



WEEKLY ECONOMIC DIGEST

JOINT ECONOMIC COMMITTEE

UNITED STATES CONGRESS

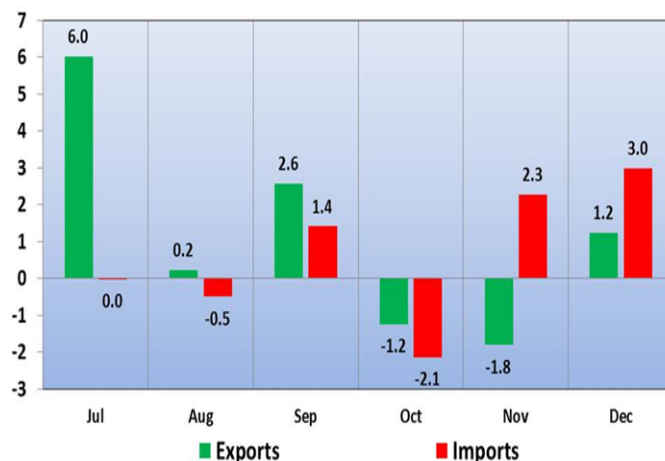
SENATOR ROBERT P. CASEY, JR., CHAIRMAN

February 14, 2012

The U.S. Trade Gap Widened and Hiring Was Little Changed in December

- The U.S. trade gap widened in December. Exports of goods and services increased by \$1.2 billion in December but imports increased more, rising by \$3.0 billion, 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) increased by \$1.7 billion to \$48.8 billion. U.S. exports of goods increased by \$0.9 billion in December while imports of goods increased by \$2.7 billion. The trade deficit in December was smaller than the Bureau of Economic Analysis had assumed it would be when it released its “advance” estimate of fourth-quarter growth late last month, so the drag on overall growth from trade was smaller than is currently reflected in the fourth-quarter growth numbers.

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.

- While job openings rose hiring was little changed in December. There were 3.376 million job openings in the private and public sectors on the last business day of December, up from 3.118 million openings at the end of November. On the other hand, total hires declined slightly, to 4.046 million jobs at the end of December from 4.132 million at the end of November. The private-sector job vacancy rate was 2.7 percent of total private-sector jobs, filled or unfilled, in December (up 0.2 percentage point from November). The private-sector hiring rate was 3.4 percent of total private-sector employment in December (down 0.1 percentage point from November, see bottom chart). Both the vacancy and hiring rates remain below the levels that prevailed at the start of the recession. On average, there were 3.9 unemployed workers and 7.0 underemployed workers for every job opening in December.

Hiring Rate in Private Industry
Hires as a percent of private-sector employment, monthly through December 2011



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, Feb 14 | Advance Monthly Sales for Retail and Food Services (January) Manufacturing and Trade Inventories and Sales (December) |
| Wednesday, Feb 15 | Industrial Production and Capacity Utilization (January) |
| Thursday, Feb 16 | New Residential Construction (January) |
| Friday, Feb 17 | Consumer Price Index (January) |

THE ECONOMY AT A GLANCE

| KEY INDICATORS | MONTH | | | QUARTER | | | YEAR | |
|--|--------|--------|--------|---------|---------|---------|-------|-------|
| | Jan | Dec | Nov | 2011 Q4 | 2011 Q3 | 2011 Q2 | 2011 | 2010 |
| <u>Economic Activity</u> | | | | | | | | |
| Real gross domestic product | — | — | — | 2.8 | 1.8 | 1.3 | 1.7 | 3.0 |
| Manufacturing production | n.a. | 0.9 | -0.4 | 3.9 | 5.0 | 0.1 | 4.5 | 5.4 |
| Factory utilization rate (percent of capacity) | n.a. | 75.9 | 75.3 | 75.6 | 75.1 | 74.4 | 74.9 | 71.7 |
| Civilian unemployment rate (percent of labor force) | 8.3 | 8.5 | 8.7 | 8.7 | 9.1 | 9.1 | 8.9 | 9.6 |
| Housing starts (thousands of units, annual rates) | n.a. | 657 | 685 | 657 | 615 | 572 | 607 | 585 |
| Light vehicle sales, domestic (millions of units, annual rates) | 11.055 | 10.505 | 10.658 | 10.511 | 9.789 | 9.406 | 9.903 | 8.812 |
| Retail & food service sales | n.a. | 0.1 | 0.4 | 7.9 | 4.7 | 4.7 | 7.7 | 6.4 |
| Real disposable personal income | n.a. | 0.3 | 0 | 0.8 | -1.9 | -0.5 | 0.9 | 1.8 |
| Personal saving rate (percent of disposable income) | n.a. | 4.0 | 3.5 | 3.7 | 3.9 | 4.8 | 4.4 | 5.3 |
| <u>Inflation & Productivity</u> | | | | | | | | |
| CPI-U inflation | n.a. | 0 | 0 | 0.9 | 3.1 | 4.1 | 3.1 | 1.6 |
| Core CPI-U inflation | n.a. | 0.1 | 0.2 | 1.7 | 2.7 | 2.5 | 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.