



WEEKLY ECONOMIC DIGEST

JOINT ECONOMIC COMMITTEE

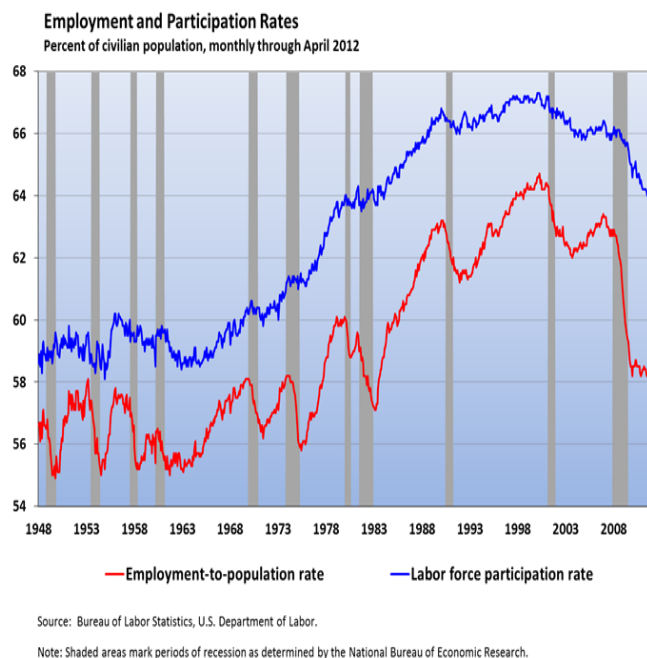
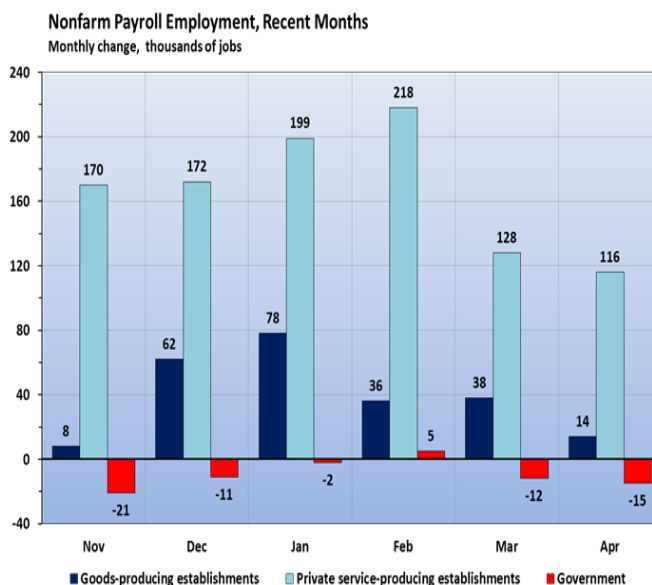
UNITED STATES CONGRESS

SENATOR ROBERT P. CASEY, JR., CHAIRMAN

May 8, 2012

The April Jobs Report Was Disappointing

- Payroll employment decelerated in April. Total nonfarm employment rose by 115,000 jobs last month following (revised) gains of 154,000 jobs in March and 259,000 jobs in February, according to the Labor Department's survey of establishment payrolls. Private nonfarm payrolls increased by 130,000 jobs in April, following gains of 166,000 jobs in March and 254,000 jobs in February. Private goods-producing establishments increased payrolls by 14,000 jobs in April while private service-producing establishments increased payrolls by 116,000 jobs (see top chart). Public payrolls declined by 15,000 jobs last month, mostly in the education payrolls of local governments.
- Average weekly earnings were essentially unchanged last month. The average workweek for private nonfarm workers was unchanged at 34.5 hours in April. The average hourly earnings of private nonfarm workers were little changed at \$23.38 per hour. As a result, average weekly earnings were little changed last month, following a decline of 0.1 percent in March.
- The unemployment rate edged down in April as the labor force shrank. Unemployment averaged 8.1 percent of the civilian labor force last month, down 0.1 percentage point from March, according to estimates from the Labor Department's survey of households. The fraction of the population with a job declined to 58.4 percent in April (see bottom chart). However, the fraction of the population that is either working or actively seeking work decreased by 0.2 percentage point to 63.6 percent last month, thereby lowering the unemployment rate.



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THE WEEK AHEAD

DAY	SELECTED UPCOMING DATA RELEASES
Tuesday, May 8	Job Openings and Labor Turnover Survey (March)
Wednesday, May 9	Monthly Wholesale Trade: Sales and Inventories (March)
Thursday, May 10	U.S. International Trade in Goods and Services (March)
Friday, May 11	Producer Price Indexes (April)

THE ECONOMY AT A GLANCE

KEY INDICATORS	MONTH			QUARTER			YEAR	
	Apr	Mar	Feb	2012Q1	2011Q4	2011Q3	2011	2010
<u>Economic Activity</u>								
Real gross domestic product	—	—	—	2.2	3.0	1.8	1.7	3.0
Manufacturing production	n.a.	-0.2	0.8	10.4	5.6	5.1	4.3	5.7
Factory utilization rate (percent of capacity)	n.a.	77.8	78.0	77.8	76.1	75.2	75.0	71.2
Civilian unemployment rate (percent of labor force)	8.1	8.2	8.3	8.2	8.7	9.1	8.9	9.6
Housing starts (thousands of units, annual rates)	n.a.	654	694	687	670	615	610	585
Light vehicle sales, domestic (millions of units, annual rates)	11.113	11.088	11.615	11.223	10.433	9.719	9.824	8.808
Retail & food service sales	n.a.	0.8	1.0	8.0	7.8	4.7	7.7	6.4
Real disposable personal income	n.a.	0.2	-0.1	0.4	1.7	0.7	1.3	1.8
Personal saving rate (percent of disposable income)	n.a.	3.8	3.7	3.9	4.5	4.6	4.7	5.3
<u>Inflation & Productivity</u>								
CPI-U inflation	n.a.	0.3	0.4	2.5	1.3	3.1	3.1	1.6
Core CPI-U inflation	n.a.	0.2	0.1	2.1	1.9	2.5	1.7	1.0
Output per hour, nonfarm bus.	—	—	—	-0.5	1.2	1.8	0.4	4.0
Unit labor costs, nonfarm bus.	—	—	—	2.0	2.7	3.9	2.0	-2.0
Employment Cost Index	—	—	—	1.7	2.1	1.4	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.