



WEEKLY ECONOMIC DIGEST

JOINT ECONOMIC COMMITTEE

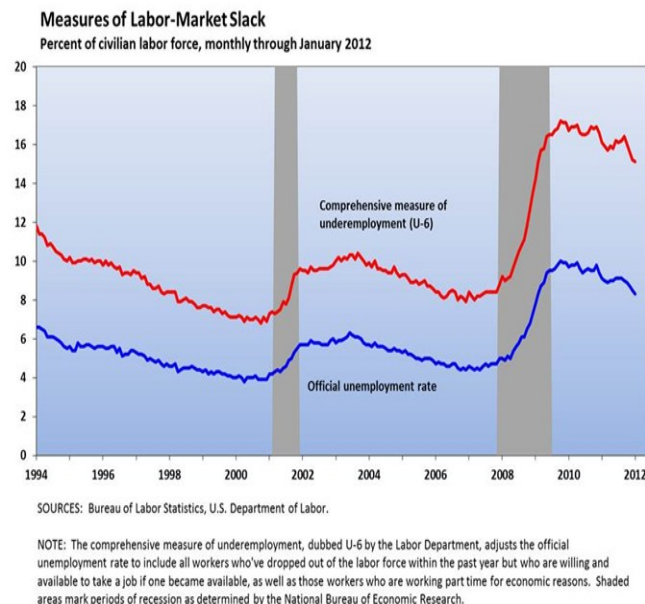
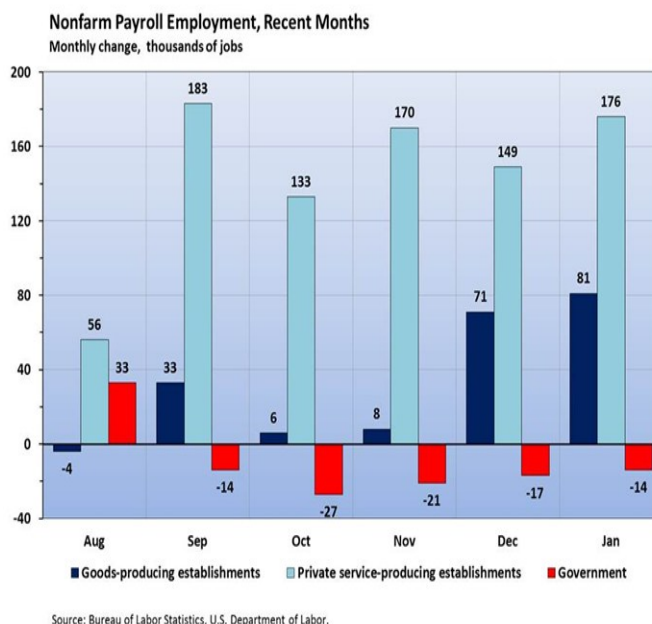
UNITED STATES CONGRESS

SENATOR ROBERT P. CASEY, JR., CHAIRMAN

February 7, 2012

Employment Report Showed Solid Improvements in January

- Employment rose solidly in January. Total nonfarm employment rose by 243,000 jobs last month following gains of 203,000 jobs in December and 157,000 jobs in November, according to the Labor Department's survey of establishment payrolls. Employment growth for December and November was revised up by a total of 60,000 jobs. Private nonfarm payrolls increased by 257,000 jobs in January, following gains of 220,000 jobs in December and 178,000 jobs in November. Private goods-producing establishments increased payrolls by 81,000 jobs in January while private service-producing establishments reported an increase of 176,000 jobs last month (see top chart). Public payrolls continued to shrink, with governments shedding 14,000 jobs last month.
- Average weekly earnings rose last month. The average workweek for private nonfarm workers was unchanged at 34.5 hours in January. The average hourly earnings of private nonfarm workers rose to \$23.29 per hour (up 0.2 percent). As a result, average weekly earnings rose by 0.2 percent last month, following gains of 0.4 percent in December and 0.1 percent in November.
- The unemployment rate declined in January. Unemployment averaged 8.3 percent of the civilian labor force last month, according to estimates from the Labor Department's survey of households (see bottom chart). The Department's most comprehensive measure of underemployment (which includes the officially unemployed, those working part time for economic reasons, and marginally attached workers) averaged 15.1 percent last month.



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THE WEEK AHEAD

DAY	SELECTED UPCOMING DATA RELEASES
Tuesday, Feb 7	Job Openings and Labor Turnover (December) Consumer Credit (December)
Thursday, Feb 9	Monthly Wholesale Trade: Sales and Inventories (December)
Friday, Feb 10	U.S. International Trade in Goods and Services (December)

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.