



WEEKLY ECONOMIC DIGEST

JOINT ECONOMIC COMMITTEE

SENATOR AMY KLOBUCHAR, VICE CHAIR

April 23, 2013

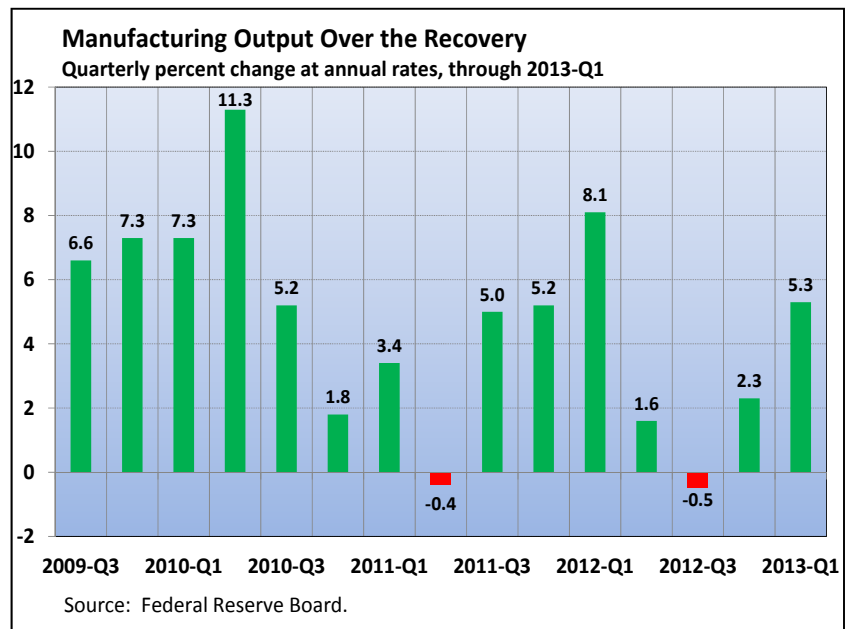
Home Building Remained Strong in March

New residential building continued to rise in March

- The number of privately-owned housing units started last month rose by 68,000 (up 7.0 percent) to 1,036,000 units at an annual rate, the first time since June 2008 that new residential building has surpassed the million-unit mark.
- The March rate of housing starts was higher than forecasters had expected and 46.7 percent above the level that prevailed 12 months earlier.
- All of the March gain stemmed from a sharp rise in new construction of multiple-unit housing (up 31.1 percent).
- Single-unit housing starts declined in March but remained well above the levels a year earlier.

Industrial production increased last month

- Output at the nation's factories, utilities, and mines rose 0.4 percent in March, following an increase of 1.1 percent in February.
- The March gain in production was largely the result of a 5.3 percent surge in production at utilities as a result of unusually cold weather across much of the nation last month.
- Factory output edged down 0.1 percent in March, after growing 0.9 percent in February.
- While most manufacturing sectors experienced declines in production last month, auto producers saw output rise 2.9 percent, to a level 10.2 percent above production a year earlier.
- Despite edging down last month, factory output accelerated in the first quarter of the year, rising at a 5.3 percent annual rate (see chart).



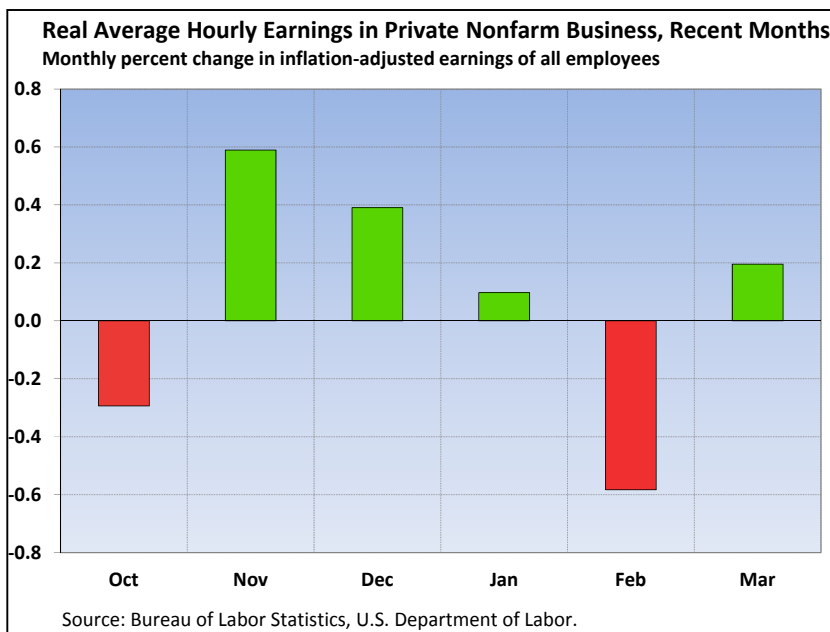
WEEKLY ECONOMIC DIGEST

Consumer prices declined and inflation momentum remained low in March

- The consumer price index for all urban consumers decreased 0.2 percent last month, after increasing 0.7 percent in February.
- The March decline largely reflected declining gasoline prices (down 4.4 percent, following a 9.1 percent rise in February).
- Core inflation (which excludes changes in the often volatile prices of food and energy) amounted to only 0.1 percent last month.
- Over the 12 months through March, consumer prices excluding food and energy rose 1.9 percent.

Real labor earnings grew in March

- The real (inflation-adjusted) average hourly earnings of all private-sector employees increased 0.2 percent last month, following a 0.6 percent decrease in February (see chart).
- The March rise in real hourly earnings reflected a one-cent increase in take home pay (to \$23.82 an hour) coupled with a 0.2 percent decline in consumer prices.
- Real average weekly earnings rose by 0.5 percent last month and by 0.6 percent over the last 12 months.



THE WEEK AHEAD

DAY

SELECTED UPCOMING DATA RELEASES & EVENTS

Tuesday, Apr. 23

New Residential Sales (March)
FHFA House Price Index (February)

Wednesday, Apr. 24

JEC Hearing, "Long-Term Unemployment: Consequences and Solutions" Dirksen Senate Office Building, Room 106, 10:30 am
Advance Report on Durable Goods, Manufacturers' Shipments, Inventories and Orders (March)

Friday, Apr. 26

Gross Domestic Product (First Quarter, Advance Estimate)

Monday, Apr. 29

Personal Income and Outlays (March)