WEEKLY ECONOMIC DIGEST
JOINT ECONOMIC COMMITTEE UNITED STATES CONGRESS
SENATOR ROBERT P. CASEY, JR., VICE CHAIRMAN DESIGNATE

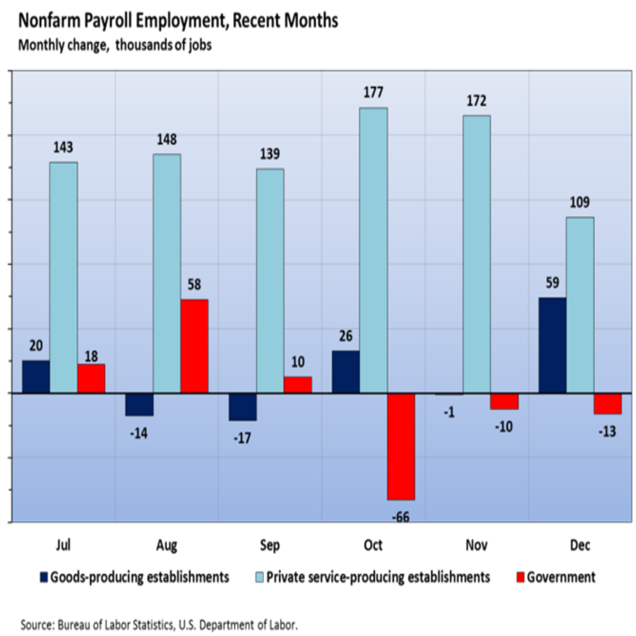
January 8, 2013

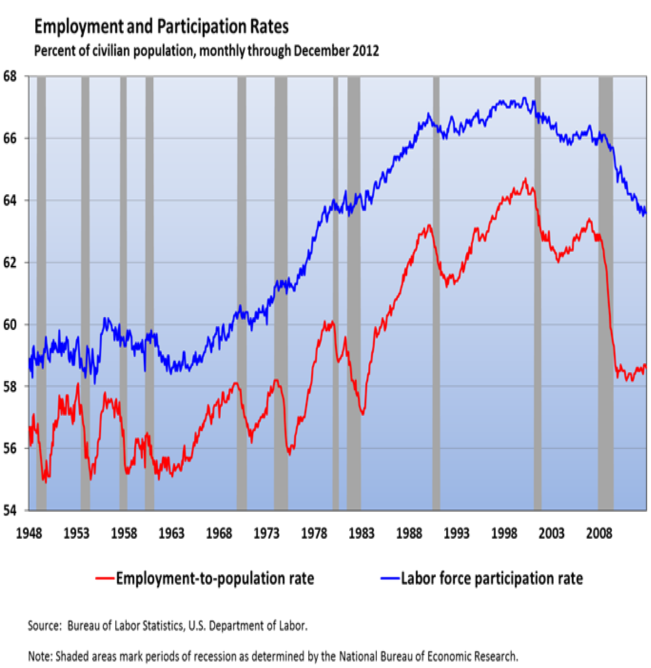
Employment, Hours and Earnings Grew in December

- <u>Payroll employment grew in December</u>. Total nonfarm employment rose by 155,000 jobs last month, according to the Labor Department's survey of establishment payrolls. Private nonfarm payrolls increased by 168,000 jobs in December, following gains of 171,000 jobs in November and 203,000 jobs in October. Payrolls in private goods-producing establishments increased by 59,000 jobs in December while payrolls in private service-providing establishments decelerated in December, increasing by 109,000 jobs (see top chart). Public payrolls decreased by 13,000 jobs last month, with declines concentrated in local government education payrolls.

- <u>Average weekly earnings rose again last month</u>. The average workweek for private nonfarm workers rose to 34.5 hours in December from 34.4 hours in November. Additionally, the average hourly earnings of private nonfarm workers increased 0.3 percent to $23.73 per hour. As a result, average weekly earnings rose 0.6 percent last month, following a similar rise in November. Average weekly earnings rose at an annual rate of 1.5 percent in the fourth quarter, just higher than the 1.4 percent gain posted in the third quarter.

- <u>The unemployment rate was unchanged in December</u>. Unemployment averaged 7.8 percent of the civilian labor force last month, unchanged from the 7.8 percent recorded in November (calculated using revised seasonal factors). The fraction of the population with a job edged down by 0.1 percentage point to 58.6 percent in December while the rate of labor force participation (i.e., the fraction of the population that is either working or actively seeking work) was unchanged at 63.6 percent (see bottom chart).





THE WEEK AHEAD

DAY	SELECTED UPCOMING DATA RELEASES & EVENTS
Tuesday, Jan. 8	Consumer Credit (November)
Thursday, Jan. 10	Monthly Wholesale Trade: Sales and Inventories (November) Job Openings and Labor Turnover (November)
Friday, Jan. 11	U.S. International Trade in Goods and Services (November) U.S. Export and Import Price Indexes (December)

THE ECONOMY AT A GLANCE

	MONTH			QUARTER			YEAR	
KEY INDICATORS	Dec.	Nov.	Oct.	2012Q4	2012Q3	2012Q2	2012	2011
Economic Activity								
Real gross domestic product	—	—	—	n.a.	3.1	1.3	n.a.	1.8
Manufacturing production	n.a.	1.1	-1.0	n.a.	-1.1	0.8	n.a.	4.3
Factory utilization rate (percent of capacity)	n.a.	76.6	75.9	n.a.	77.0	77.5	n.a.	75.0
Civilian unemployment rate (percent of labor force)	7.8	7.8	7.9	7.8	8.0	8.2	8.1	8.9
Housing starts (thousands of units, annual rates)	n.a.	861	888	n.a.	774	736	n.a.	612
Light vehicle sales, domestic (millions of units, annual rates)	11.987	12.028	11.118	11.711	11.351	10.999	11.242	9.805
Retail & food service sales	n.a.	0.3	-0.3	n.a.	5.3	-1.0	n.a.	8.0
Real disposable personal income	n.a.	0.8	-0.1	n.a.	0.5	2.2	n.a.	1.3
Personal saving rate (percent of disposable income)	n.a.	3.6	3.4	n.a	3.6	3.8	n.a.	4.2
Inflation & Productivity								
CPI-U inflation	n.a.	-0.3	0.1	n.a.	2.3	0.8	n.a.	3.1
Core CPI-U inflation	n.a.	0.1	0.2	n.a.	1.5	2.6	n.a.	1.7
Output per hour, nonfarm bus.	—	—	—	n.a.	2.9	1.9	n.a.	0.7
Unit labor costs, nonfarm bus.	—	—	—	n.a.	-1.9	-0.5	n.a.	2.0
Employment Cost Index	—	—	—	n.a.	1.7	2.1	n.a.	2.0

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.