



WEEKLY ECONOMIC DIGEST

JOINT ECONOMIC COMMITTEE

UNITED STATES CONGRESS

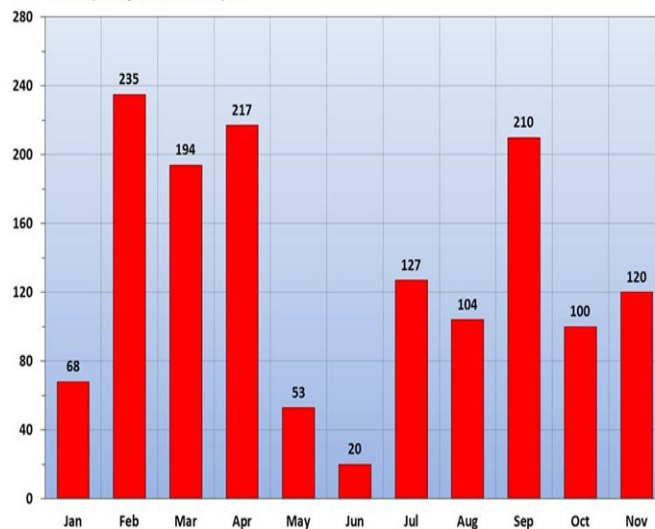
SENATOR ROBERT P. CASEY, JR., CHAIRMAN

December 6, 2011

Declining Labor Supply Contributed to November Drop in Unemployment

- Payroll employment rose moderately in November. Total nonfarm employment rose by 120,000 jobs last month following revised gains of 100,000 jobs in October and 210,000 jobs in September, according to the Labor Department's survey of establishment payrolls (see chart). Over the past 12 months, nonfarm employment has increased at an average monthly pace of 133,000 jobs. Private nonfarm payrolls increased by 140,000 jobs in November, following gains of 117,000 jobs in October and 220,000 jobs in September. Public payrolls continued to shrink, with governments shedding 20,000 jobs last month.
- Average weekly earnings declined last month. The average workweek for private nonfarm workers was unchanged at 34.3 hours in November, the same level as prevailed in September and October. The average hourly earnings of private nonfarm workers edged down to \$23.18 per hour (down 0.1 percent). As a result, average weekly earnings declined by 0.1 percent in November, following gains of 0.3 percent in October and 0.5 percent in September.
- Unemployment declined in November. The unemployment rate declined by 0.4 percentage point to 8.6 percent of the civilian labor force last month, according to the Labor Department's survey of households. The fraction of the population with a job rose by 0.1 percentage point to 58.5 percent but remains low on an historical basis (see chart). Labor force participation (i.e., the fraction of the population that is either working or actively seeking work) declined by 0.2 percentage point to 64.0 percent last month; absent that decline in labor force participation, the unemployment rate would have averaged about 8.9 percent.

Nonfarm Payroll Employment, 2011
Monthly change, thousands of jobs



Source: Bureau of Labor Statistics, U.S. Department of Labor.

Employment and Participation Rates
Percent of civilian population, monthly through November 2011



Source: Bureau of Labor Statistics, U.S. Department of Labor.

Note: Shaded areas mark periods of recession as determined by the National Bureau of Economic Research.

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THE WEEK AHEAD

DAY	SELECTED UPCOMING DATA RELEASES
Wednesday, Dec 7	Consumer Credit (October)
Thursday, Dec 8	Monthly Wholesale Trade: Sales and Inventories (October)
Friday, Dec 9	U.S. International Trade in Goods and Services (October)

THE ECONOMY AT A GLANCE

KEY INDICATORS	MONTH			QUARTER			YEAR	
	Nov	Oct	Sep	2011 Q3	2011 Q2	2011 Q1	2010	2009
<u>Economic Activity</u>								
Real gross domestic product	—	—	—	2.0	1.3	0.4	3.0	-3.5
Manufacturing production	n.a.	0.5	0.3	4.3	0	7.2	5.4	-13.5
Factory utilization rate (percent of capacity)	n.a.	75.4	75.1	74.9	74.4	74.5	71.7	66.2
Civilian unemployment rate (percent of labor force)	8.6	9.0	9.1	9.1	9.1	8.9	9.6	9.3
Housing starts (thousands of units, annual rates)	n.a.	628	630	610	572	582	585	554
Light vehicle sales, domestic (millions of units, annual rates)	n.a.	10.289	10.181	9.777	9.406	9.907	8.812	7.680
Retail & food service sales	n.a.	0.5	1.1	4.6	4.7	10.7	6.4	-7.0
Real disposable personal income	n.a.	0.3	-0.1	-2.1	-0.5	1.2	1.8	-2.3
Personal saving rate (percent of disposable income)	n.a.	3.5	3.3	3.8	4.8	5.0	5.3	5.1
<u>Inflation & Productivity</u>								
CPI-U inflation	n.a.	-0.1	0.3	3.1	4.1	5.2	1.6	-0.3
Core CPI-U inflation	n.a.	0.1	0.1	2.7	2.5	1.7	1.0	1.7
Output per hour, nonfarm bus.	—	—	—	2.3	-0.1	-0.6	4.1	2.3
Unit labor costs, nonfarm bus.	—	—	—	-2.5	-0.1	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.