

Economic Update, April 20, 2018
Submitted by Michael Mount

Summary: The Federal Reserve describes growth as “modest to moderate,” and widespread employment growth continues. However, manufacturing labor productivity declines are widespread, and prices increased at a moderate pace. The Atlanta Fed has an interesting [chart](#) (see below) comparing wage growth for those who stay in the same industry to those who don’t.

Census

Monday, [Sales for Retail and Food Services](#): “Advance estimates of U.S. retail and food services sales for March 2018 . . . were \$494.6 billion, an increase of 0.6 percent from the previous month, and 4.5 percent above March 2017. Total sales for the January 2018 through March 2018 period were up 4.1 percent from the same period a year ago. The January 2018 to February 2018 percent change was unrevised from down 0.1 percent.”

Monday, [Manufacturing and Trade Inventories and Sales](#): “The combined value of distributive trade sales and manufacturers’ shipments for February . . . was estimated at \$1,430.4 billion, up 0.4 percent from January 2018 and was up 5.8 percent from February 2017. Manufacturers’ and trade inventories . . . were estimated at an end-of-month level of \$1,928.8 billion, up 0.6 percent from January 2018 and were up 4.0 percent from February 2017.”

Tuesday, [New Residential Construction](#): “Privately-owned housing units authorized by building permits in March were at a seasonally adjusted annual rate of 1,354,000. . . . Privately-owned housing starts in March were at a seasonally adjusted annual rate of 1,319,000. This is 1.9 percent above the revised February estimate of 1,295,000 and is 10.9 percent above the March 2017 rate of 1,189,000. . . . Privately-owned housing completions in March were at a seasonally adjusted annual rate of 1,217,000. This is 5.1 percent below the revised February estimate of 1,282,000, but is 1.9 percent above the March 2017 rate of 1,194,000.”

Bureau of Economic Analysis

Thursday, [GDP by Industry](#): “Durable goods manufacturing; construction; and professional, scientific, and technical services were the leading contributors to the increase in U.S. economic growth in the fourth quarter of 2017. . . . 16 of 22 industry groups contributed to the overall 2.9 percent increase in real GDP in the fourth quarter.”

Bureau of Labor Statistics

Tuesday, [Labor Market Activity, Education, and Partner Status Among Americans at Age 31](#): “Americans born in the early 1980s held an average of 7.8 jobs from age 18 through age 30. . . . Individuals held more jobs at younger ages, and the number of jobs held declined as individuals aged.”

Thursday, [Labor Productivity](#): “Labor productivity declines were widespread among manufacturing industries in 2017, with decreases in 54 of the 86 four-digit NAICS industries. Of the 51 industries in durable manufacturing, 34 experienced productivity decreases in 2017 led by a decline in the other transportation equipment industry of 11.5 percent.”

Thursday, [Employment Characteristics of Families](#): “In 2017, 5.8 percent of families included an unemployed person, down from 6.5 percent in 2016. . . . Of the nation's 82.0 million families, 80.5 percent had at least one employed member in 2017.”

Department of Labor

Thursday, [Initial Claims](#): “In the week ending April 14, the advance figure for seasonally adjusted initial claims was 232,000, a decrease of 1,000 from the previous week’s unrevised level of 233,000.”

National Association of Home Builders

Monday, [Housing Market Index](#): “Builder confidence in the market for newly-built single-family homes edged down one point to a level of 69 in April . . . but remains on firm ground. . . . ‘Ongoing employment gains, rising wages and favorable demographics should spur demand for single-family homes in the months ahead,’ said NAHB Chief Economist Robert Dietz. ‘The minor dip in builder confidence this month is likely due to winter weather effects, which may be slowing housing activity in some pockets of the country. As we head into the spring home buying season, we can expect the market to continue to make gains at a gradual pace.’”

Federal Reserve

Tuesday, [Industrial Production and Capacity Utilization](#): “Industrial production rose 0.5 percent in March after increasing 1.0 percent in February; the index advanced 4.5 percent at an annual rate for the first quarter as a whole. . . . Capacity utilization for the industrial sector moved up 0.3 percentage point in March to 78.0 percent, a rate that is 1.8 percentage points below its long-run (1972–2017) average.”

Wednesday, [The Beige Book](#): “Economic activity continued to expand at a modest to moderate pace across the 12 Federal Reserve Districts in March and early April. . . . Widespread employment growth continued, with most Districts characterizing growth as modest to moderate. . . . Prices increased across all Districts, generally at a moderate pace.”

Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): “Mortgage applications increased 4.9 percent from one week earlier. . . . The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances (\$453,100 or less) remained unchanged at 4.66 percent. . . . The average contract interest rate for 15-year fixed-rate mortgages remained unchanged at 4.08 percent.”

