

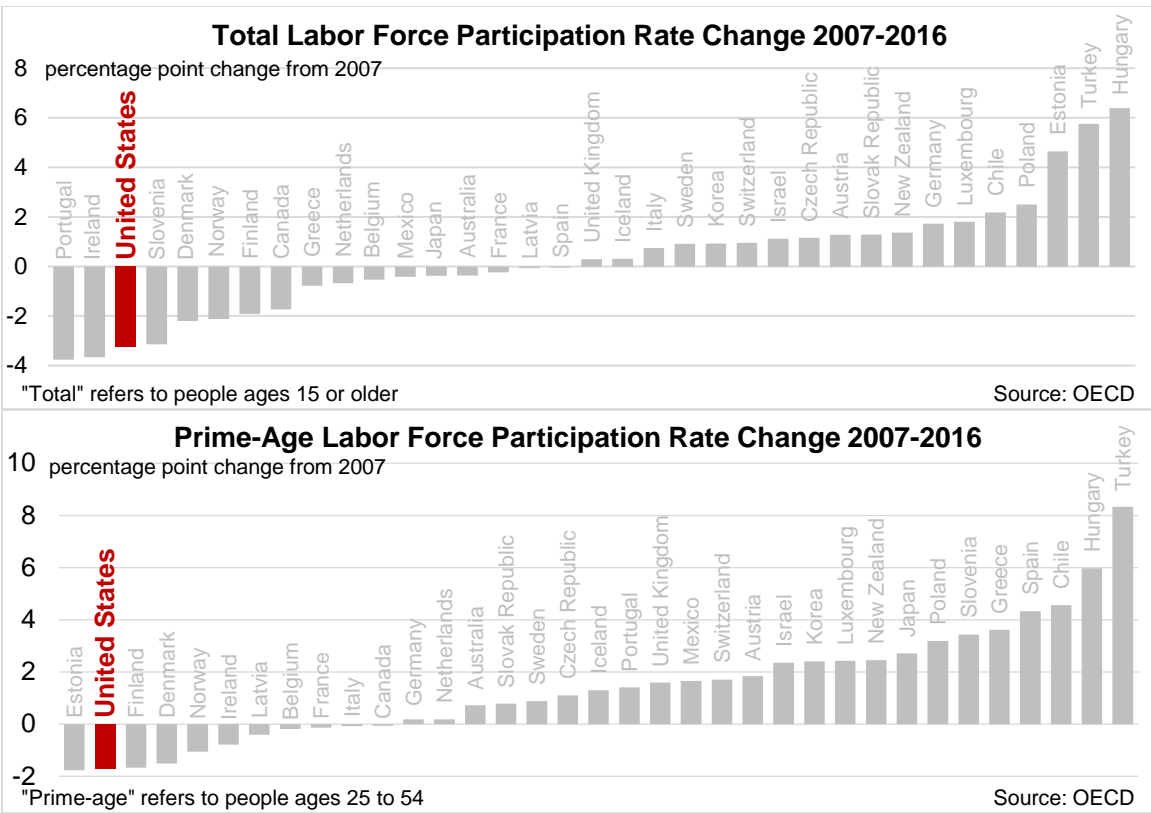


Weekly Economic Update

August 21 – August 25, 2017

CHART OF THE WEEK

U.S. Work Participation Declined More than in Most Developed Economies



The decline in U.S. labor force participation since the 2007-2009 recession is frequently attributed to an aging population and increasing automation. However, total labor force participation (ages 15 and older) has gone up or declined less than in the United States in all but two OECD countries, despite generally aging populations (top panel). The same is true in all but one OECD country for prime-age worker participation (ages 25 to 54), despite generally advancing automation (second panel).

The international comparison suggests that the previous administration's policies slowed Americans' return to the labor market, thus also slowing economic and wage growth despite a low headline unemployment rate.

LAST WEEK

News & Commentary Weekly Highlights

Wall Street Journal: [Despite Growth, Many in Europe Still Lack Steady Jobs](#)

Wall Street Journal: [Fed Officials Split Over Timing of Next Rate Increase](#)

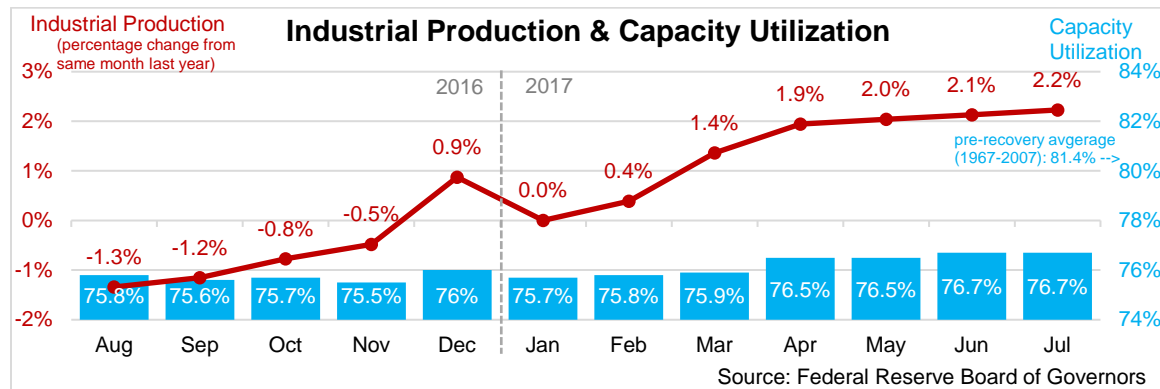
Economics21: [Cutting Obamacare Subsidies Would Benefit Poor, Says CBO](#)

Top Economic Indicator Highlights

Industrial Production and Capacity Utilization (July 2017)

The Fed's industrial production index covers nearly everything tangible that is produced in the United States. Capacity utilization measures how much firms are actually producing relative to what they could potentially produce if operating at their maximum capability.

Category	July	June	May
Industrial production (year-over-year percentage change)	2.23%	2.13%	2.04%
Capacity utilization (percent of capacity in active use)	76.7%	76.7%	76.5%



Noteworthy: From April 2015 to November 2016 the year-over-year growth rate of the industrial production index was negative. Since December 2016, it has avoided negative territory, and the growth rate has now accelerated for six consecutive months. The 2.2% increase is the largest since February 2015. Capacity utilization remains below its 1967-2007 average of 81.4%. The last time it was above 80% was March 2008.

JEC Releases

Chair Tiberi Launches New Podcast

July State Employment Data

THIS WEEK

Upcoming Economic Data and Events

Monday

Chicago Fed National Activity Index (8:30am)

Survey of Consumer Expectations (11:00am)

Tuesday

Philly Fed Non-Manufacturing Survey (8:30am)

Richmond Fed Survey (10:00am)

Wednesday

New Residential Sales (10:00am)

Thursday

Revised Building Permits (8:00am)

PMI Composite Flash (9:45am)

Existing Home Sales (10:00am)

Friday

Advance Durable Goods (8:30am)