

## No Picnics for Debt Negotiators: Your Saturday US Briefing

Virginia Van Natta | 05/27/2023

(Bloomberg) -- Happy Memorial Day weekend. Summer officially kicks off here in the US and it's time to break out the backyard grill and start making potato salad. Unless you're part of the negotiating team hammering out a deal on raising the US debt ceiling. Then you need to forge some kind of an agreement in the next few days or the US will start running out of cash to pay its bills and that would be a nightmare for all of us. Representative Patrick McHenry, a key GOP negotiator, said Saturday that there are still "thorny issues" in the negotiations between House Republicans and the White House to avert a catastrophic US default. The S&P 500 barely budged last week, adding just 0.3% to close at 4,205. If the worst-case scenario happens and the US defaults, the market is likely to tank. Strategists at DataTrek Research recommend watching some key levels to see if the benchmark index finds support on the way down: One is 3,840, where it started the year, and the other is 3,783, which it hit on Dec. 28 when the Nasdaq 100 posted its lowest close since 2020.

More rain on the parade: Men who served in the military earn about \$7,000 less than non-veterans in similar circumstances, due to higher levels of disability and lower education levels. Just 27% of veterans who were male high school graduates went on to earn bachelor's degrees or higher, compared with 34% of comparable nonveterans, Fed Bank of New York researchers found. The earnings gap shrinks to less than \$2,000 a year after accounting for the differences in education and disabilities. Remote jobs can come with an unexpected dark side. Although it might seem like a great idea to head where living costs are lower and work from home, you could end up stuck in a place with less social and economic mobility, according to a new study from ADP Research Institute. "If you are a customer service rep, or working in that realm, you will find most of your opportunities away from those coastal cities and that will influence your life, who your peers are, and the opportunities your children have," said research fellow Issi Romem, who has dubbed the trend "domestic offshoring." Meanwhile, the rich and powerful will continue to congregate in expensive areas.

One thing pretty much all Americans can agree on is the musical magic of Taylor Swift. The singing-songwriting megastar has been selling out stadiums everywhere she performs, thrilling Swifties, as her fans are known, and boosting local economies to pre-Covid levels. She's also introducing young people to Economics 101, as they learn the hard way about surging ticket prices in an inelastic secondary market. Some of the cheapest tickets to see Swift perform this weekend at MetLife Stadium in East Rutherford, New Jersey, start at around \$1,000 in the resale market. You're on Your Own, Kid.

If you want a chance to hobnob in fancy neighborhoods, it's not too late to find a summer hideaway in the Hamptons and there are deals to be had, according to data from StayMarquis, a vacation rental company. The number of rentals in the tony beach communities 90 miles from NYC has increased from a year ago and prices have dropped as property owners, free from the shackles of Covid lockdowns, travel elsewhere during their time off. "The glut of rental inventory still available has caused the scales of supply and demand to be tipped in favor of tenants," according to Judi Desiderio, the CEO of Town & Country Real Estate.