



WEEKLY ECONOMIC DIGEST

JOINT ECONOMIC COMMITTEE

UNITED STATES CONGRESS

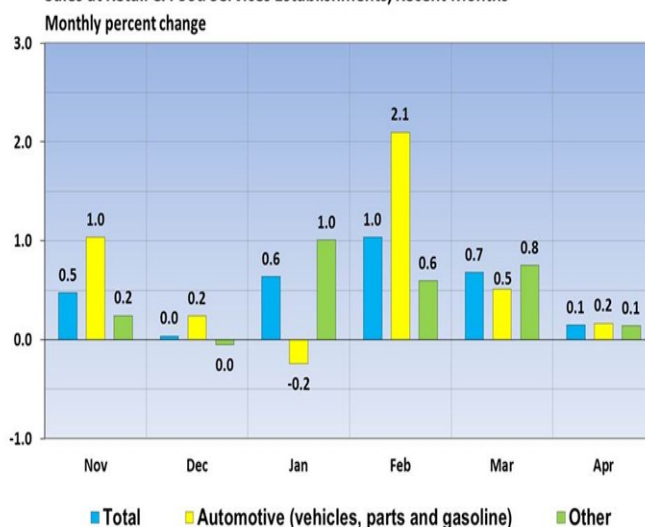
SENATOR ROBERT P. CASEY, JR., CHAIRMAN

May 22, 2012

Retail Sales Edged Up in April While Production Rebounded

- Retail sales edged up in April. Sales at retail establishments and food services rose by 0.1 percent last month, following (revised) gains of 0.7 percent in March and 1.0 percent in February, according to the Census Bureau's advance estimates (see top chart). April sales growth was slightly below the weak pace that market forecasters had anticipated. Motor vehicle and parts retailers reported an increase in sales of 0.5 percent last month (following a 0.2 percent increase in March) while gasoline stations reported a decrease in sales of 0.3 percent in April (following a 1.0 percent increase in March). Excluding vehicles, parts and gasoline dealers, retail establishments reported that sales were up by 0.1 percent in April, following a 0.8 percent gain in March. Over the 12 months ending in April, overall retail sales rose by 6.4 percent while nonautomotive sales increased 6.0 percent.

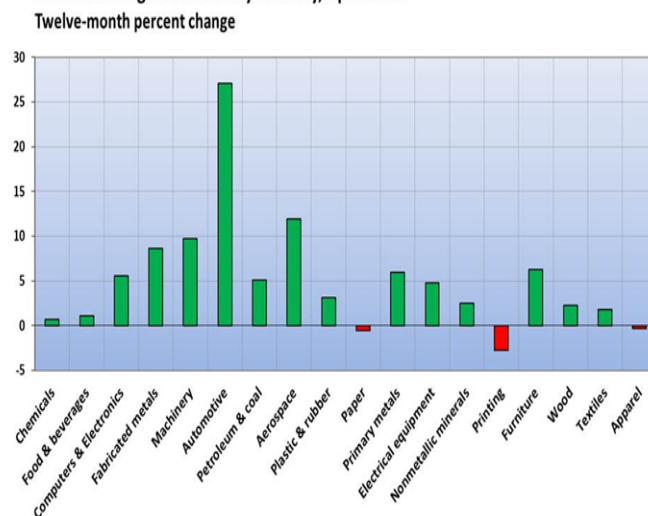
Sales at Retail & Food Services Establishments, Recent Months



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

- Industrial production rebounded in April. Output at the nation's factories, utilities, and mines grew 1.1 percent last month, following a (revised) 0.6 percent decline in March. Production at utilities was up 4.5 percent in April while mining production rose 1.6 percent. Manufacturing output increased 0.6 percent in April after declining 0.5 percent in March. Output of durable goods increased 1.3 percent last month, led by increases in computer and electronic products (up 1.6 percent), and motor vehicles and parts (up 3.9 percent). Production of nondurable goods declined by 0.2 percent in April. Over the 12 months through April, manufacturing output increased by 5.8 percent with most industries recording gains (see bottom chart).

Manufacturing Production by Industry, April 2012



SOURCE: Federal Reserve Board.

NOTE: Industries are listed in order of their shares of total factory output in 2011, in descending order from the left.

WEEKLY ECONOMIC DIGEST

THE WEEK AHEAD

DAY	SELECTED UPCOMING DATA RELEASES
Tuesday, May 22	Existing Home Sales (April)
Wednesday, May 23	New Home Sales (April) Federal Housing Finance Agency Home Price Index (March, first quarter)
Thursday, May 24	Advance Report on Durable Goods Manufacturers' Shipments, Inventories, and Orders (April)

THE ECONOMY AT A GLANCE

KEY INDICATORS	MONTH			QUARTER			YEAR	
	Apr	Mar	Feb	2012Q1	2011Q4	2011Q3	2011	2010
<u>Economic Activity</u>								
Real gross domestic product	—	—	—	2.2	3.0	1.8	1.7	3.0
Manufacturing production	0.6	-0.5	0.8	9.8	5.6	5.1	4.3	5.7
Factory utilization rate (percent of capacity)	77.9	77.6	78.0	77.7	76.1	75.2	75.0	71.2
Civilian unemployment rate (percent of labor force)	8.1	8.2	8.3	8.2	8.7	9.1	8.9	9.6
Housing starts (thousands of units, annual rates)	717	699	718	712	678	614	612	586
Light vehicle sales, domestic (millions of units, annual rates)	11.113	11.088	11.615	11.223	10.433	9.719	9.824	8.808
Retail & food service sales	0.1	0.7	1.0	7.2	8.8	5.2	7.9	5.5
Real disposable personal income	n.a.	0.2	-0.1	0.4	1.7	0.7	1.3	1.8
Personal saving rate (percent of disposable income)	n.a.	3.8	3.7	3.9	4.5	4.6	4.7	5.3
<u>Inflation & Productivity</u>								
CPI-U inflation	0	0.3	0.4	2.5	1.3	3.1	3.1	1.6
Core CPI-U inflation	0.2	0.2	0.1	2.1	1.9	2.5	1.7	1.0
Output per hour, nonfarm bus.	—	—	—	-0.5	1.2	1.8	0.4	4.0
Unit labor costs, nonfarm bus.	—	—	—	2.0	2.7	3.9	2.0	-2.0
Employment Cost Index	—	—	—	1.7	2.1	1.4	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.