WEEKLY ECONOMIC DIGEST

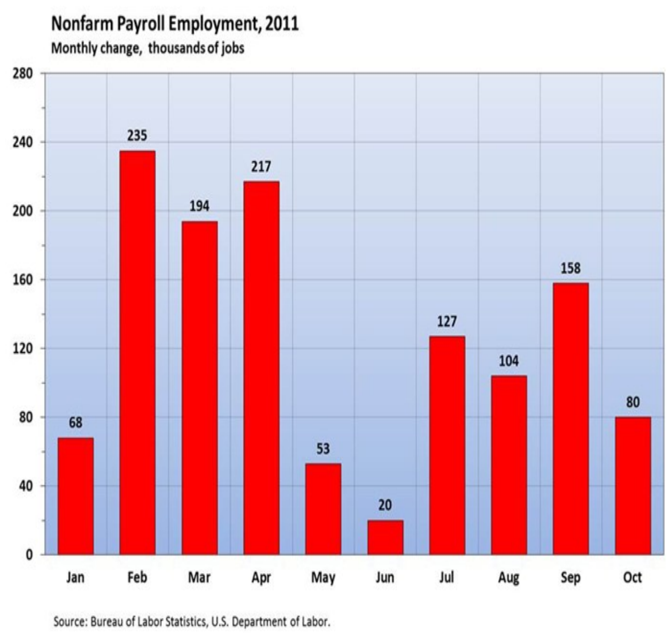
JOINT ECONOMIC COMMITTEE UNITED STATES CONGRESS

SENATOR ROBERT P. CASEY, JR., CHAIRMAN

November 8, 2011

Job Gains Were Modest in October

- Payroll employment rose modestly in October. Total nonfarm employment rose by 80,000 jobs last month following gains of 158,000 in September and 104,000 in August (see chart). Employment growth for August and September was revised up by an average of 51,000 jobs per month. The September gain in nonfarm payrolls was slightly below what most forecasters had expected (about 85,000 jobs). Over the past 12 months, nonfarm employment has increased at an average monthly pace of 125,000 jobs.



- Most of the recovery lies ahead. While inflation-adjusted U.S. gross domestic product finally surpassed its 2007-Q4 peak in the third quarter of this year, payroll employment has a long way to go to full recovery. Since February of last year, private nonfarm payrolls have increased by about 2.8 million jobs, regaining just 31 percent of the 8.8 million jobs lost between December 2007 and February 2010. Even if employment were to grow at double the pace of the last 12 months, it would still take another two years for private-sector employment to return to the level that prevailed in December 2007.

- The official unemployment rate was little changed in October. Unemployment averaged 9.0 percent of the civilian labor force last month, down slightly from 9.1 percent in September. The fraction of the population with a job rose by 0.1 percentage point to 58.4 percent in October. Labor force participation (that is, the fraction of the population that is either working or actively seeking work) was unchanged at 64.2 percent in October. Both measures remain quite low relative to the levels that prevailed at the start of the recession (see chart).

THE WEEK AHEAD

DAY	SELECTED UPCOMING DATA RELEASES AND EVENTS
Wednesday, Nov 9	Monthly Wholesale Trade: Sales and Inventories (September)
Thursday, Nov 10	U.S. Import and Export Price Indexes (October) U.S. International Trade in Goods and Services (September)

THE ECONOMY AT A GLANCE

KEY INDICATORS	MONTH			QUARTER			YEAR	
	Oct	Sep	Aug	2011 Q3	2011 Q2	2011 Q1	2010	2009
Economic Activity								
Real gross domestic product	—	—	—	2.5	1.3	0.4	3.0	-3.5
Manufacturing production	n.a.	0.4	0.3	4.3	-0.1	7.2	5.4	-13.5
Factory utilization rate (percent of capacity)	n.a.	75.1	74.9	74.9	74.3	74.5	71.7	66.2
Civilian unemployment rate (percent of labor force)	9.0	9.1	9.1	9.1	9.1	8.9	9.6	9.3
Housing starts (thousands of units, annual rates)	n.a.	658	572	615	572	582	585	554
Light vehicle sales, domestic (millions of units, annual rates)	10.293	10.181	9.522	9.777	9.406	9.907	8.812	7.680
Retail & food service sales	n.a.	1.1	0.3	4.5	4.7	10.5	6.4	-7.0
Real disposable personal income	n.a.	-0.1	-0.4	-1.7	0.6	1.2	1.8	-2.3
Personal saving rate (percent of disposable income)	n.a.	3.6	4.1	4.1	5.1	5.0	5.3	5.1
Inflation & Productivity								
CPI-U inflation	n.a.	0.3	0.4	3.1	4.1	5.2	1.6	-0.3
Core CPI-U inflation	n.a.	0.1	0.2	2.7	2.5	1.7	1.0	1.7
Output per hour, nonfarm bus.	—	—	—	3.1	-0.1	-0.6	4.1	2.3
Unit labor costs, nonfarm bus.	—	—	—	-2.4	2.8	6.2	-2.0	-0.7
Employment Cost Index	—	—	—	1.2	2.8	2.4	1.9	1.7

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.