



WEEKLY ECONOMIC DIGEST

JOINT ECONOMIC COMMITTEE

UNITED STATES CONGRESS

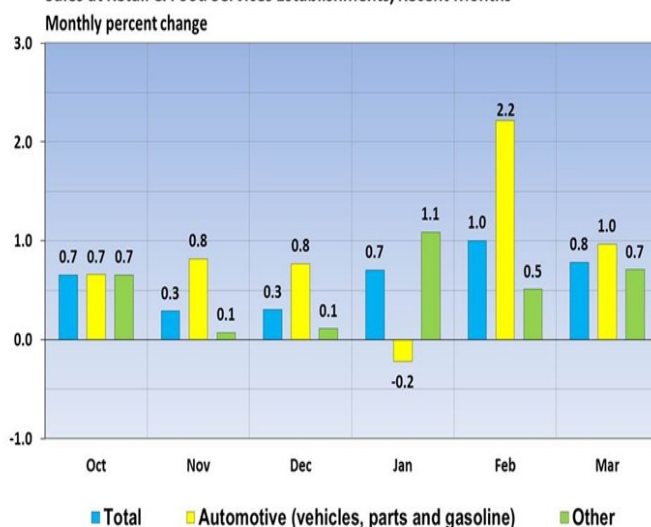
SENATOR ROBERT P. CASEY, JR., CHAIRMAN

April 17, 2012

Retail Sales Grew Ahead of Expectations in March

- Retail sales rose in March. Sales at retail establishments and food services rose by 0.8 percent last month, following (revised) gains of 1.0 percent in February and 0.7 percent in January, according to the Census Bureau's advance estimates (see top chart). March sales growth was somewhat ahead of the pace that market forecasters had anticipated. Motor vehicle and parts retailers reported an increase in sales of 0.9 percent last month (following a 1.3 percent increase in February) while gasoline stations reported an increase in sales of 1.1 percent in March (following a 3.6 percent increase in February). Excluding vehicles, parts and gasoline dealers, retail establishments reported that sales were up by 0.7 percent in March, following a 0.5 percent gain in February.

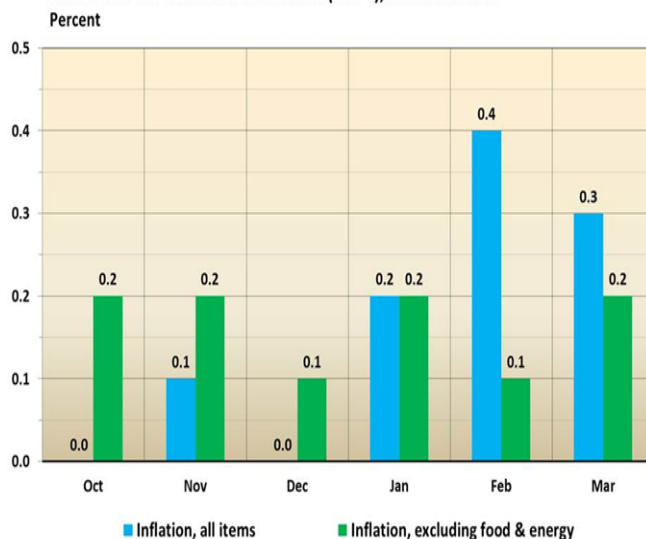
Sales at Retail & Food Services Establishments, Recent Months



SOURCE: Staff calculations using data from the Census Bureau, U.S. Department of Commerce.

- Rising energy prices continued to boost overall inflation in March. The consumer price index for all urban consumers (CPI-U) rose 0.3 percent last month following a 0.4 percent increase in February (see bottom chart). The price index for consumer purchases of food increased 0.2 percent in March. The average price paid by consumers for energy goods and services increased by 0.9 percent in March, following a 3.2 percent increase in February. Retail gasoline prices (averaged over all grades and formulations) increased by 1.7 percent in March, following a 6.0 percent rise in February. The less volatile core CPI-U (which excludes prices for food and energy goods and services) increased by 0.2 percent in March, up from 0.1 percent in February. Over the past 12 months, the core CPI-U has increased by 2.3 percent.

Inflation in the Consumer Price Index (CPI-U), Recent Months



SOURCE: Bureau of Labor Statistics, U.S. Department of Labor.

WEEKLY ECONOMIC DIGEST

THE WEEK AHEAD

DAY	SELECTED UPCOMING DATA RELEASES
Tuesday, Apr. 17	New Residential Construction (March) Industrial Production and Capacity Utilization (March)
Thursday, Apr. 19	Sales of Existing Homes (March)

THE ECONOMY AT A GLANCE

KEY INDICATORS	MONTH			QUARTER			YEAR	
	Mar	Feb	Jan	2012Q1	2011Q4	2011Q3	2011	2010
<u>Economic Activity</u>								
Real gross domestic product	—	—	—	n.a.	3.0	1.8	1.7	3.0
Manufacturing production	n.a.	0.3	1.1	n.a.	5.2	4.8	4.3	5.7
Factory utilization rate (percent of capacity)	n.a.	77.4	77.3	n.a.	75.8	75.1	75.0	71.7
Civilian unemployment rate (percent of labor force)	8.2	8.3	8.3	8.2	8.7	9.1	8.9	9.6
Housing starts (thousands of units, annual rates)	n.a.	698	706	n.a.	670	615	610	585
Light vehicle sales, domestic (millions of units, annual rates)	11.087	11.615	10.967	11.223	10.433	9.719	9.824	8.808
Retail & food service sales	0.8	1.0	0.7	8.0	7.8	4.7	7.7	6.4
Real disposable personal income	n.a.	-0.1	-0.2	n.a.	1.7	0.7	1.3	1.8
Personal saving rate (percent of disposable income)	n.a.	3.7	4.3	n.a.	4.5	4.6	4.7	5.3
<u>Inflation & Productivity</u>								
CPI-U inflation	0.3	0.4	0.2	2.5	1.3	3.1	3.1	1.6
Core CPI-U inflation	0.2	0.1	0.2	2.1	1.9	2.5	1.7	1.0
Output per hour, nonfarm bus.	—	—	—	n.a.	0.9	1.8	0.4	4.0
Unit labor costs, nonfarm bus.	—	—	—	n.a.	2.8	3.9	2.0	-2.0
Employment Cost Index	—	—	—	n.a.	1.6	1.2	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.