

JANUARY 20, 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

EXISTING-HOME SALES

Sales of previously owned U.S. homes rose for a third month in December to the highest level since January 2011. Purchases increased by 5% to a 4.61 million annual rate. The gain helped push down the inventory of homes for sale last month to the lowest level since 2005. Purchases in 2011 rose by 1.7% from a year earlier as prices fell. Read more >>
<http://www.businessweek.com/news/2012-01-20/u-s-existing-home-sales-increase-5-to-4-61-million-pace.html>

HOUSING STARTS

According to the *U.S. Census Bureau*, home builders started construction on just 428,600 single-family homes in 2011 and completed just 444,900 single-family homes. Both totals were the lowest since the Bureau started keeping records in 1959. It is even more striking to adjust the level of construction for population growth. In 1982, builders started construction on one new home for every 350 United States residents. In 2011, one new

home was started for every 727 residents.

Read more >>

<http://economix.blogs.nytimes.com/2012/01/19/signs-of-a-bottom-in-housing/?ref=economy>



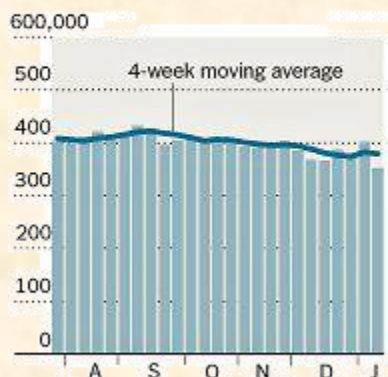
JOBLESS CLAIMS

The *Department of Labor* announced that the number of people seeking unemployment benefits for the first time plummeted last week to 352,000. The decline added to evidence that

the job market is strengthening. Read more >>
<http://www.businessweek.com/news/2012-01-20/jobless-claims-in-u-s-fall-to-lowest-since-2008-economy.html>

Jobless Claims

Weekly number of people who have filed for unemployment benefits for the first time.



Source: Labor Department, via Bloomberg

GASOLINE PRICES

Gasoline prices have been climbing. The average price of a gallon of gasoline in the U.S. rose to \$3.45 this week, increasing for the fourth straight week. Read more >>
<http://blogs.wsj.com/economics/2012/01/20/vital-signs-gas-prices-moving-back-up/>

Weekly average price of regular gasoline, per gallon



Source: Energy Information Admin.

GASOLINE PRICES FORECAST

Increased exports of U.S. natural gas could drive up domestic gas prices as much as 54% in 2018. The estimate by the *Energy Information Administration* appeared to support assertions by U.S. manufacturers that they could face stiffer prices for natural gas and lose a competitive edge over companies abroad. Read more >>

http://online.wsj.com/article/SB10001424052970203750404577171291119729680.html?mod=WSJ_economy_LeftTopHighlights

CONSUMER PRICE INDEX

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

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

REAL EARNINGS

Real average hourly earnings rose by 0.2% from November to December, seasonally adjusted. Average hourly earnings increased by 0.2%, while the CPI-U remained unchanged. Real average weekly earnings rose 0.5% over the month. Read more >>

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

DEBT AND DELEVERAGING

The U.S. is ahead of many of its peers in cutting total debt in the economy. Across the world's ten largest mature economies, total debt has grown since the 2008-09 financial crisis due largely to government debt, the *McKinsey Global Institute* says in a new report. But in three countries — the United States, South Korea, and Australia — the ratio of total debt to GDP has declined. Read more >>

<http://www.mckinsey.com/Insights/MGI/Res>

[earch/Financial Markets/Uneven progress o
n the path to growth](#)

U.S. WHOLESALE PRICES

U.S. wholesale prices fell in December, as food and energy costs declined significantly, but the underlying rate was up as light truck prices rose. Read more >>

http://online.wsj.com/article/SB10001424052970204468004577168553844607104.html?mod=WSJ_economy_LeftTopHighlights

THE NATION'S LONG-TERM UNEMPLOYED

Nationally, as of December 2011, nearly 3.9 million people had been without work for at least a year and were still looking. See what percentage of the unemployed have been out of work for more than 27 or 52 weeks in the largest metro areas around the country. Read more >>

http://online.wsj.com/article/SB10001424052970203554104577004293204938190.html?mod=WSJ_hp_LEFTTopStories

HEALTH INSURANCE COST

Costs for employer-provided health insurance constitute the largest single benefit cost for private industry employers. Private industry employers now spend \$2.12 per employee hour worked, or 7.5% of total compensation costs, on health insurance. Read more >>

http://bls.gov/opub/perspectives/program_perspectives_vol3_issue7.pdf

CHINA'S GDP

China's gross domestic product growth slowed to 8.9% in the last quarter of 2011, compared with a year earlier, showing that the world's fastest engine of growth is downshifting. Read more >>

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

[2970204555904577165593145006650.html?mod=WSJ_economy_LeftTopHighlights](http://online.wsj.com/article/SB10001424052970204555904577165593145006650.html?mod=WSJ_economy_LeftTopHighlights)

CONSUMER PRICES IN THE EURO-ZONE

According to the European Union statistics agency *Eurostat*, consumer prices in the euro zone in December rose at the slowest pace since August, while German economic expectations improved far more than predicted. Figures published by *Eurostat* showed consumer prices were up 2.7% from December 2010, compared with a rise by 3% in November, on an annual basis. Read more >>

http://online.wsj.com/article/SB10001424052970204555904577166291665063140.html?mod=WSJ_economy_LeftTopHighlights

WHO EXACTLY ARE THE 1%???

The very rich in America increasingly work in finance, marry each other and care passionately about politics! The richest 1% earn roughly half their income from wages and salaries, a quarter from self-employment, and the remainder from interest, dividends, capital gains and rent. Read more >>

<http://www.economist.com/node/21543178>