



# WEEKLY ECONOMIC DIGEST

JOINT ECONOMIC COMMITTEE

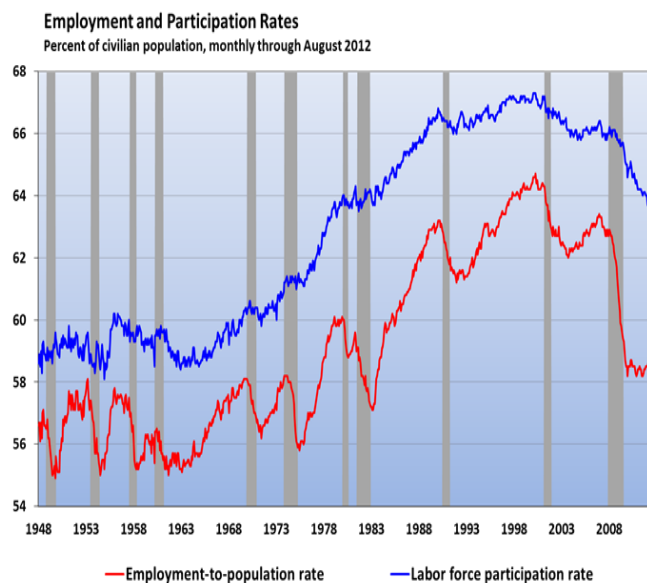
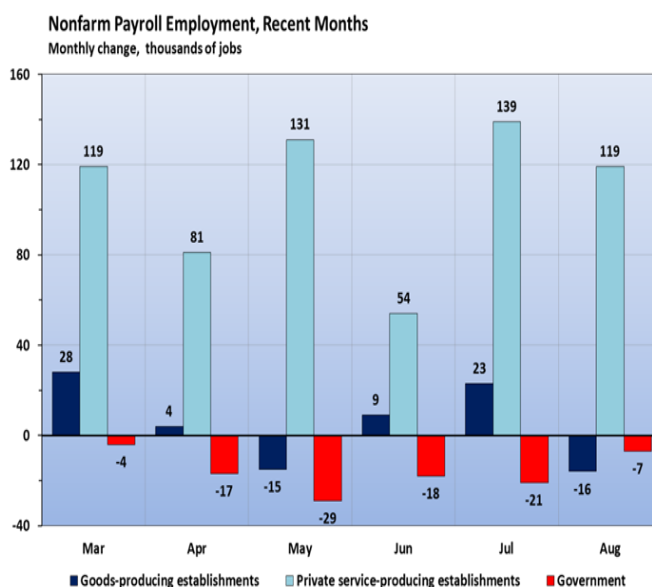
UNITED STATES CONGRESS

SENATOR ROBERT P. CASEY, JR., CHAIRMAN

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## Employment Grew Modestly in August

- Payroll employment decelerated in August. Total nonfarm employment rose by 96,000 jobs last month following (revised) gains of 141,000 jobs in July and 45,000 jobs in June, according to the Labor Department's survey of establishment payrolls. Private nonfarm payrolls increased by 103,000 jobs in August, following gains of 162,000 jobs in July and 63,000 jobs in June. Payrolls in private goods-producing establishments decreased by 16,000 jobs in August while payrolls in private service-providing establishments increased by 119,000 jobs (see top chart). Public payrolls declined by 7,000 jobs last month.
- Average weekly earnings were flat last month. The average workweek for private nonfarm workers was unchanged at 34.4 hours in August. The average hourly earnings of private nonfarm workers were essentially unchanged at \$23.52 per hour. As a result, average weekly earnings were little changed last month, following a 0.2 percent decline in July and a 0.6 percent increase in June.
- Declining labor force participation worked to lower the unemployment rate in August. Unemployment averaged 8.1 percent of the civilian labor force last month, down from 8.3 percent in July, according to estimates from the Labor Department's survey of households. The fraction of the population with a job declined 0.1 percentage point to 58.3 percent in August. However, the rate of labor force participation (i.e., the fraction of the population that is either working or actively seeking work) also declined, by 0.2 percentage point to 63.5 percent. Both the employment rate and labor force participation remain well below the levels that prevailed prior to the recession (see bottom chart).



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## THE WEEK AHEAD

DAY	SELECTED UPCOMING DATA RELEASES
Tuesday, Sep. 11	U.S. International Trade in Goods and Services (July) Job Openings and Labor Turnover (July)
Thursday, Sep. 13	Producer Price Indexes (August) Federal Open Market Committee announcement concerning monetary policy
Friday, Sep. 14	Advance Monthly Sales for Retail and Food Services (August) Consumer Price Index (August) Industrial Production and Capacity Utilization (August)

## THE ECONOMY AT A GLANCE

KEY INDICATORS	MONTH			QUARTER			YEAR	
	Aug.	Jul.	Jun.	2012Q2	2012Q1	2011Q4	2011	2010
<b><u>Economic Activity</u></b>								
Real gross domestic product	—	—	—	1.7	2.0	4.1	1.8	2.4
Manufacturing production	n.a.	0.5	0.5	1.1	9.6	5.5	4.3	5.7
Factory utilization rate (percent of capacity)	n.a.	77.8	77.6	77.6	77.6	76.1	75.0	71.2
Civilian unemployment rate (percent of labor force)	8.1	8.3	8.2	8.2	8.2	8.7	8.9	9.6
Housing starts (thousands of units, annual rates)	n.a.	746	754	736	715	678	612	586
Light vehicle sales, domestic (millions of units, annual rates)	11.546	11.002	11.264	11.025	10.938	10.461	9.819	8.808
Retail & food service sales	n.a.	0.8	-0.7	-1.0	6.7	8.4	8.0	5.5
Real disposable personal income	n.a.	0.3	0.2	3.1	3.7	-0.2	1.3	1.8
Personal saving rate (percent of disposable income)	n.a.	4.2	4.3	4.0	3.6	3.4	4.2	5.1
<b><u>Inflation &amp; Productivity</u></b>								
CPI-U inflation	n.a.	0	0	0.8	2.5	1.3	3.1	1.6
Core CPI-U inflation	n.a.	0.1	0.2	2.6	2.1	1.9	1.7	1.0
Output per hour, nonfarm bus.	—	—	—	2.2	-0.5	2.8	0.7	3.1
Unit labor costs, nonfarm bus.	—	—	—	1.5	6.4	-3.3	1.9	-1.1
Employment Cost Index	—	—	—	2.1	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.