



WEEKLY ECONOMIC DIGEST

JOINT ECONOMIC COMMITTEE

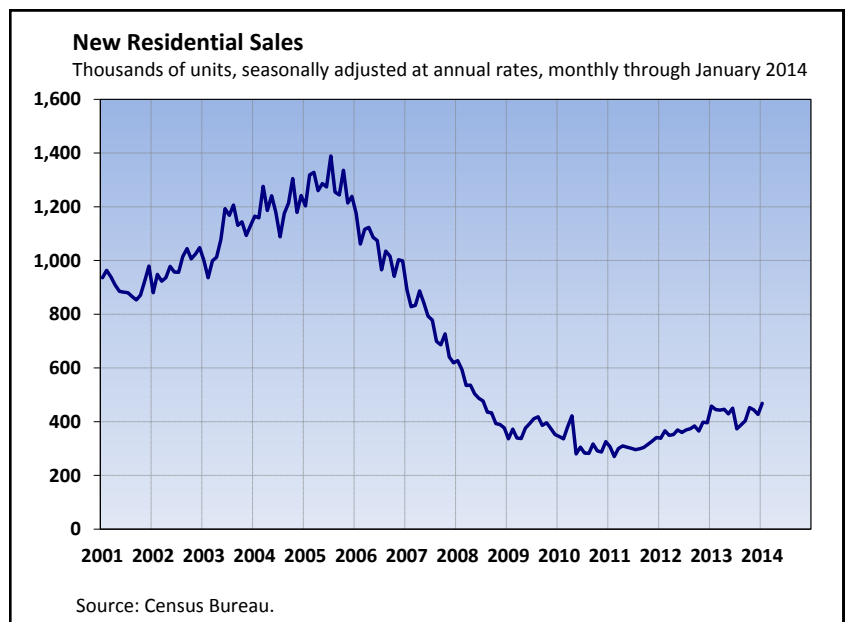
Sen. Amy Klobuchar, Vice Chair
Rep. Carolyn Maloney, Senior Democratic House Member

March 5, 2014

New Home Sales Rose in January, but New Homes Started in January Declined

New single-family home sales at five-year high

- Private construction spending on new single-family homes rose 2.3 percent in January and is up 21.0 percent over the past year.
- Sales of new single-family homes increased 9.6 percent in January, after declining 3.8 percent in December (see chart).
- Sales of new homes increased in nearly all regions of the country, declining only in the Midwest.
- Homeowners continued to experience substantial increases in their wealth in 2013 as housing gains boosted home values.



- U.S. home prices closed the year 11.3 percent higher than at the end of 2012, marking the second consecutive year in which home prices rose, according to estimates released by S&P Dow Jones Indices.

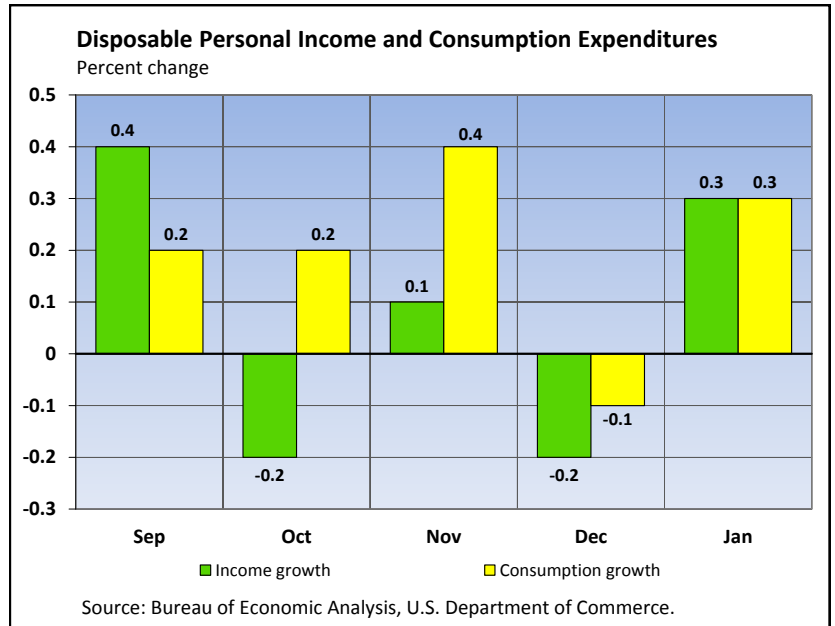
Number of new homes started and sales of existing homes declined in January

- The number of privately-owned single-family housing units started in January declined 15.9 percent, due in part to unusually severe weather in much of the country.
- Sales of existing single-family homes declined 5.8 percent in January, with all regions experiencing declining sales.

WEEKLY ECONOMIC DIGEST

Consumer spending and income rose in January

- Real (inflation-adjusted) consumer spending grew by 0.3 percent in January, matching the pace of growth of after-tax income (see chart).
- Both income and spending grew more rapidly in January than forecasters had expected.
- The expiration of Emergency Unemployment Compensation programs in December slowed income growth somewhat in January.
- Over the last six months, consumer spending has grown at an average annual rate of 2.5 percent, while after-tax income has increased 1.5 percent on average.



The economy grew at a solid pace in the fourth quarter

- Real gross domestic product (GDP) grew at a 2.4 percent annual rate in the fourth quarter of last year, following a gain of 4.1 percent in the third quarter, according to revised data from the Bureau of Economic Analysis. (Previously, the Bureau had estimated fourth-quarter growth to be 3.2 percent.)
- The third-quarter increase in GDP largely reflected a temporary surge in business inventories that did not carry over into the fourth quarter.

THE WEEK AHEAD

DAY

SELECTED UPCOMING DATA RELEASES & EVENTS

- Wednesday, Mar. 5** ADP National Employment Report (February)
ISM, Non-Manufacturing Report on Business (February)
Summary of Commentary on Current Economic Conditions by Federal Reserve District
- Thursday, Mar. 6** Productivity and Costs (Q4, revised)
Full Report on Manufacturers' Shipments, Inventories and Orders (January)
- Friday, Mar. 7** The Employment Situation (February)
U.S. International Trade in Goods and Services (January)
Consumer Credit (January)