



WEEKLY ECONOMIC DIGEST

JOINT ECONOMIC COMMITTEE

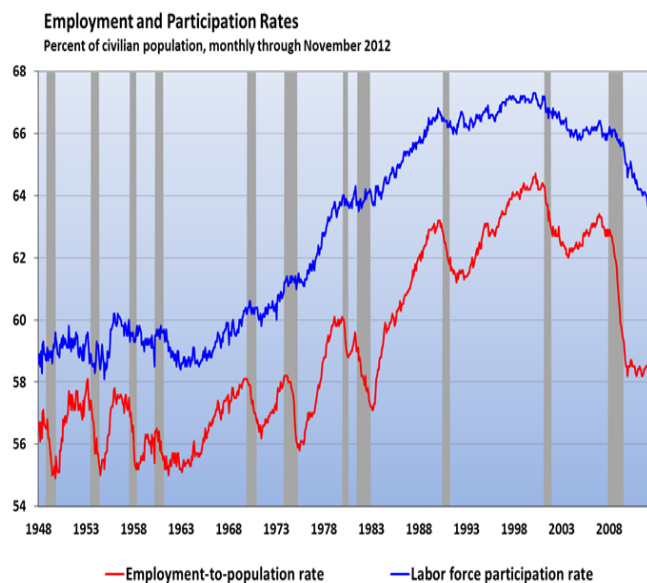
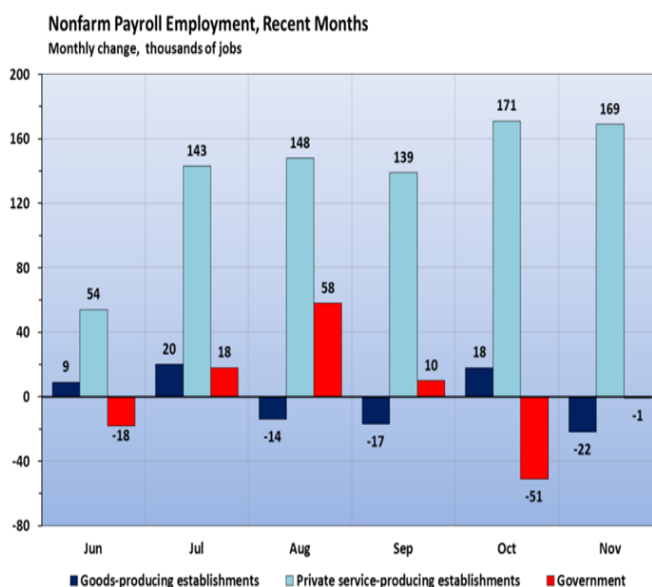
UNITED STATES CONGRESS

SENATOR ROBERT P. CASEY, JR., CHAIRMAN

December 11, 2012

Employment Rose and Unemployment Declined in November

- Payroll employment expanded in November. Total nonfarm employment rose by 146,000 jobs last month, according to the Labor Department's survey of establishment payrolls. Private nonfarm payrolls decelerated last month, increasing by 147,000 jobs after rising by 189,000 jobs in October and by 122,000 jobs in September. Payrolls in private goods-producing establishments decreased by 22,000 jobs in November while payrolls in private service-producing establishments increased by 169,000 jobs (see top chart). Public payrolls decreased by 1,000 jobs last month.
- Average weekly earnings rose last month. The average workweek for private nonfarm workers was unchanged at 34.4 hours in November while the average hourly earnings of private nonfarm workers increased 0.2 percent to \$23.63 per hour. As a result, average weekly earnings rose 0.2 percent last month, following a decline of 0.3 percent in October and a 0.6 percent increase in September. Over the past 12 months, average weekly earnings have risen by 1.7 percent.
- The unemployment rate declined in November as labor force participation dropped. Unemployment averaged 7.7 percent of the civilian labor force last month, down 0.2 percentage point from October, according to estimates from the Labor Department's survey of households. The fraction of the population with a job decreased by 0.1 percentage point to 58.7 percent in November but the effect of that decline on unemployment was offset by a 0.2 percentage point decline in the rate of labor force participation (i.e., the fraction of the population that is either working or actively seeking work) which averaged 63.6 percent (see bottom chart).



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THE WEEK AHEAD

DAY	SELECTED UPCOMING DATA RELEASES & EVENTS
Tuesday, Dec. 11	U.S. International Trade in Goods and Services (October)
Wednesday, Dec. 12	Federal Open Market Committee announcement concerning monetary policy
Thursday, Dec. 13	Advance Monthly Sales for Retail and Food Services (November) Manufacturing and Trade Inventories and Sales (October)
Friday, Dec. 14	Industrial Production and Capacity Utilization (November) Consumer Price Index (November)

THE ECONOMY AT A GLANCE

KEY INDICATORS	MONTH			QUARTER			YEAR	
	Nov.	Oct.	Sep.	2012Q3	2012Q2	2012Q1	2011	2010
<u>Economic Activity</u>								
Real gross domestic product	—	—	—	2.7	1.3	2.0	1.8	2.4
Manufacturing production	n.a.	-0.9	0.1	-1.1	0.7	9.8	4.3	5.7
Factory utilization rate (percent of capacity)	n.a.	75.9	76.7	77.0	77.5	77.6	75.0	71.2
Civilian unemployment rate (percent of labor force)	7.7	7.9	7.8	8.1	8.2	8.2	8.9	9.6
Housing starts (thousands of units, annual rates)	n.a.	894	863	780	736	715	612	586
Light vehicle sales, domestic (millions of units, annual rates)	12.023	11.117	11.495	11.336	10.999	10.906	9.805	8.812
Retail & food service sales	n.a.	-0.3	1.3	5.3	-1.0	6.6	8.0	5.5
Real disposable personal income	n.a.	-0.1	0	0.5	2.2	3.7	1.3	1.8
Personal saving rate (percent of disposable income)	n.a.	3.4	3.3	3.6	3.8	3.6	4.2	5.1
<u>Inflation & Productivity</u>								
CPI-U inflation	n.a.	0.1	0.6	2.3	0.8	2.5	3.1	1.6
Core CPI-U inflation	n.a.	0.2	0.1	1.5	2.6	2.1	1.7	1.0
Output per hour, nonfarm bus.	—	—	—	2.9	1.9	-0.5	0.7	3.1
Unit labor costs, nonfarm bus.	—	—	—	-1.9	-0.5	6.4	2.0	-1.0
Employment Cost Index	—	—	—	1.7	2.1	1.7	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.