

Pleasant surprise: A stronger economy

Everyone expected a recession. The Fed and Biden found a way out.

BY RACHEL SIEGEL AND JEFF STEIN

After two years of relentless pressure over everything from sky-high inflation to a looming recession, the head of the Federal Reserve was asked this month what he does for fun.

“For me, a big, big party — and I mean, this is really as fun as it gets — is a really good inflation report,” Jerome H. Powell said before a crowd at Spelman College. He flashed a smile and laughed.

For an official who typically sticks to a tight script, the quip was downright jubilant. But it also reflected a subtle mood shift from the central bank — and from a leader who feels finally freed to crack a joke in the first place, however restrained.

As 2023 winds to a close, Powell and his colleagues are far from declaring victory on inflation. They routinely caution that their actions could be thwarted by any number of threats, from war in the Middle East to China’s economic slowdown. Americans are upset about the high costs of rent, groceries and other basics, which aren’t going back to pre-pandemic levels. The White House, too, is quick to emphasize that much work remains.

Yet the economy is ending the year in a remarkably better position than almost anyone on Wall Street or in mainstream economics had predicted, having bested just about all expectations time and again. Inflation has dropped to 3.1 percent, from a peak of 9.1. The unemployment rate is at a hot 3.7 percent, and the economy grew at a healthy clip in the most recent quarter. The Fed is probably finished hiking interest rates and is eyeing cuts next year. Financial markets are at or near

SEE ECONOMY ON A20



LORENZO TUGNOLI FOR THE WASHINGTON POST

Israel’s radical settlers see opportunity

This community was founded on blood and retribution.

When Gilad Zar, who oversaw security for Jewish settlers in this part of the West Bank, was killed by Palestinian gunmen in 2001, his father, a member of the Jewish Underground, considered a terrorist organization by Israel, made a vow: He would establish six new illegal settlements — one for each letter of his son’s name in Hebrew.

Havat Gilad, or Gilad’s Farm, a settlement of some 80 families clinging to a steep hillside near the Palestinian city of Nablus, is one of them.

And now, as Israel reels from the Hamas attack on Oct. 7, the deadliest single day since the modern state was founded, the country’s extremist settler fringe sees new opportunities to expel Palestinians and expand the Jewish footprint in the occu-

Hamas attack has brought the movement more cash, arms and support. Some even envision a return to Gaza.

BY LOVEDAY MORRIS IN HAVAT GILAD, WEST BANK

A settler couple pray during Hanukkah outside their home in Havat Gilad. Since Oct. 7, violence has risen in the West Bank, with extremist settlers displacing over 1,200 Palestinians.

pled territories, further threatening the viability of a two-state solution.

Yehuda Shimon, a 48-year-old lawyer, looked out from a hilltop at the surrounding Palestinian villages. The closest lies less than half a mile away.

“We must make a war with the Arabs,” he said. “Here and Gaza, it’s the same Arabs. If they don’t leave, we must fight with them, and the strongest win.”

Radicals here were already emboldened by Israel’s farthest-right government in its history, which includes settlers such as Bezalel Smotrich, the finance minister. But the assault of Oct. 7, when Hamas and allied fighters streamed out of Gaza to attack Israeli communities, killing 1,200 people and taking 240 hostage, has brought them more cash, weapons and political support.

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Allies split on postwar agenda

NETANYAHU REJECTS BIDEN’S POSITIONS

Growing division over a possible Palestinian state

BY YASMEEN ABUTALEB, JOHN HUDSON AND WILLIAM BOOTH

In the days after the deadly Oct. 7 attack by Hamas, Israeli Prime Minister Benjamin Netanyahu had a request for President Biden: Could he pressure the Egyptian president to open his country’s borders and take in a big portion of the more than 2 million Palestinians in Gaza?

Biden told Netanyahu the idea was a non-starter with the Egyptian government, which has made clear it has no interest in accepting Palestinian refugees and playing any role in their mass displacement. But many Israeli officials still favor the request, which has not been previously reported, underscoring the stark differences between the United States and Israel over what should happen in Gaza in the near and long term after Israel completes its military campaign there.

So far, Biden has provided unwavering support for Israel’s military campaign in Gaza even as the Jewish state has faced international condemnation amid massive strikes by ground and air that have killed about 20,000 Palestinians. But as part of that support, Biden has repeatedly insisted that the Palestinian Authority, which currently governs part of the West Bank, must also rule Gaza after Hamas is eliminated, and that a

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Looming crisis: U.N. inches closer to agreement on aid resolution. A9

Khashoggi’s widow gets asylum in the United States

Killing of Post columnist has put her life in danger in Egypt, UAE, she says

BY DANA PRIEST

Jamal Khashoggi’s widow, who went into hiding after The Washington Post columnist was murdered in 2018 by a Saudi assassination squad, has been granted political asylum in the United States.

“I couldn’t really believe it,” Hanan Elatr said after reading the letter informing her of the decision. “I said, ‘Is this real?’ I couldn’t digest it.” She said the decision “shows there is one victim who is still alive.”

The decision this month validates Elatr’s assertions that her life would be in danger were she to return to her native Egypt or the United Arab Emirates, where she lived for 26 years until Jamal Khashoggi was killed.

It also may be one of the final acts in the long-running

SEE HOSTAGE ON A2

THE CHANGING FACE OF FOOTBALL

Who plays America’s biggest sport — and who supports kids playing it — is evolving. But not everywhere and not evenly.



MEGAN JELINGER FOR THE WASHINGTON POST

Chaminade Julianne High School players huddled up before a September game in Dayton, Ohio. Football participation is declining, but it remains the most popular boys’ U.S. high school sport.

BY DAVE SHEININ AND EMILY GIAMBALVO

For decades, few things have united America as consistently and completely as football — the autumnal obsession of small-town Friday nights, the ritualistic centerpiece of college-town Saturdays, the communal Sunday religion of a staggering percentage of the populace. In American culture, the game stands virtually alone in the way its appeal cuts across demographic lines.

But when it comes to actually playing tackle football — and risking the physical toll of a sport linked to brain damage — there are wide divisions marked by politics, economics and race, an examination by The Washington Post found. And as it grapples with the steep overall decline in participation among young people, some of those divisions appear to be getting wider. The Post found, with football’s risks continuing to be borne by boys in places that tend to be poorer and more conservative — a revelation with disturbing implications for the future of the sport.

The Divided States of Football

A series examining the decline of tackle football — and how geography, race, politics and income are shaping the future of America’s favorite sport.

To examine the way the demographics of football are changing, The Post analyzed decades of high school and college sports participation data and state-by-state demographic trends. The Post also conducted a nationwide survey, asking the same questions as a 2012 survey about attitudes toward kids’ participation in the sport, and interviewed dozens of young people, parents, coaches, administrators and experts across the country.

While participation is falling almost everywhere, The Post found, boys in the most conservative, poorest states continue to play high school tackle football at higher rates than those in wealthier and more politically liberal areas. The politicization of the concussion crisis is forging

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IN THE NEWS

Mass killing in Prague At least 14 people were fatally shot at a university by a 24-year-old man who is now dead, police said. A14

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WEEKEND Learn all about Capital One Arena: getting there, grabbing a nearby drink or a bite to eat, where to sit and more.

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