



WEEKLY ECONOMIC DIGEST

JOINT ECONOMIC COMMITTEE

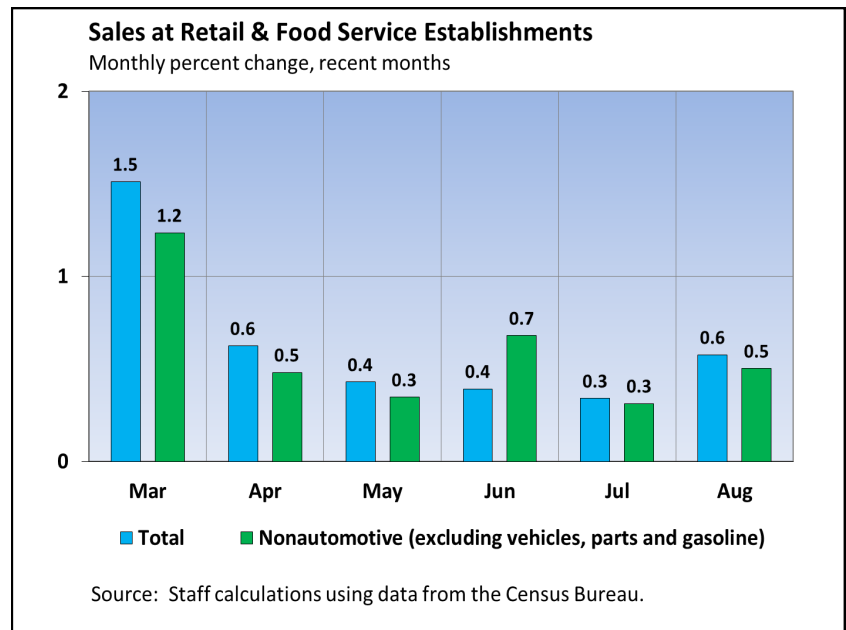
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September 16, 2014

Retail Sales Rose in August

Retail sales accelerated last month

- Sales at retail and food service establishments rose 0.6 percent in August, after increasing by 0.3 percent in July, according to preliminary estimates from the Census Bureau (see chart).
- Sales of motor vehicles, parts and gasoline increased by 0.7 percent last month, driven by strong vehicle sales.
- Nonautomotive sales rose 0.5 percent in August, after increasing 0.3 percent in July.
- The trend in overall retail sales remain strong, as sales have risen by 4.8 percent over the 12 months through August.



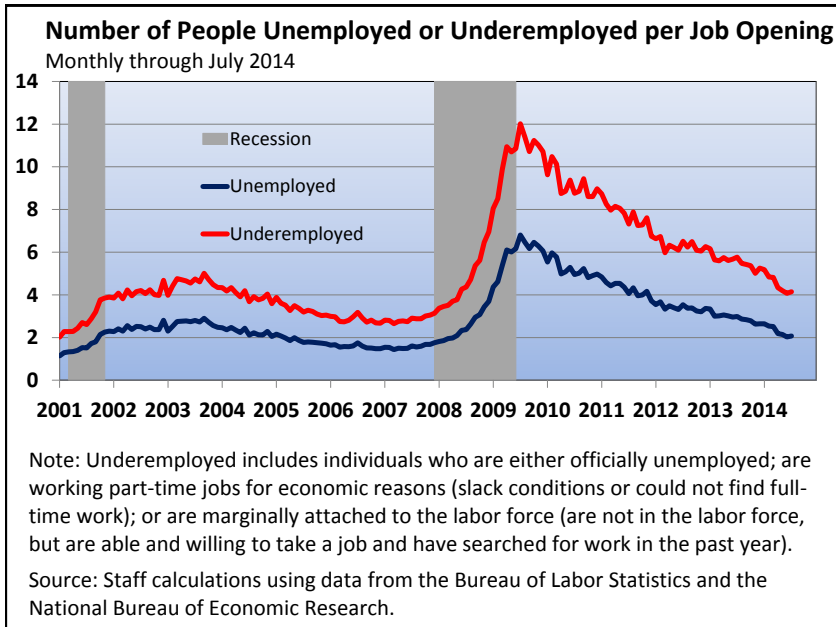
Industrial production edged down in August

- Production in the nation's factories, utilities and mines decreased by 0.1 percent last month, according to the Federal Reserve Board.
- The August dip in industrial production largely reflected a 7.6 percent decline in the production of motor vehicles and parts, following a 9.3 percent surge in July. Even with the August decline, vehicle and parts production are 8.0 percent above the level 12 months ago.
- Other production rose 0.3 percent last month, following a 0.2 percent decline in July.
- Capacity utilization for all industries averaged 78.8 percent in August, up 1.0 percentage point over the last 12 months and only 1.3 percentage points below the long-term average.

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Job openings edged up in July

- Private-sector job openings rose 0.3 percent in July, after growing at a 3.7 percent average monthly rate between February and June, according to the latest available survey data from the Labor Department.
- The July increase in job openings means that, on average, there were 2.1 unemployed workers and 4.1 underemployed workers for every job opening in July.
- Those rates have improved substantially since the depths of the downturn and are only slightly above the levels that prevailed in 2007, prior to the recession (see chart).



Productivity increased in the second quarter

- Output per hour worked in nonfarm businesses, a critical source of economic growth, increased at a 2.3 percent annual rate in the second quarter, following a 4.5 percent decline in the first quarter.
- Nonfarm business productivity has risen at a 1.3 percent average annual rate since the recession officially ended in mid-2009, about half the typical rate of productivity growth during previous postwar expansions.

THE ECONOMY AT A GLANCE

Key Indicators	Months			Quarters			Years	
	Aug.	Jul.	Jun.	2014-Q2	2014-Q1	2013-Q4	2013	2012
Real GDP growth (%)	—	—	—	4.2	-2.1	3.5	3.1	1.6
Unemployment (% of labor force)	6.1	6.2	6.1	6.2	6.7	7.0	7.0	7.8
Long-term unemployment (% of labor force)	1.9	2.0	2.0	2.1	2.4	2.6	2.6	3.1
Inflation (%)	n.a.	0.1	0.3	3.0	1.9	1.1	1.2	1.9
Core inflation (% excludes food & energy)	n.a.	0.1	0.1	2.5	1.6	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.