

FEBRUARY 3, 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. EMPLOYMENT

The *U.S. Bureau of Labor Statistics* has reported that nonfarm payroll employment rose by 243,000 in January, and the unemployment rate decreased to 8.3%. Job growth was widespread, with large gains in professional and business services, leisure and hospitality, and manufacturing. Read more >>

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

#### BUSINESS EMPLOYMENT

In the second quarter of 2011, gross job gains from opening and expanding private sector establishments increased to 6.9 million. Gross job losses from closing and contracting private sector establishments increased to 6.3 million. Read more >>

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

#### PRODUCTIVITY & COSTS

Productivity rose by 0.7% in the nonfarm business sector in the fourth quarter of 2011; unit labor costs increased by 1.2% (seasonally

adjusted annual rates). In manufacturing, productivity declined 0.4% and unit labor costs increased 1.6%. Read more >>

<http://bls.gov/news.release/prod2.nr0.htm>

#### PRIVATE BUSINESS SECTOR EMPLOYMENT

According to the January 2012 *ADP National Employment* report, employment in the U.S. nonfarm private business sector increased by 170,000 from December to January on a seasonally adjusted basis. Read more >>

[http://www.adpemploymentreport.com/pdf/FINAL\\_Report\\_January\\_12.pdf](http://www.adpemploymentreport.com/pdf/FINAL_Report_January_12.pdf)

#### EMPLOYMENT PROJECTIONS: 2010-2020

The *U.S. Bureau of Labor Statistics* reported that employment is projected to grow by 14.3% or 20.5 million from 2010-2020. Industries and occupations related to health care, personal care, and construction are projected to grow fastest. Growth is expected to be fastest in occupations that typically

need postsecondary education. Read more >>  
<http://bls.gov/news.release/ecopro.nr0.htm>

## **JOBLESS CLAIMS**

The number of U.S. workers filing new claims for unemployment benefits declined last week. According to the *Department of Labor*, initial unemployment claims decreased by 12,000 to 367,000 in the week ended January 28. The previous week's figures were revised up, to 379,000 from 377,000. Read more >>  
[http://online.wsj.com/article/SB10001424052970203889904577198732823964696.html?mod=WSJ\\_economy\\_LeftTopHighlights](http://online.wsj.com/article/SB10001424052970203889904577198732823964696.html?mod=WSJ_economy_LeftTopHighlights)

## **SERVICE INDUSTRIES**

According to the *U.S. Census Bureau's 2010 Service Annual Survey*, of the nation's 11 service sectors, 10 showed an increase in revenues for employer firms between 2009 and 2010. Only the finance and insurance sector showed a loss. Read more >>  
[http://www.census.gov/newsroom/releases/archives/service\\_industries/cb12-23.html](http://www.census.gov/newsroom/releases/archives/service_industries/cb12-23.html)

## **MORTGAGE RATES**

According to *Freddie Mac's* weekly survey of mortgage rates, average mortgage rates in the U.S. dropped to more record lows over the past week. For the week ended Thursday, the 30-year fixed-rate mortgage averaged 3.87%, down from 3.98% the previous week and 4.81% a year ago. Rates on 15-year fixed-rate mortgages averaged 3.14%, down from 3.24% last week and 4.08% a year earlier. Read more >>  
[http://online.wsj.com/article/SB10001424052970203889904577199073854759112.html?mod=WSJ\\_economy\\_LeftTopHighlights](http://online.wsj.com/article/SB10001424052970203889904577199073854759112.html?mod=WSJ_economy_LeftTopHighlights)

## **HOME PRICES**

*S&P/Case-Shiller* home-price data moved lower in November on both a monthly and

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annual basis. The composite 20-city home price index, a key gauge of U.S. home prices, declined 1.3% from October and fell 3.7% from a year earlier. Read more >>  
[http://online.wsj.com/article/SB10001424052970204652904577194752102528744.html?mod=WSJ\\_hp\\_LEFTTopStories](http://online.wsj.com/article/SB10001424052970204652904577194752102528744.html?mod=WSJ_hp_LEFTTopStories)

## **NEW HOME SALES**

New home sales in 2011 hit their lowest level on record. Just 302,000 new single-family homes were sold last year, according to the *Department of Commerce* data. That was the smallest number of new houses sold going back to 1963 when data were first collected. Read more >>  
<http://blogs.wsj.com/economics/2012/01/28/number-of-the-week-dismal-new-home-sales-in-2011/?mod=marketbeat>



## **PERSONAL INCOME**

While incomes increased in December, consumers chose to save instead of spend. According to the *Department of Commerce*, personal income increased by 0.5% in December from November, adjusted for seasonality, the largest monthly increase since March. Read more >>  
[http://online.wsj.com/article/SB10001424052970204740904577192702993936344.html?mod=WSJ\\_economy\\_LeftTopHighlights](http://online.wsj.com/article/SB10001424052970204740904577192702993936344.html?mod=WSJ_economy_LeftTopHighlights)

**U.S. EXPORTS**

Exports accounted for almost 14% of gross domestic product in 2011, the largest share since at least 1929. Foreign buyers purchased more than \$2 trillion in goods and services. Read more >>

<http://economix.blogs.nytimes.com/2012/01/27/the-quiet-driver-of-economic-growth-exports/?ref=economy>



**TEXAS EMPLOYMENT**

The Texas economy continues to expand. Texas added 13,600 jobs in December. In 2011, the state gained 211,600 jobs. Read more >>

<http://dallasfed.org/research/employment/2012/1201.cfm>

**TEXAS ECONOMIC OUTLOOK**

According to the *Federal Reserve Bank of Dallas*, the Texas economy continues to expand at a moderate pace. Texas employment grew at 2% in 2011. Housing indicators suggest that the sector continues to heal, and energy activity remains strong. Jobs are projected to grow at about a 2% pace in 2012. Read more >>

<http://dallasfed.org/research/update-reg/2012/1201.cfm>

**TEXAS SERVICE SECTOR**

Texas service sector activity increased in January, according to business executives responding to the *Texas Service Sector Outlook Survey*. The revenue index increased from 9.8 to 13.7. Read more >>

<http://dallasfed.org/research/surveys/tssos/2012/1201/tssos1201.cfm>

**TEXAS RETAIL SECTOR**

Retail sales increased in January, according to business executives responding to the *Texas Retail Outlook Survey*. The sales index fell from 13.7 to 12.1, marking eight consecutive months of sales increases. Read more >>

<http://dallasfed.org/research/surveys/tssos/2012/1201/tssos1201.cfm>

**TEXAS MANUFACTURING**

Texas factory activity increased in January, according to business executives responding to the *Texas Manufacturing Outlook Survey*. The production index rose from 0.2 to 5.8, suggesting growth resumed this month. Read more >>

<http://dallasfed.org/data/outlook/2012/1201/tmos1201.cfm>