



WEEKLY ECONOMIC DIGEST

JOINT ECONOMIC COMMITTEE

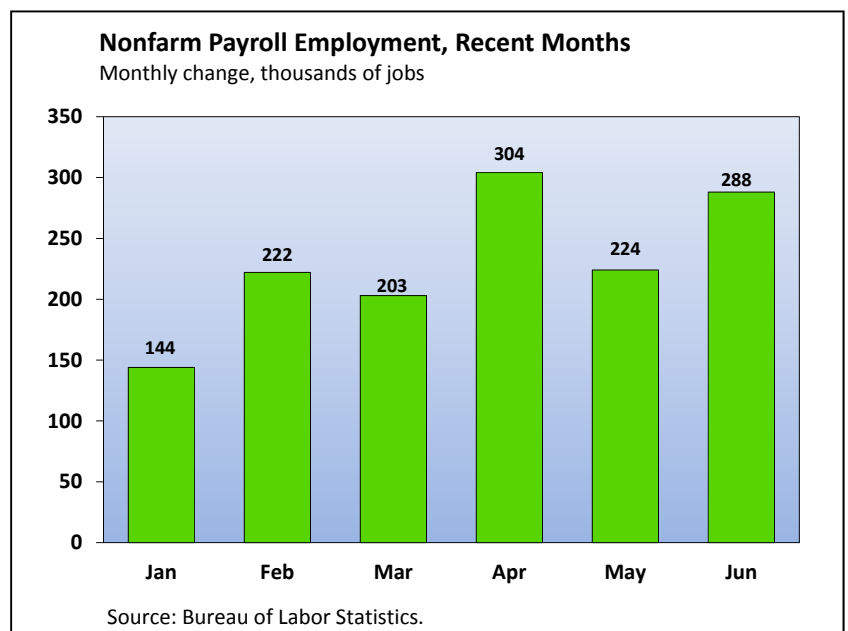
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July 8, 2014

Strong Job Gains Continued in June

Job growth topped 200,000 for a fifth consecutive month

- Nonfarm employment rose by 288,000 jobs in June according to the Bureau of Labor Statistics (see chart).
 - Job growth has averaged 272,000 jobs per month over the past three months, significantly higher than the average of 201,000 jobs per month over the 12 months through May.
 - Job growth over the past five months has been the strongest since 2006.
 - Job gains in June were relatively widespread across industries as both private-sector and government payrolls rose.
- The average hourly earnings of workers in private nonfarm businesses rose in June, and earnings are now 2.0 percent higher than a year earlier.



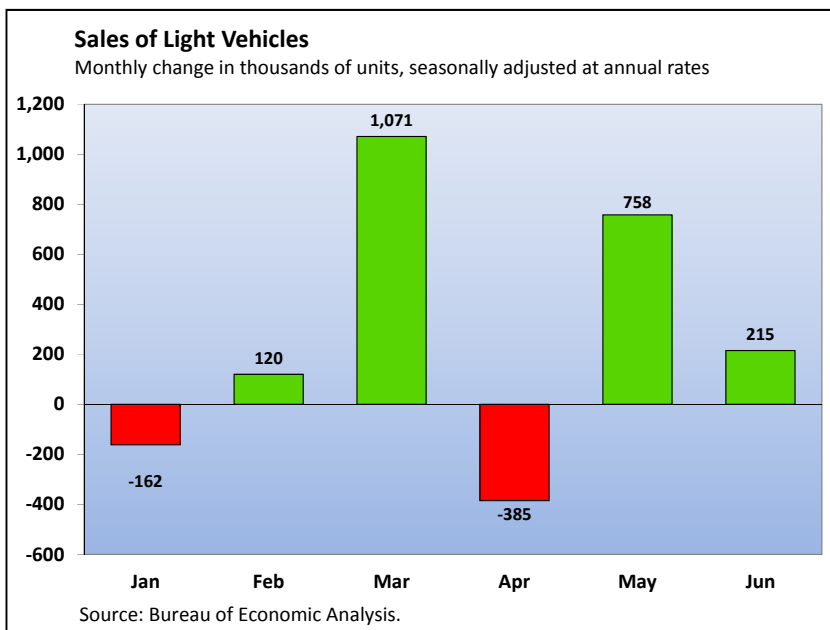
Unemployment decreased in June

- The unemployment rate averaged 6.1 percent of the civilian labor force last month, down 0.2 percentage point from May.
- The unemployment rate has declined 0.6 percentage point since the start of the year with essentially no change in labor force participation.
- Long-term unemployment also declined in June, but it remains high relative to historical levels: 2.0 percent of the labor force have been out of work for at least six months yet continue to search for jobs.

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Vehicle sales rose again in June

- Total U.S. sales of light vehicles (autos and light trucks) increased at an annual rate of 215,000 units in June, according to the Department of Commerce (see chart).
- The June increase followed a gain of 758,000 units in May and put U.S. sales at the highest level since July 2006.
- Sales of light vehicles have risen by nearly 1.1 million units (6.9 percent) over the past 12 months.
- More than two-thirds of the domestically produced vehicles sold over the last year have been light trucks, which are typically more expensive than automobiles.



Business spending on construction rose in May

- Spending on private nonresidential construction rose 1.1 percent in May and is now 10.7 percent higher than it was a year ago.
- Construction of power facilities along with commercial, manufacturing and office buildings have contributed the most to the growth of private nonresidential construction over the past year.

THE ECONOMY AT A GLANCE

Key Indicators	Months			Quarters			Years	
	June	May	Apr.	2014-Q2	2014-Q1	2013-Q4	2013	2012
Real GDP growth (%)	—	—	—	n.a.	-2.9	2.6	1.5	1.3
Unemployment (% of labor force)	6.1	6.3	6.3	6.2	6.7	7.0	6.7	7.7
Long-term unemployment (% of labor force)	2.0	2.2	2.2	2.1	2.4	2.6	2.4	3.0
Inflation (%)	n.a.	0.4	0.3	n.a.	1.9	1.1	1.4	1.7
Core inflation (% excludes food & energy)	n.a.	0.3	0.2	n.a.	1.6	1.6	1.6	1.9

Sources: Staff estimates based on data from the Bureau of Economic Analysis and the Bureau of Labor Statistics.

Notes: (—) Real GDP data are not released on a monthly basis. (n.a.) Data are not yet available.

Real GDP growth is the change in gross domestic product after adjusting for inflation. Long-term unemployment refers to those workers who have been unemployed for 27 weeks or longer. Inflation and core inflation refer to changes in the relevant consumer price indexes for all urban consumers. Quarterly estimates of GDP growth and inflation are reported at annual rates. Yearly estimates of GDP growth and inflation are Q4-to-Q4.

Yearly unemployment rate estimates are Q4 averages.