

JANUARY 27, 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.

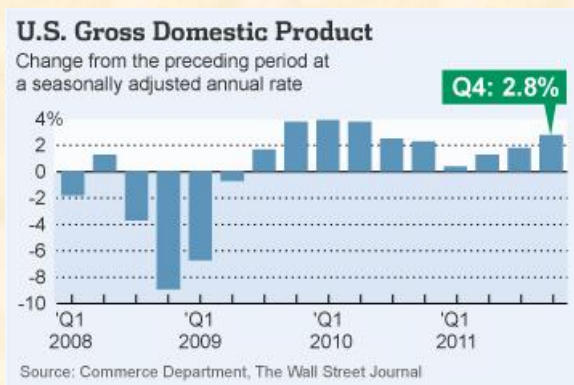
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WEEKLY UPDATES

GROSS DOMESTIC PRODUCT

According to the *Bureau of Economic Analysis*, real gross domestic product increased at an annual rate of 2.8% in the fourth quarter of 2011. In the third quarter, real GDP increased by 1.8%. Read more >>

www.bea.gov/newsreleases/national/gdp/gdnewsrelease.htm



suggest that business spending on equipment climbed for the first time in three months, indicating renewed confidence among companies. Read more >>

http://online.wsj.com/article/SB10001424052970204661604577184643721232890.html?mod=WSJ_economy_LeftTopHighlights

FOMC STATEMENT

According to the *Federal Open Market Committee*, the economy has been expanding moderately, notwithstanding some slowing in global growth. While indicators point to some further improvement in overall labor market conditions, the unemployment rate remains elevated. Household spending has continued to advance, but growth in business fixed investment has slowed, and the housing sector remains depressed. Inflation has been subdued in recent months, and longer-term inflation expectations have remained stable. Read more >>

<http://www.federalreserve.gov/newsevents/press/monetary/20120125a.htm>

SPENDING ON GOODS

The *Department of Commerce* reported that new orders for U.S. durable goods rose by 3% in December from November. The data

NEW HOME SALES

According to the *Department of Commerce*, new homes sales fell by 2.2% to a seasonally adjusted 307,000-unit annual rate. The housing market remains constrained by high unemployment, falling prices and an oversupply of unsold homes following a bust that triggered the 2007-09 recession. Read more >>

<http://www.reuters.com/article/2012/01/26/us-housing-idUSTRE80P18B20120126>

FED'S INTEREST RATE PROJECTIONS

Federal Reserve officials reported that they expect to keep short-term interest rates near zero for almost three more years and signaled they could restart a controversial bond-buying program in yet another campaign to rev up the disappointing economic recovery. Read more >>

http://online.wsj.com/article/SB10001424052970203806504577182941621926780.html?mod=WSJ_economy_LeftTopHighlights

REGIONAL AND STATE EMPLOYMENT AND UNEMPLOYMENT

In December, 37 states and the District of Columbia reported over-the-month unemployment rate decreases, 3 had increases and 10 had no change. Nonfarm payroll employment increased in 25 states and the district, decreased in 24 states, and was unchanged in 1 state. Read more >>

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

MEDIAN WEEKLY EARNINGS

Median weekly earnings of the nation's 101.5 million full-time wage and salary workers were \$764 in the fourth quarter of 2011. This was 1.6% higher than a year earlier,

compared with a gain of 3.3% in the Consumer Price Index for All Urban Consumers. Read more >>

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

IMF'S GLOBAL GROWTH ESTIMATES

The *International Monetary Fund* trimmed its global growth estimates for the year to 3.3%, but warned the euro-zone debt crisis could lop roughly two percentage points off worldwide output if euro-zone leaders don't act soon. Read more >>

<http://www.imf.org/external/pubs/ft/survey/so/2012/NEW012412A.htm>

EURO-ZONE BUSINESS ACTIVITY

Euro-zone private sector activity returned to growth in January. *Markit Economics* said its composite purchasing managers index for the 17-nation currency area rose to 50.4 in January from 48.3 in December, marking its highest level in five months. Read more >>

http://online.wsj.com/article/SB10001424052970203718504577180202385678954.html?mod=WSJ_economy_LeftTopHighlights

HISPANICS AND THE RECESSION

Latinos have been especially hard hit by the economic downturn, with nearly four in 10 — 38% — saying they have skipped meals because they did not have enough money for food, according to a national survey published on Thursday by the *Pew Hispanic Center*. Read more >>

<http://www.pewhispanic.org/2012/01/26/hispanics-say-they-have-the-worst-of-a-bad-economy>