

Economic Update, July 21, 2017
Submitted by Reuben Kyle

Summary: This week’s economic news was largely positive. The Leading Economic Indicators were up, and for the first time in some months, most of the news from the housing market was good. Labor market data continues to be positive. Tennessee had a record low unemployment rate in June.

Census Bureau

Wednesday, [New Residential Construction](#): In June 2017, the number of building permits issued was up by 7.4% from May and by 5.1% over June 2016. Housing starts were also higher, by 8.3%, than in May and 2.1% above June 2016. Housing completions increased by 5.2% from May and by 8.1% over June a year ago.

Bureau of Labor Statistics

Tuesday, [U.S. Import and Export Price Indexes](#): In June 2017, both the U.S. Import Price Index and the U.S. Export Price Index fell by 0.2%, making two consecutive months of decline. Over the previous 12-month period, the import index rose by 1.5%, led by 6.3% increase in the fuel index. During the same period, the export index rose by 0.6% despite a 3.9% drop in the agricultural export index.

Wednesday, [Usual Weekly Earnings of Wage and Salary Workers](#): In the 2nd quarter of 2017, the median weekly earnings of full-time wage and salary workers was \$859, or 4.2% higher than in the same period in 2016. Since that period in 2016, the Consumer Price Index for All Urban Consumers is up by 1.9%. The median weekly wage for women was \$780, compared with \$934 for men. That percent is 83.5%. There are lots of interesting numbers in this report. For example, among women workers, there is a great deal of variation by race, with Black women earning 96.3% of Black men’s earnings and Asian women earning 74.2% of Asian men’s. There has been considerable discussion recently about the value of educational attainment. Here are some numbers that may contribute to the discussion. “full-time workers age 25 and over without a high school diploma had median weekly earnings of \$515, compared with \$718 for high school graduates (no college) and \$1,290 for those holding at least a bachelor's degree.”

Thursday, [Multifactor Productivity Trends for Detailed Industries](#): In 2015, multifactor productivity increased in 21 of 86 manufacturing industries and in one transportation industry.

Friday, [Employee Benefits in the U.S.](#): In March 2017, retirement and medical insurance benefits were “available” to 70% of civilian workers. The report gives a lot of information about these benefits. The table below gives availability of benefits to several categories of workers.

Table A. Selected employer-sponsored benefits: Access, participation and take-up rates, March 2017
(All workers = 100 percent)

Benefit	Civilian			Private industry			State and local government		
	Access	Participation	Take-up rates	Access	Participation	Take-up rates	Access	Participation	Take-up rates
Retirement	70	54	77	66	50	75	91	80	88
Medical care	70	52	74	67	49	72	89	71	80
Life insurance	59	58	98	55	54	98	81	79	98

Note: For definitions of major plans, key provisions, and related terms, see the “Glossary of Employee Benefit Terms” at www.bls.gov/ncs/ebs/glossary20162017.htm and the technical note.

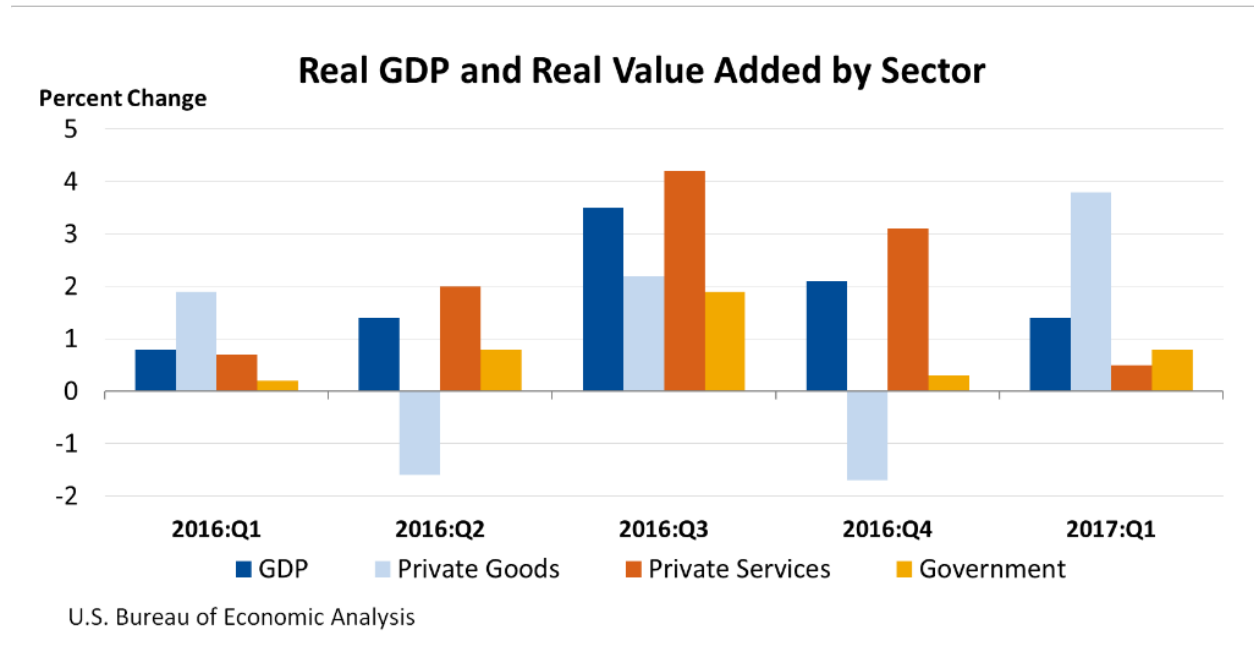
“Take-up Rate: The percentage of workers with access to a plan who participate in the plan.”

Friday, [State Employment and Unemployment](#): In June 2017, unemployment rates declined from May numbers in 10 states, rose in two, and were “stable” in 38 states and the District of Columbia. The lowest rate of 2.3% was experienced in Colorado and North Dakota. Alaska had the highest rate at 6.8%. [Tennessee](#) had a record low unemployment rate at 3.6%, significantly below the national average

of 4.4%, down sharply by 0.4 percentage points from May, and 1.1 percentage points lower than in June 2016. Total nonfarm employment rose from May in 14 states, and 33 states had higher employment than a year earlier. Tennessee added 5,900 jobs in June and 59,300 jobs since June 2016. Construction gained 1,400 jobs, government added 600 jobs, but manufacturing lost 1,200 jobs.

Bureau of Economic Analysis

Friday, [Gross Domestic Product by Industry](#): In the 1st quarter of 2017, U.S. GDP increased by 1.4%, and 13 of 22 industry groups contributed to that growth. The Chart below gives some detail on the contribution by sector.



U.S. Department of Labor

Thursday, [Initial Claims](#): New claims for unemployment insurance for the week ending July 15, 2017, were 233,000, down 15,000 from the previous week, and the four-week moving average fell by 2,250 to 243,750. In the week ending July 8, nine states plus Puerto Rico reported increases of 1,000 or more initial claims, and five states reported decreases of 1,000 or more. Tennessee reported an increase of 444 new claims.

The Conference Board

Thursday, [Leading Economic Indicators \(LEI\)](#): In June 2017, the LEI was 127.8 (2010=0) up by 0.6%. Ataman Ozyildirim, Director of Business Cycles and Growth Research at The Conference Board stated: "The U.S. LEI rose sharply in June, pointing to continued growth in the U.S. economy and perhaps even a moderate improvement in GDP growth in the second half of the year,...The broad-based gain in the U.S. LEI was led by a large contribution from housing permits, which improved after several months of weakness." The Coincident Economic Index increased by 0.2% to 115.5 (2010=100).

National Association of Home Builders

Tuesday, [Housing Market Index](#): In July 2017, the home builders' index fell from 66 to 64, the lowest level since November 2016. "Our members are telling us they are growing increasingly concerned over rising material prices, particularly lumber," said NAHB Chairman Granger MacDonald, a

home builder and developer from Kerrville, Texas. “This is hurting housing affordability even as consumer interest in the new-home market remains strong.”

Bloomberg.com

Thursday, [Consumer Comfort Index](#): The latest index reading was 47.6, up from 47.0 the previous week.