

FEBRUARY 24, 2012

The *Weekly Economic & Business Update* is a summary report of key economic and business data releases and reports that are issued each week. Prepared and issued by the SABÉR Research Institute, this report aims to provide current information on current economic and business indicators and market events that affect the local and regional economies.

The SABÉR Research Institute is an economic development think tank dedicated to researching regional economies and their development. A strategic alliance between *St. Mary's University* and the *San Antonio Hispanic Chamber of Commerce*, the Institute is committed to providing expert counsel and research to organizations such as businesses and government.

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WEEKLY UPDATES

U.S. IMPORT & EXPORT PRICES

According to the *Bureau of Labor Statistics*, U.S. import prices rose by 0.3% in January, after ticking down 0.1% in December. Higher prices for both fuel and nonfuel imports contributed to the January increase. Prices for U.S. exports also increased in January, rising by 0.2% following a 0.5% decline the previous month. Read more >>

<http://bls.gov/news.release/ximpim.nr0.htm>

CONSUMER PRICE INDEX

The *Bureau of Labor Statistics* reported that, on a seasonally adjusted basis, the Consumer Price Index for All Urban Consumers rose by 0.2% in January after being unchanged in December. The index for all items less food and energy increased by 0.2% in January after increasing 0.1% in December. Read more >>

<http://bls.gov/news.release/cpi.nr0.htm>

REAL EARNINGS

Real average hourly earnings were unchanged from December to January on a seasonally adjusted basis. Average hourly earnings rose

by 0.2%, offset by a 0.2% increase in the CPI-U. Real average weekly earnings were unchanged over the month. Read more >>
<http://bls.gov/news.release/realer.nr0.htm>

CONSUMER SENTIMENT

Consumer sentiment improved a bit in February as Americans became more confident about the economy. The Thomson Reuters/University of Michigan's final reading on the overall index on consumer sentiment came in at 75.3, increasing from 75.0 the month before. It was the highest level since February 2011. Read more >>

<http://www.reuters.com/article/2012/02/24/us-usa-economy-sentiment-idUSTRE81N10E20120224>

HOME RESALES

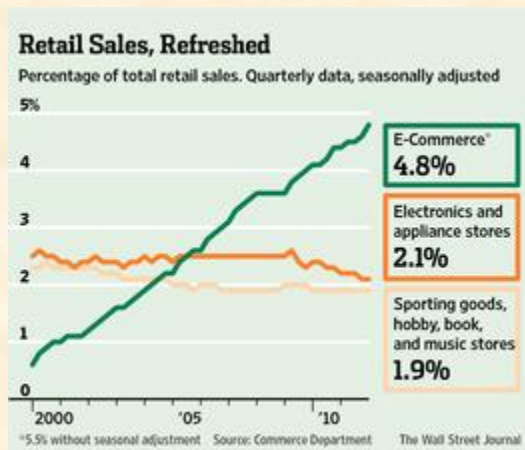
According to the *National Association of Realtors*, existing-home sales increased by 4.3% in January from a month earlier to a seasonally adjusted annual rate of 4.57 million. It was the third increase in the past four months and the highest level of sales

since May 2010, when the housing market was lifted by federal tax credits. Compared with January 2011, sales rose by 0.7%. Read more >>

http://online.wsj.com/article/SB10001424052970203960804577239102739123214.html?mod=WSJ_economy_LeftTopHighlights

RETAIL SALES

The speed at which sales are moving to the Web is striking. According to a recent report from the *Department of Commerce*, \$61.8 billion of retail sales were transacted on the Internet in the fourth quarter of last year. That represented a 16% increase from 2010 and accounted for 5.5% of all retail activity over the holiday period. Read more >>
<http://blogs.wsj.com/economics/2012/02/18/number-of-the-week-five-cents-of-every-retail-dollar-spent-online/?mod=marketbeat>



BACHELOR'S DEGREE ATTAINMENT

The *Census Bureau* reported that, in March 2011, for the first time ever, more than 30% of U.S. adults 25 and older had at least a bachelor's degree. As recently as 1998, fewer than one-quarter of people this age had this level of education. From 2001 to 2011, the number of Hispanics with a Bachelor's degree or higher education increased by 80% from 2.1 million to 3.8 million. Read more >>

<http://www.census.gov/newsroom/releases/archives/education/cb12-33.html>

UNEMPLOYMENT BENEFITS CLAIMS

The *Department of Labor* reported that the number of U.S. workers making new applications for unemployment benefits held steady last week. However, the four-week average continued to decline as the jobs market showed steady improvement. Initial jobless claims remained unchanged at 351,000 during the week ended February 18. The previous week's figure was revised up from 348,000. Read more >>

http://online.wsj.com/article/SB10001424052970203918304577241014135776918.html?mod=WSJ_economy_LeftTopHighlights

GASOLINE PRICES

Increasing oil prices in the spring of 2008 sent gasoline prices surging and accelerated the recession. Now, rising gas prices are threatening the recovery. However, according to Joseph LaVorgna, Deutsche Bank chief U.S. economist, lower natural gas and utility costs this time around might limit some of the damage. Read more >>

<http://blogs.wsj.com/economics/2012/02/21/why-this-time-could-be-different-with-high-gasoline-prices/?mod=marketbeat>

DROPOUTS AND THE JOB MARKET

While the U.S. job market is showing signs of recovery, one substantial group of workers has been falling further behind: high-school dropouts. According to the *Bureau of Labor Statistics*, about 1.8 million more college graduates have found work since January 2010, when the recovery began producing jobs, but approximately 128,000 high-school dropouts lost work in the same period. Read more >>

<http://online.wsj.com/article/SB1000142405>

2970203315804577211190378957930.html?mod=WSJ_economy_LeftTopHighlights

MORTGAGE DELINQUENCIES

The share of homeowners behind on their mortgages declined to the lowest level in three years during the fourth quarter of 2011. However, the share of loans in foreclosure remained near the highest levels of the crisis, which means several housing markets could still face continued pressure as banks take back and resell homes. Read more >>

http://online.wsj.com/article/SB10001424052970204792404577227203470847664.html?mod=WSJ_economy_LeftTopHighlights

MANUFACTURING PRODUCTION

The *Federal Reserve* reported that factories in the U.S. boosted output last month, and December ended up being their best month for growth in five years. Manufacturing production increased by 0.7% in January, and output rose by 1.5% in December. That was the biggest gain since December 2006. Read more >>

<http://www.nytimes.com/2012/02/16/business/economy/output-rises-at-us-factories.html? r=2&ref=economy>

LABOR FORCE GROWTH

According to new projections from the *Bureau of Labor Statistics*, Hispanics are expected to account for 74% of the growth in the nation's labor force from 2010 to 2020. A *Pew Research Center* commentary notes that this is much higher than in the previous two decades. Hispanics accounted for 36% of the total increase in the labor force from 1990 to 2000 and for 54% from 2000 to 2010. Read more >>

<http://www.pewsocialtrends.org/2012/02/13/labor-force-growth-slows-hispanic-share-grows-2/>

SMALL BUSINESS OPTIMISM

According to the *National Federation of Independent Business*, small-business owner confidence in January rose for a fifth consecutive month. However, that hasn't translated into more jobs. The National Federation of Independent Business's small-business optimism index rose 0.1 point to 93.9 in January from 93.8 in December. Read more >>

<http://blogs.wsj.com/economics/2012/02/14/small-business-optimism-increases-2/?mod=marketbeat>

U.S. COAL PRODUCTION

According to *EIA's* weekly coal production report, U.S. coal production increased slightly during 2011 for the second year in a row, rising about 0.4% from its 2010 level, after falling sharply during 2009. Exports drove gains in production, as U.S. coal shipments to other countries increased to their highest level in two decades, while domestic coal consumption for electricity generation fell. Read more >>

<http://www.eia.gov/todayinenergy/detail.cfm?id=4970>