



Star Tribune/Leila Navidi

Government workers, American Federation of Government Employees union members and members of supporting local unions pose for a group photo during the rally to highlight the effect of the federal shutdown Thursday in Minneapolis.

Shutdown makes it harder to say how economy is doing

By CHRISTOPHER RUGABER
AP Economics Writer

WASHINGTON — The partial shutdown of the U.S. government has begun to make it harder to assess the health of the economy by delaying or distorting key reports on growth, spending and hiring.

Government data on home construction and retail sales, for example, won't be released next week because staffers who compile those reports have been furloughed. The retail sales report provides a snapshot of consumer spending, which fuels more than two-thirds of the economy. With Macy's and Kohl's having said Thursday that their holiday sales were weaker than expected, a broader gauge of retail spending would have provided important clarity.

In addition, the next report on the economy's overall growth, set for Jan. 30, won't be released if the shutdown remains in effect. Even if the government has fully reopened by then, federal workers won't likely have had enough time to produce the scheduled report on the nation's gross domestic product.

Not all agencies are closed. Congress approved funding last year for the Labor Department, so the government's next monthly jobs report will be released as scheduled on Feb. 1. But it's unclear how long the department will be able to issue jobs reports — the most closely watched barometer of the economy — after that.

Though the economy remains healthy in most respects, there are rising concerns that growth could slow or even stall in coming months. The trade war between the United States and China, which has helped depress global growth, is likely slowing business investment. The stimulus from the Trump administration's tax cuts is expected to fade.

And borrowing costs have risen since the Federal Reserve raised short-term interest rates four times last year. Before rebounding this week, stock markets had plummeted roughly 16 percent from their peak Oct. 2.

Many economists increasingly see the shutdown, should it persist, as a drag on the economy. Michael Feroli of J.P. Morgan has downgraded his forecast for growth

in the first three months of 2019 because of the shutdown. He now expects the economy to grow at a 2 percent annual rate, down from his previous estimate of 2.25 percent.

The shutdown is costing the economy about \$1.2 billion a week, according to Standard & Poor's. Some of that loss will be regained after federal workers eventually receive back pay for the time they missed. But many government contractors won't be made whole. And lost business — such as scheduled hotel stays from trips to national parks that won't be taken — may not be made up.

Fed officials are now stressing their flexibility on rate hikes, emphasizing that they will be patient and their policy "data dependent." By this, the Fed means that the government's latest readings on hiring, inflation and growth will factor heavily in its rate decisions. Yet much of that data will now be unavailable — to the Fed or anyone else.

"For us, one of the biggest effects of the shutdown has been around data," Raphael Bostic, president of the Fed's Atlanta regional bank, said Wednesday. "We're

worrying about that."

Even some reports that are released on schedule are likely to be distorted by the shutdown. For example, the January jobs report may show an artificially high unemployment rate and low employment figure. That's because up to 380,000 federal employees who aren't working or being paid during the shutdown — but who will return to work afterward — could be counted as unemployed for January.

If so, that would raise the unemployment rate by 0.2 percentage point, estimated Ben Herzon, an economist at Macroeconomic Advisers, a forecasting firm. And the monthly job count could decline by 380,000 if the shutdown continues through the end of January, Herzon said. That could push the monthly job figure into negative territory.

If all the federal workers eventually receive back pay, as occurred after previous shutdowns, then the January jobs report would later be revised to restore those 380,000 jobs, according to the Labor Department's Bureau of Labor Statistics.

'Screen Time' to keep up with what's on

East Oregonian

The *East Oregonian* and its weekly affiliate the *Hermiston Herald* will soon introduce a brand new section focusing on America's most popular pastime, screen viewing.

Whether it is antenna, cable, dish, or a variety of streaming services like Netflix, Americans spend more time viewing news and entertainment on screen — television, computer, smart phone or tablet — than any other activity besides work and sleep, according to recent survey data.

In response, the *EO* and *HH* are launching "Screen Time," a new weekly tabloid section that will publish each Wednesday in both newspapers.

"Given the viewing habits of modern Americans on both big screen and an array of mobile devices, it became clear to us that it was high time to reinstate a screen viewing guide," said Publisher Chris Rush. "It has been several years since we last published such a product."

However, unlike previous publications, this will be no ordinary TV guide.

"Screen Time will not only include network listings for Broadcast, Cable, Dish and DTV, but also Streaming highlights, movies, sports, and even a weekly listing of cooking shows," said Rush. "We will also include entertainment features, puzzles, and more in a full-color 24-page package."

The new section will be included as part of the regular subscription price of both the *East Oregonian* and *Hermiston Herald* and will be supported with local advertising.

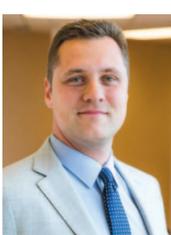
The launch date for Screen Time is planned for Feb. 13, to continue each and every Wednesday in the *EO* and *HH*.

FREE Hernia Screening and Seminar



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