



WEEKLY ECONOMIC DIGEST

JOINT ECONOMIC COMMITTEE

UNITED STATES CONGRESS

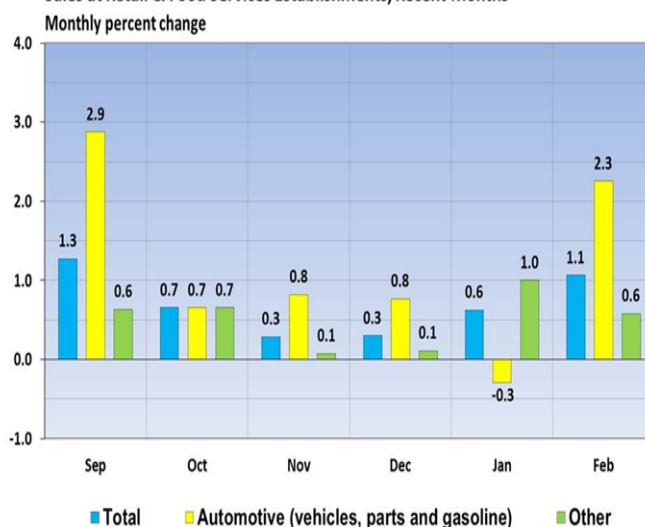
SENATOR ROBERT P. CASEY, JR., CHAIRMAN

March 20, 2012

Retail Sales Picked Up in February

- Retail sales accelerated in February. Sales at retail establishments and food services rose by 1.1 percent last month, following (revised) gains of 0.6 percent in January and a 0.3 percent in December, according to the Census Bureau's advance estimates. February sales growth was about the pace that market forecasters had anticipated. Motor vehicle and parts retailers reported an increase in sales of 1.6 percent last month (following a 1.6 percent drop in January) while gasoline stations reported an increase in sales of 3.3 percent in February (following a 1.9 percent increase in January). Excluding vehicles, parts and gasoline dealers, retail establishments reported that sales were up by 0.6 percent in February, on the heels of a 1.0 percent gain in January (see top chart).

Sales at Retail & Food Services Establishments, Recent Months

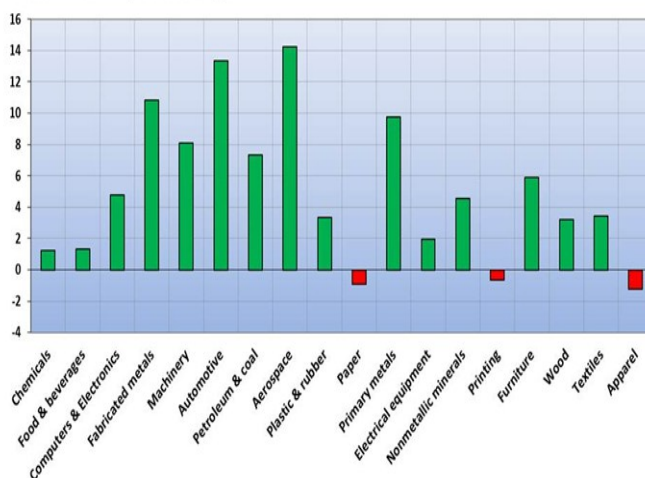


SOURCE: Staff calculations using data from the Census Bureau, U.S. Department of Commerce.

- Industrial production was flat last month. Output at the nation's factories, utilities, and mines was unchanged in February, following a 0.4 percent gain in January. Unseasonably warm winter temperatures continued to depress heating demand and utility production was unchanged in February following declines in December and January. Mining output was down 1.2 percent last month following a 1.6 percent drop in January. Offsetting the February decline in mining production, manufacturing output rose 0.3 percent last month after rising by 1.1 percent in January and 1.5 percent in December. Output of durable goods increased 0.4 percent in February while production of nondurable goods edged up 0.1 percent. Manufacturing output rose by 5.1 percent over the 12 months ending in February, with nearly all industries experiencing increases in production (see bottom chart).

Manufacturing Production by Industry, February 2012

Twelve-month percent change



SOURCE: Federal Reserve Board.

NOTE: Industries are listed in order of their shares of total factory output in 2011, in descending order from the left.

WEEKLY ECONOMIC DIGEST

THE WEEK AHEAD

DAY	SELECTED UPCOMING DATA RELEASES
Tuesday, Mar. 20	New Residential Construction (February)
Wednesday, Mar. 21	Sales of Existing Homes (February)
Thursday, Mar. 22	Federal Housing Finance Agency Monthly Home Price Index (January)
Friday, Mar. 23	New Residential Sales (February)

THE ECONOMY AT A GLANCE

KEY INDICATORS	MONTH			QUARTER			YEAR	
	Feb	Jan	Dec	2011 Q4	2011 Q3	2011 Q2	2011	2010
<u>Economic Activity</u>								
Real gross domestic product	—	—	—	3.0	1.8	1.3	1.7	3.0
Manufacturing production	0.3	1.1	1.5	5.2	4.8	0.1	4.5	5.4
Factory utilization rate (percent of capacity)	77.4	77.3	76.5	75.8	75.1	74.4	75.0	71.7
Civilian unemployment rate (percent of labor force)	8.3	8.3	8.5	8.7	9.1	9.1	8.9	9.6
Housing starts (thousands of units, annual rates)	n.a.	699	689	673	615	572	611	585
Light vehicle sales, domestic (millions of units, annual rates)	11.700	11.055	10.505	10.511	9.789	9.406	9.903	8.812
Retail & food service sales	1.1	0.6	0.3	7.8	4.7	4.9	7.7	6.4
Real disposable personal income	n.a.	-0.1	0.3	1.4	0.7	-0.5	1.3	1.8
Personal saving rate (percent of disposable income)	n.a.	4.6	4.7	4.5	4.6	4.8	4.7	5.3
<u>Inflation & Productivity</u>								
CPI-U inflation	0.4	0.2	0	1.3	3.1	4.4	3.1	1.6
Core CPI-U inflation	0.1	0.2	0.1	1.9	2.5	2.4	1.7	1.0
Output per hour, nonfarm bus.	—	—	—	0.7	1.9	-0.1	0.7	4.1
Unit labor costs, nonfarm bus.	—	—	—	1.2	-2.1	-0.1	1.2	-2.0
Employment Cost Index	—	—	—	1.6	1.2	2.8	2.1	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.