



WEEKLY ECONOMIC DIGEST

JOINT ECONOMIC COMMITTEE

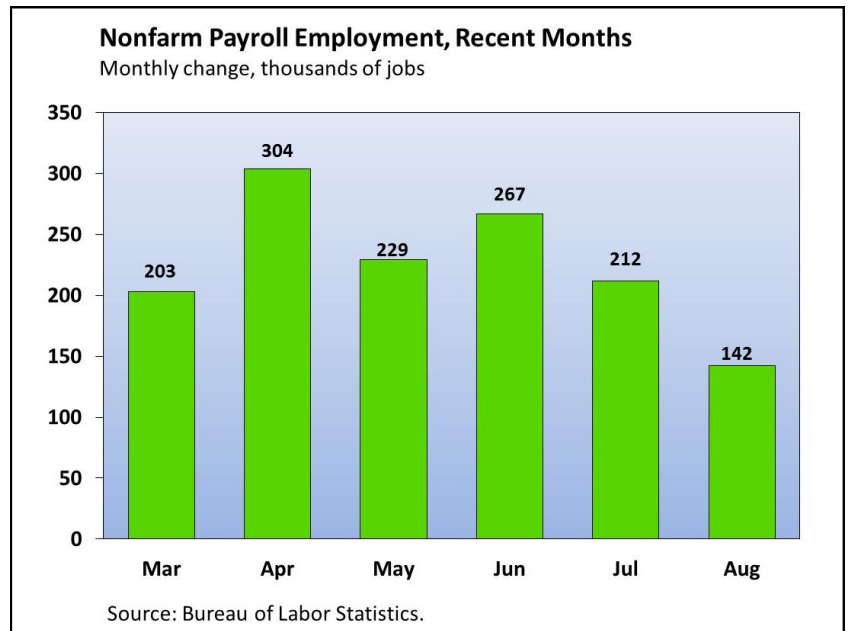
Sen. Amy Klobuchar, Vice Chair
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September 9, 2014

Employment Grew Modestly in August

The economy added 142,000 jobs last month

- Nonfarm employment increased by 142,000 jobs in August, according to the Bureau of Labor Statistics (see chart).
- Jobs grew more slowly last month than forecasters had expected, especially as a number of other industry indicators strengthened in August.
- Despite the weaker August numbers, employment growth has averaged 215,000 jobs per month so far this year, up from the pace of job growth during the first eight months of 2013.
- Private-sector employment rose by 134,000 jobs last month, led by gains in professional and business services, health care, eating and drinking establishments and construction.
- The average hourly earnings of private nonfarm workers continued to rise last month and are now 2.1 percent higher than a year ago.



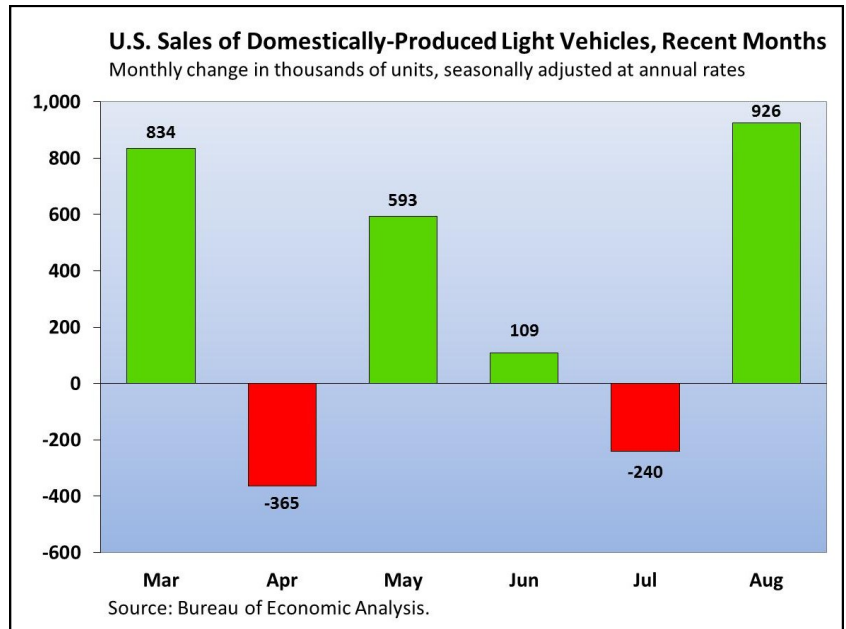
Unemployment edged down in August

- The unemployment rate averaged 6.1 percent of the civilian labor force last month, down nearly 0.1 percentage point from July, largely reflecting a slight decline in labor force participation.
- Long-term unemployment also declined in August, dropping to 1.9 percent of the labor force, the lowest level in over four years. Even so, unemployment for those who've been jobless for six months or longer remains high relative to historical levels.

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Vehicle sales surged in August

- Total U.S. sales of light vehicles (autos and light trucks) increased at an annual rate of 1.048 million units in August after declining in July, according to the Department of Commerce.
- Last month's increase largely reflects an increase in the sales of domestic light vehicles of 926,000 thousand units (see chart).
- August's rise in domestically-produced light vehicle sales is the largest increase in over four years.
- Sales of light vehicles have increased by 9.9 percent over the past 12 months, with light trucks accounting for most of that increase.
- More than two-thirds of the domestically produced vehicles sold over the last year have been light trucks, which are typically more expensive than automobiles.



THE ECONOMY AT A GLANCE

Key Indicators	Months			Quarters			Years	
	Aug	July	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.