click here](#).
- If you prefer to view the calendar using a web browser, with the option of adding select Real Time Economics entries to your calendar, [click here](#).
- And here's our [how-to](#).

Let us know what you think. This is a pilot project, so we’d appreciate your feedback.

Share this:

AFFORDABLE HOUSING	BREXIT	ECONOMY	EMPLOYMENT	
EXISTING HOME SALES	FEDERAL RESERVE	FISCAL POLICY	HOUSING	
HOUSING MARKET	REPO MARKET	TARIFFS	TRADE	UNEMPLOYMENT

Copyright ©2017 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit <http://www.djreprints.com>.