



WEEKLY ECONOMIC DIGEST

JOINT ECONOMIC COMMITTEE

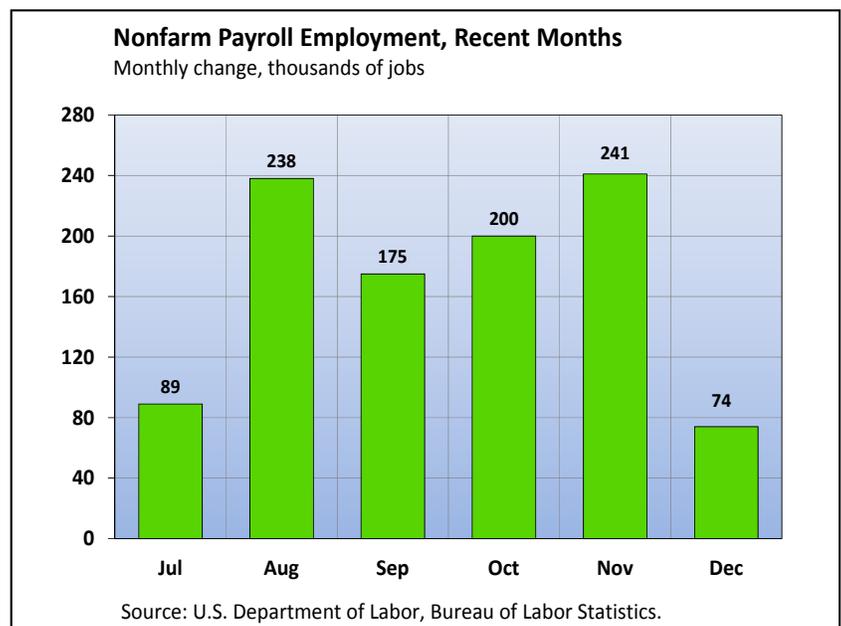
Sen. Amy Klobuchar, Vice Chair
Rep. Carolyn Maloney, Senior Democratic House Member

January 14, 2014

Job Growth Softened in December, Capping a Year of Solid Gains

Employment decelerated in December following robust growth in previous months

- Total nonfarm employment rose by 74,000 jobs last month, following growth of 241,000 jobs in November and 200,000 in October (see chart).
- Employment grew at an average rate of 182,000 jobs per month over 2013.
- Private-sector payrolls increased by 87,000 jobs in December, led by growth in retail and wholesale trade, professional and business services, and manufacturing.
- Over the course of 2013, private-sector payrolls increased by 2.2 million jobs, about the same as in 2012.
- Construction payrolls declined by 16,000 jobs in December, to some extent reflecting unusually cold weather in the Midwest and Northeast. Even with that December drop, construction added 122,000 jobs over the course of 2013.
- Government employment declined by 25,000 jobs last year: the federal government shed 79,000 jobs in 2013 while state and local governments expanded payrolls for the first year since 2008, adding 54,000 jobs last year.



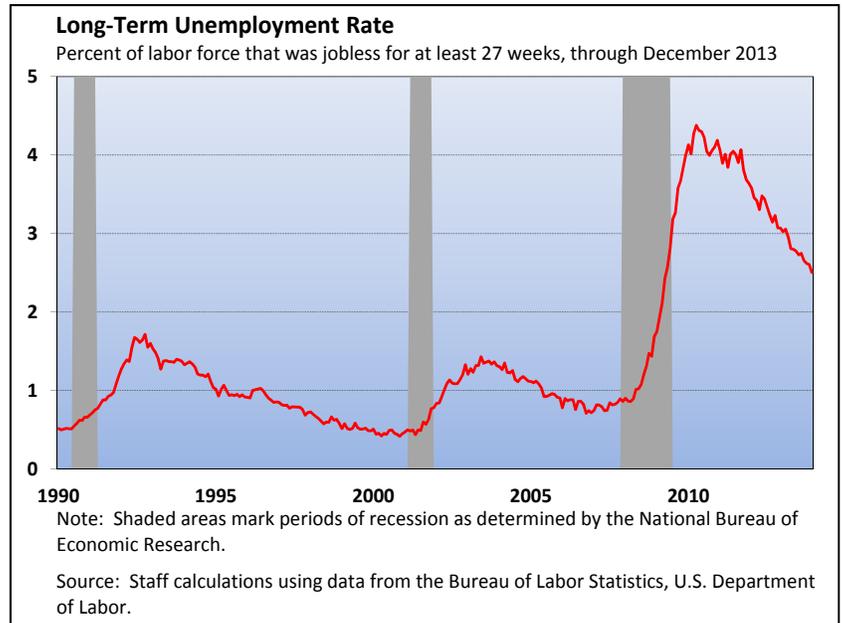
Weekly earnings grew in 2013

- The average weekly earnings of workers on private-sector payrolls rose 1.5 percent over 2013. That rise in weekly earnings reflects rising hourly earnings, which were tempered by a slight decline in hours of work.
- The average hourly earnings of private-sector workers rose last month by 0.1 percent and have risen by 1.8 percent over 2013. The average workweek declined to 34.4 hours in December, about 0.3 percent shorter than a year ago.

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The unemployment rate declined in December as the labor force contracted

- The unemployment rate declined from 7.0 percent of the civilian labor force in November to 6.7 percent in December, the lowest rate in five years.
- The unemployment rate decreased 1.2 percentage points over the course of 2013, the largest yearly drop in unemployment since 1983.
- However, the significant decline in unemployment last year largely reflects a decline in labor force participation (from 63.6 percent to 62.8 percent) as employment growth was just sufficient to match population growth.
- Long-term unemployment remains high: in December, nearly 4 million workers had been jobless for 27 weeks or longer.
- The long-term unemployment rate, currently 2.5 percent of the civilian labor force, is nearly double what it was when Congress allowed federal unemployment insurance benefits to expire after the recessions of 1990-1991 and 2001 (see chart).



THE WEEK AHEAD

DAY

SELECTED UPCOMING DATA RELEASES & EVENTS

Tuesday, Jan. 14	Advance Monthly Sales for Retail and Food Services (December) Manufacturing and Trade Inventories and Sales (November)
Wednesday, Jan. 15	Producer Price Indexes (December)
Thursday, Jan. 16	Consumer Price Index (December) Joint Economic Committee Hearing, "Income Inequality in the United States," Hart Senate Office Building, Room 216, 10:00 a.m.
Friday, Jan. 17	New Residential Construction (December) Industrial Production and Capacity Utilization (December) Job Openings and Labor Turnover (November)