



WEEKLY ECONOMIC DIGEST

JOINT ECONOMIC COMMITTEE

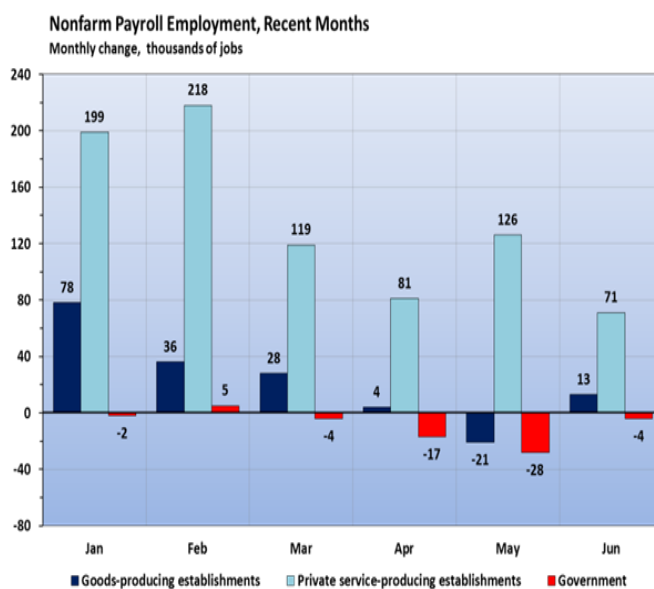
UNITED STATES CONGRESS

SENATOR ROBERT P. CASEY, JR., CHAIRMAN

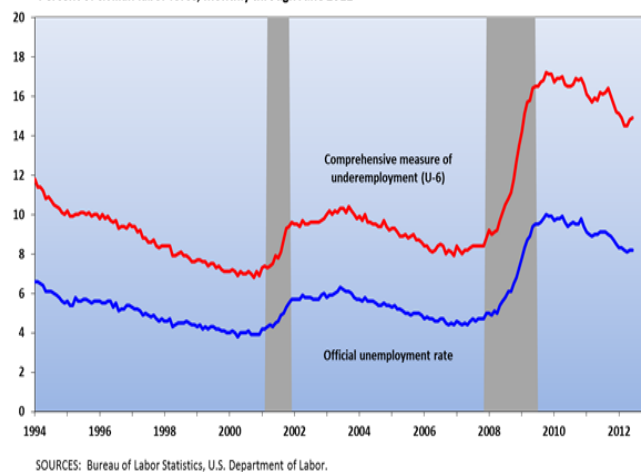
July 10, 2012

Payrolls Grew Modestly in June

- Payroll employment rose modestly in June. Total nonfarm employment rose by 80,000 jobs last month following (revised) gains of 77,000 jobs in May and 68,000 jobs in April, according to the Labor Department's survey of establishment payrolls. Private nonfarm payrolls increased by 84,000 jobs in June, following gains of 105,000 jobs in May and 85,000 jobs in April. Payrolls in private goods-producing establishments increased by 13,000 jobs in June while payrolls in private service-producing establishments increased by 71,000 jobs (see chart). Public payrolls declined by 4,000 jobs last month.
- Average weekly earnings rose last month. The average workweek for private nonfarm workers lengthened to 34.5 hours in June. The average hourly earnings of private nonfarm workers increased 0.3 percent to \$23.50 per hour. Average weekly earnings rose 0.5 percent last month, following a decline of 0.1 percent in May.
- The unemployment rate was unchanged in June. Unemployment averaged 8.2 percent of the civilian labor force last month, according to estimates from the Labor Department's survey of households (see chart). The fraction of the population with a job was unchanged at 58.6 percent in June and the fraction of the population that is either working or actively seeking work was unchanged at 63.8 percent. The Labor Department's most comprehensive measure of underemployment (which includes the officially unemployed, those working part time for economic reasons, and those who've dropped out of the labor force but who are willing and available to take a job if one were available) increased by 0.1 percentage point to 14.9 percent in June.



Measures of Labor-Market Slack
Percent of civilian labor force, monthly through June 2012



NOTE: The comprehensive measure of underemployment, dubbed U-6 by the Labor Department, adjusts the official unemployment rate to include all workers who've dropped out of the labor force within the past year but who are willing and available to take a job if one became available, as well as those workers who are working part time for economic reasons. Shaded areas mark periods of recession as determined by the National Bureau of Economic Research.

WEEKLY ECONOMIC DIGEST

THE WEEK AHEAD

DAY	SELECTED UPCOMING DATA RELEASES
Tuesday, Jul. 10	Job Openings and Labor Turnover (May)
Wednesday, Jul. 11	U.S. International Trade in Goods and Services (May) Monthly Wholesale Trade: Sales and Inventories (May) Minutes of June 19-20 meetings of the Federal Open Market Committee
Thursday, Jul. 12	U.S. Import and Export Price Indexes (June)
Friday, Jul. 13	Producer Price Indexes (June)

THE ECONOMY AT A GLANCE

KEY INDICATORS	MONTH			QUARTER			YEAR	
	Jun.	May	Apr.	2012Q2	2012Q1	2011Q4	2011	2010
<u>Economic Activity</u>								
Real gross domestic product	—	—	—	n.a.	1.9	3.0	1.7	3.0
Manufacturing production	n.a.	-0.4	0.7	n.a.	9.8	5.6	4.3	5.7
Factory utilization rate (percent of capacity)	n.a.	77.6	78.0	n.a.	77.7	76.1	75.0	71.2
Civilian unemployment rate (percent of labor force)	8.2	8.2	8.1	8.2	8.2	8.7	8.9	9.6
Housing starts (thousands of units, annual rates)	n.a.	708	744	n.a.	715	678	612	586
Light vehicle sales, domestic (millions of units, annual rates)	11.047	10.738	11.113	10.966	11.223	10.433	9.824	8.808
Retail & food service sales	n.a.	-0.2	-0.2	n.a.	6.7	8.8	8.0	5.5
Real disposable personal income	n.a.	0.3	0.1	n.a.	3.7	4.2	1.2	1.8
Personal saving rate (percent of disposable income)	n.a.	3.9	3.7	n.a.	3.7	4.2	4.6	5.3
<u>Inflation & Productivity</u>								
CPI-U inflation	n.a.	-0.3	0	n.a.	2.5	1.3	3.1	1.6
Core CPI-U inflation	n.a.	0.2	0.2	n.a.	2.1	1.9	1.7	1.0
Output per hour, nonfarm bus.	—	—	—	n.a.	-0.9	1.2	0.4	4.0
Unit labor costs, nonfarm bus.	—	—	—	n.a.	1.3	-1.5	1.8	-2.0
Employment Cost Index	—	—	—	n.a.	1.7	2.1	2.0	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.