



WEEKLY ECONOMIC DIGEST

JOINT ECONOMIC COMMITTEE

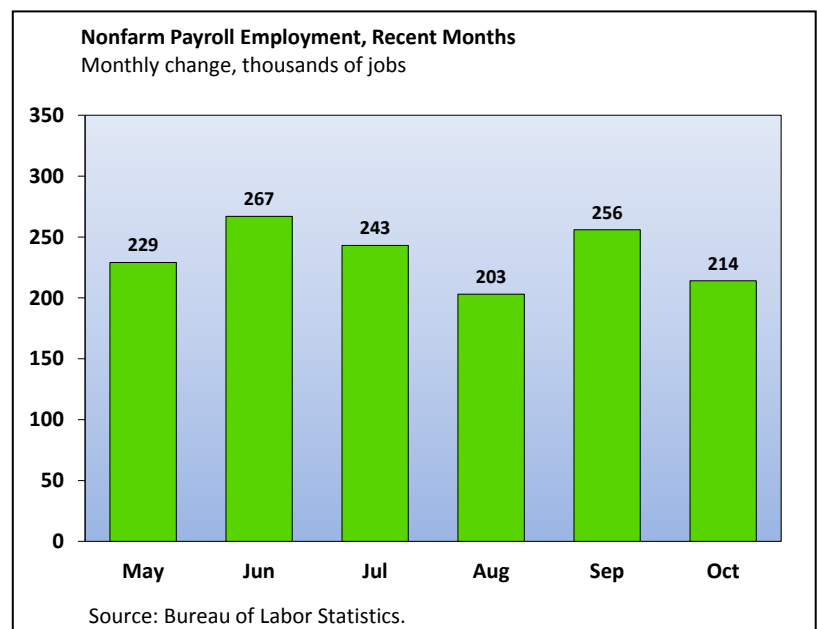
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November 18, 2014

Employment, Sales and Factory Output Rose in October

Job gains topped 200,000 for a ninth consecutive month

- Nonfarm employment rose by 214,000 jobs in October according to the Bureau of Labor Statistics (see chart).
- The economy has added an average of 229,000 nonfarm jobs per month so far this year, above the average gain of 194,000 jobs per month last year.
- The average work week for employees in nonfarm businesses increased to 34.6 hours in October, the longest it has been in over six years.
- The average hourly earnings of those workers increased slightly last month, and are now 2.0 percent higher than a year earlier.
- With the October increases in employment, hours worked and hourly earnings, total payrolls for nonfarm businesses (an important indicator of private sector labor income) are now 4.8 percent higher than they were a year ago.



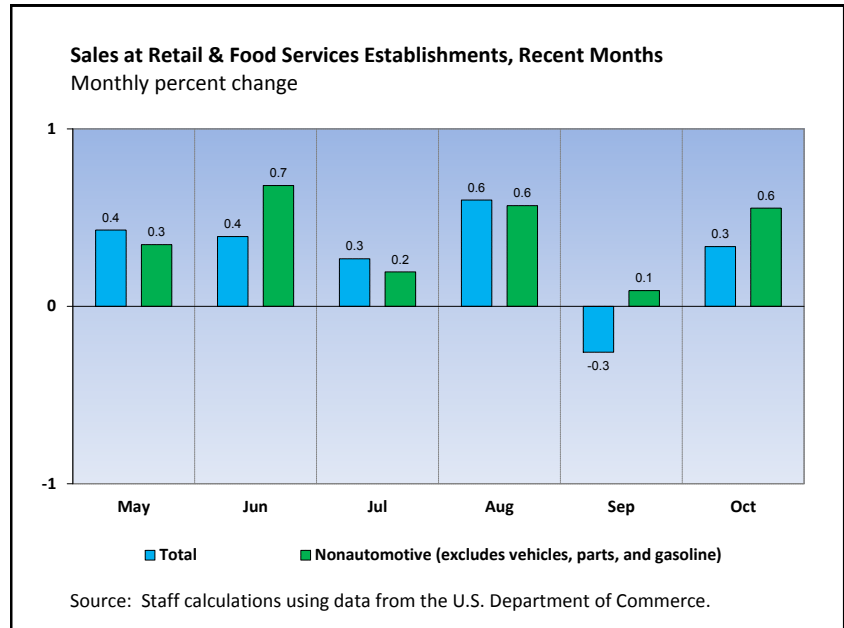
The unemployment rate declined again in October

- The unemployment rate decreased by 0.1 percentage point to 5.8 percent of the civilian labor force last month, with both employment and labor force participation rising.
- Over the past 12 months, the unemployment rate has declined by 1.4 percentage points.
- The number of workers who have been jobless for 27 weeks or longer and continue to search for work dropped to 1.9 percent of the labor force in October. Long-term unemployment is now well below the peak levels reached in the aftermath of the downturn (4.4 percent) but still about a percentage point higher than during the years prior to the recession.

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Retail sales rebounded in October

- Sales at retail and food service establishments rose 0.3 percent last month, after decreasing by 0.3 percent in September, according to preliminary estimates from the Census Bureau (see chart).
- Automotive sales edged down 0.2 percent in October, due largely to declining gasoline prices.
- Nonautomotive sales accelerated sharply, rising 0.6 percent in October.
- Trends in overall retail sales remain strong: sales are up 4.1 percent over the past 12 months.



Factory production rose last month

- Manufacturing output rose 0.2 percent in October, following a similar gain in September.
- Over the past 12 months, factory production has risen 3.4 percent.
- Factories are now operating at an average rate of 77.2 percent of capacity, up nearly a percentage point over the last year and closer to the long-term average of 78.7 percent.

THE ECONOMY AT A GLANCE

Key Indicators	Months			Quarters			Years	
	Oct.	Sep.	Aug.	2014-Q3	2014-Q2	2014-Q1	2013	2012
Real GDP growth (%)	—	—	—	3.5	4.6	-2.1	3.1	1.6
Unemployment (% of labor force)	5.8	5.9	6.1	6.1	6.2	6.7	7.0	7.8
Long-term unemployment (% of labor force)	1.9	1.9	1.9	1.9	2.1	2.4	2.6	3.1
Inflation (%)	n.a.	0.1	-0.2	1.1	3.0	1.9	1.2	1.9
Core inflation (% excludes food & energy)	n.a.	0.1	0.0	1.3	2.5	1.6	1.7	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.