



WEEKLY ECONOMIC DIGEST

JOINT ECONOMIC COMMITTEE

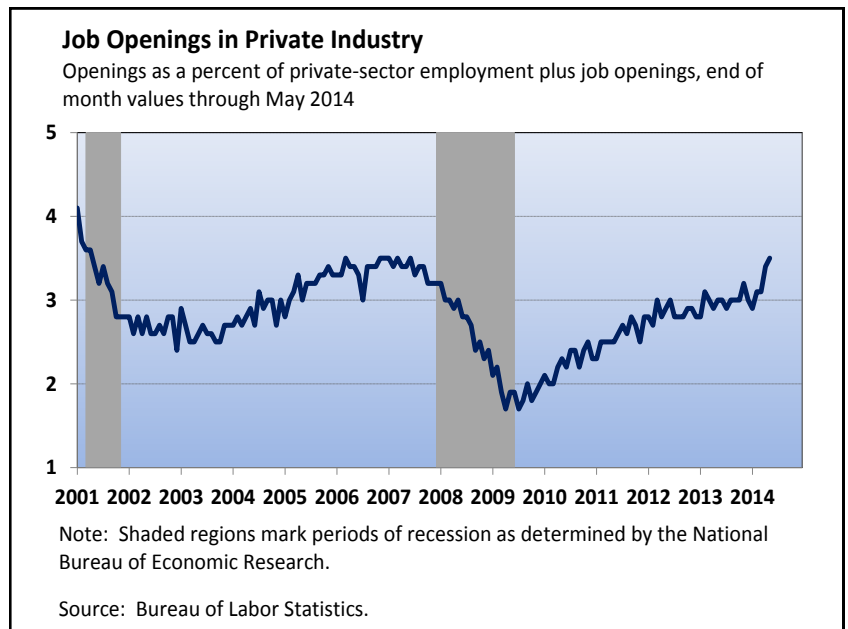
Sen. Amy Klobuchar, Vice Chair
Rep. Carolyn Maloney, Senior Democratic House Member

July 15, 2014

Job Openings Rose Again in May

Job openings continue to outpace hires

- The number of private-sector job openings rose 4.2 percent in May, according to the latest available survey data from the Labor Department.
- Private-sector job openings have recovered to pre-recession levels, with openings reaching the highest rate since June 2007 (see chart).
- Since employment began to recover in February 2010, private-sector job openings have risen at an average annual rate of 16.7 percent.
- Hiring has recovered more slowly, rising at a 5.5 percent average annual rate since February 2010.
- The number of employees voluntarily leaving jobs has also increased more slowly than hiring since the recovery began, rising at an average annual rate of 9.6 percent.
- The latest increase in job openings means that, on average, there were 2.1 unemployed workers and 4.1 underemployed workers for every job opening in May.
- Those rates have improved considerably since the depths of the downturn, when there were 6.7 unemployed workers and 11.9 underemployed workers per job opening.
- Many economists, including Federal Reserve Chair Janet Yellen, believe that lingering cyclical weakness may be tempering growth in hiring and voluntary separations.



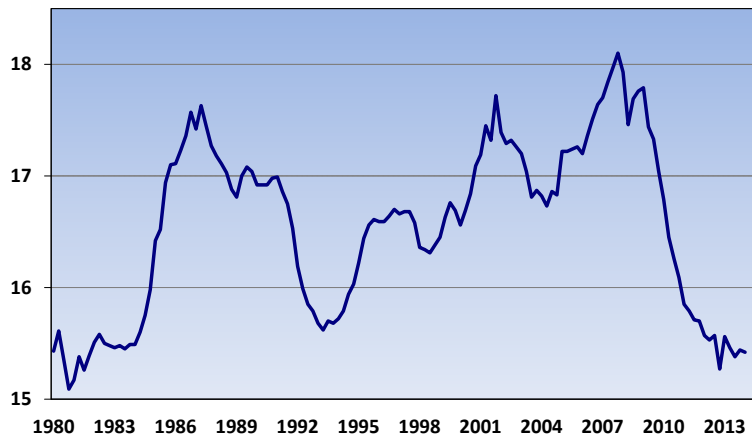
WEEKLY ECONOMIC DIGEST

Consumer credit continued to increase in May

- Consumer credit outstanding (which includes most short- and medium-term credit extended to individuals, except for mortgages) rose at a 7.4 percent annual rate in May.
- Over the past year, credit outstanding has risen 6.6 percent, the highest 12-month increase since 2008.
- Commercial banks report that they have generally eased lending standards on loans to consumers (other than real estate) in the first quarter of the year.
- The banks also report that applications for consumer credit and auto loans were up in the first quarter.
- Average interest rates charged by commercial banks on automobile loans, personal loans (excluding real estate) and revolving credit remain near the lowest levels in decades.
- Some of the increase in consumer debt during recent years reflects the sharp rise in student loans.
- Even so, consumers are now spending a smaller share of their discretionary income on debt payments than they have in decades (see chart), largely the result of relatively low interest rates and the reductions in debt during and after the recession.

Household Debt Service Payments

Percent of personal disposable income, quarterly through 2014-Q1



Source: Federal Reserve Board.

Note: Includes payments on mortgage and other consumer debt.

THE ECONOMY AT A GLANCE

Key Indicators	Months			Quarters			Years	
	Jun.	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.