



WEEKLY ECONOMIC DIGEST

JOINT ECONOMIC COMMITTEE

UNITED STATES CONGRESS

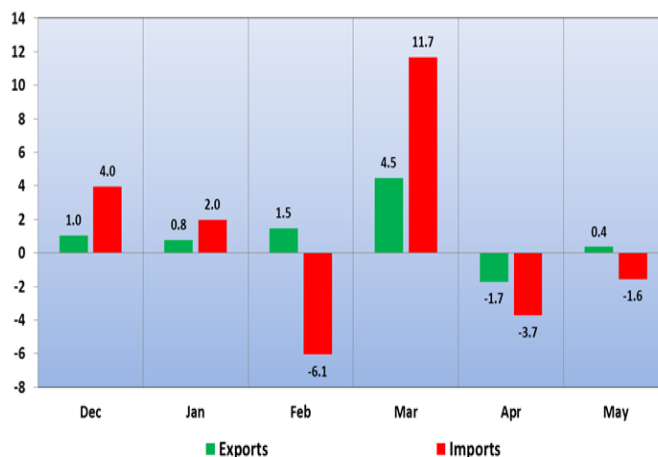
SENATOR ROBERT P. CASEY, JR., CHAIRMAN

July 17, 2012

U.S. Trade Gap Narrowed in May With Little Change in Volumes

- The U.S. trade deficit declined in May. Exports of goods and services increased by \$0.4 billion in May and imports decreased by \$1.6, according to data released by the Census Bureau (see top chart). As a result, the U.S. trade deficit for goods and services (imports minus exports) decreased by \$1.9 billion to \$48.7 billion. Declines in petroleum imports in May accounted for more than the overall decline in the trade deficit as the deficit on nonpetroleum trade rose.
- Job openings and hires rose in May. There were 3.642 million job openings in the private and public sectors on the last business day of May, up from 3.447 million openings at the end of April. Total hires rose to 4.361 million jobs at the end of May from 4.213 million at the end of April. The private-sector job vacancy rate was 2.8 percent of total private-sector jobs, filled or unfilled, in May (up from 2.7 percent in April). The private-sector hiring rate increased to 3.7 percent of total private-sector employment in May from 3.5 percent in April (see bottom chart).
- Consumer credit rose sharply in May. Consumer credit outstanding (which includes most short- and medium-term credit extended to individuals, except for loans secured by real estate) increased by \$17.1 billion (8.0 percent at an annual rate) to \$2.573 trillion in May, an increase nearly twice as large as what market forecasters had expected. The May gain followed a 4.7 percent annualized gain in April. Revolving credit surged by 11.2 percent in May, while nonrevolving credit outstanding rose 6.5 percent. Total consumer credit outstanding increased by 5.3 percent over the 12 months ending in May.

Exports and Imports of Goods and Services, Recent Months
Month-to-month change in billions of dollars



SOURCE: Census Bureau, U.S. Department of Commerce.

Hiring Rate in Private Industry
Hires as a percent of private-sector employment, monthly through May 2012



SOURCE: Bureau of Labor Statistics, U.S. Department of Labor.

NOTE: Shaded regions mark periods of recession as determined by the National Bureau of Economic Research.

WEEKLY ECONOMIC DIGEST

THE WEEK AHEAD

DAY	SELECTED UPCOMING DATA RELEASES
Tuesday, Jul. 17	Consumer Price Index (June) Industrial Production and Capacity Utilization (June)
Wednesday, Jul. 18	New Residential Construction (June)
Thursday, Jul. 19	Sales of Existing Homes (June)

THE ECONOMY AT A GLANCE

KEY INDICATORS	MONTH			QUARTER			YEAR	
	Jun.	May	Apr.	2012Q2	2012Q1	2011Q4	2011	2010
<u>Economic Activity</u>								
Real gross domestic product	—	—	—	n.a.	1.9	3.0	1.7	3.0
Manufacturing production	n.a.	-0.4	0.7	n.a.	9.8	5.6	4.3	5.7
Factory utilization rate (percent of capacity)	n.a.	77.6	78.0	n.a.	77.7	76.1	75.0	71.2
Civilian unemployment rate (percent of labor force)	8.2	8.2	8.1	8.2	8.2	8.7	8.9	9.6
Housing starts (thousands of units, annual rates)	n.a.	708	744	n.a.	715	678	612	586
Light vehicle sales, domestic (millions of units, annual rates)	11.047	10.738	11.113	10.966	11.223	10.433	9.824	8.808
Retail & food service sales	-0.5	-0.2	-0.5	-0.8	6.7	8.8	8.0	5.5
Real disposable personal income	n.a.	0.3	0.1	n.a.	3.7	4.2	1.2	1.8
Personal saving rate (percent of disposable income)	n.a.	3.9	3.7	n.a.	3.7	4.2	4.6	5.3
<u>Inflation & Productivity</u>								
CPI-U inflation	n.a.	-0.3	0	n.a.	2.5	1.3	3.1	1.6
Core CPI-U inflation	n.a.	0.2	0.2	n.a.	2.1	1.9	1.7	1.0
Output per hour, nonfarm bus.	—	—	—	n.a.	-0.9	1.2	0.4	4.0
Unit labor costs, nonfarm bus.	—	—	—	n.a.	1.3	-1.5	1.8	-2.0
Employment Cost Index	—	—	—	n.a.	1.7	2.1	2.0	1.9

Sources: Bureau of Economic Analysis, U.S. Department of Commerce; Bureau of the Census, U.S. Department of Commerce; and Bureau of Labor Statistics, U.S. Department of Labor.

Notes: Except where otherwise noted, values in the table represent simple percent changes for monthly data and percent changes at annual rates for quarterly data. Core CPI-U inflation is the percentage change in the CPI-U excluding food and energy prices as reported by the Bureau of Labor Statistics. The Employment Cost Index covers all civilian workers and the quarterly change is measured from the last month of the previous quarter to the last month of the indicated quarter. 'n.a.' denotes that data are not yet available. '—' denotes that data are not available monthly.