



WEEKLY ECONOMIC DIGEST

JOINT ECONOMIC COMMITTEE

UNITED STATES CONGRESS

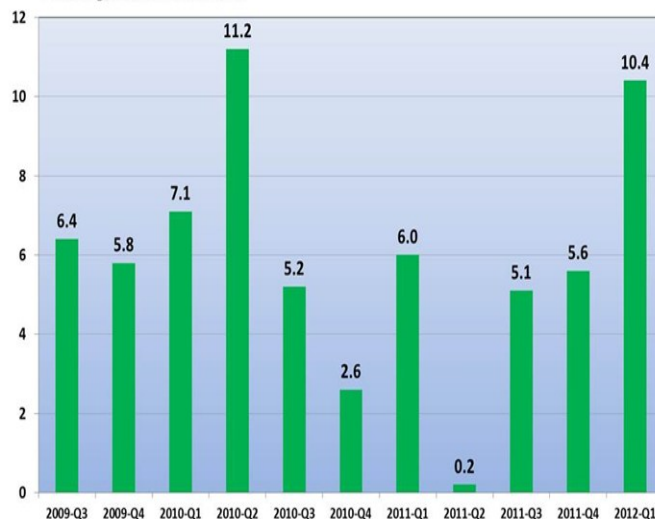
SENATOR ROBERT P. CASEY, JR., CHAIRMAN

April 24, 2012

Factory Output Edged Down At the Close of a Strong First Quarter

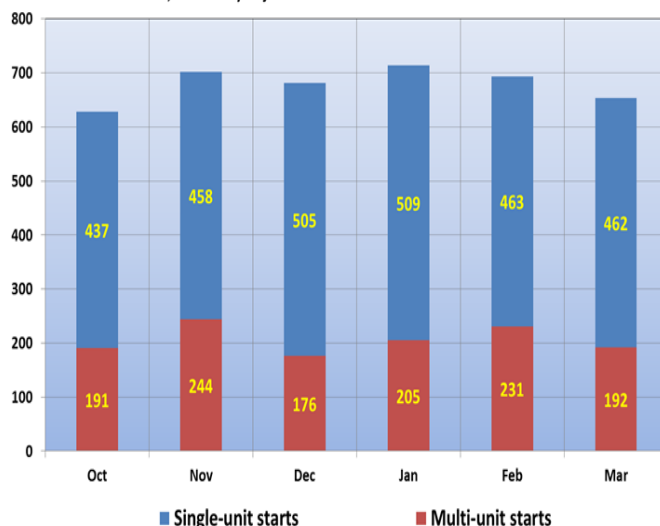
- Industrial production was flat in March. Output at the nation's factories, utilities, and mines was unchanged last month, following no change in February. Production at utilities was up 1.5 percent in March while mining production rose 0.2 percent. Manufacturing output declined 0.2 percent in March after rising at an average 1.1 percent monthly rate between December and February. Output of durable goods decreased 0.2 percent last month and production of nondurable goods also declined by 0.2 percent. Even with the decline in March, manufacturing output accelerated to a 10.4 percent annual rate of growth in the first quarter, the second highest quarterly gain of the recovery (see top chart).
- New residential building declined in March. The number of privately-owned housing units started last month decreased by 40,000 units (down 5.8 percent) to 654,000 units at an annual rate. Multi-unit housing starts accounted for most of the March decline, decreasing by 39,000 units (down 16.9 percent) to 192,000 units last month (see bottom chart). Single-unit starts decreased by 1,000 units (down 0.2 percent) to 462,000 units in March. The number of permits issued for new single-unit construction decreased by 17,000 (down 3.5 percent) to 462,000 authorizations.
- Sales of existing homes decreased again in March. Completed sales of existing single-family homes, townhomes, condominiums and co-ops decreased by 2.6 percent last month to 4.480 million units at an annual rate, following a (revised) 0.6 percent decline in February. Sales of existing single-family homes amounted to 3.970 million units in March, down 2.5 percent from February.

Manufacturing Output Over the Recovery
Percent growth at annual rates



SOURCE: Federal Reserve Board.

Privately-Owned Housing Units Started, Recent Months
Thousands of units, seasonally adjusted at annual rates



SOURCE: Census Bureau, U.S. Department of Commerce.

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THE WEEK AHEAD

DAY	SELECTED UPCOMING DATA RELEASES
Tuesday, Apr. 24	New Residential Sales (March)
Wednesday, Apr. 25	Advance Report on Durable Goods Manufacturers' Shipments, Inventories and Orders (March) Federal Open Market Committee announcement on monetary policy
Friday, Apr. 27	Gross Domestic Product (First quarter, advance estimate) Employment Cost Index (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	-0.2	0.8	1.1	10.4	5.6	5.1	4.3	5.7
Factory utilization rate (percent of capacity)	77.8	78.0	77.5	77.8	76.1	75.2	75.0	71.2
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)	654	694	714	687	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.