

National Week In Review

Week Ending March 31, 2006

Per Capita Income In 2005 . . . Per capita income grew by 4.6% in 2005, slightly less than the 5.0% growth in 2004, according to the U.S. Bureau of Economic Analysis. In 2005, Connecticut led the nation with a per capita income of \$47,819, 38% above the national average. The bottom ten states, with the exception of Alabama, were all ranked in the bottom ten in 2004. Per capita income grew by 4.3% in South Carolina to \$28,352. The state inched up in the rankings from 44th in 2004 to 43rd in 2005.



Consumer Confidence Highest Since 2002 . . . The Consumer Confidence Index jumped 4.5 points to 107.2 in March (1985 = 100). This represents the highest level since May 2002. Consumers claiming conditions are "good" rose to 28.3% from 26.4% in February. The Conference Board's Consumer Research Center reports, "The improvement in consumers' assessment of present-day conditions is yet another sign that the economy gained steam in early 2006." Consumers expecting business conditions to improve increased to 18.0% from 16.2%. The Consumer Confidence Survey is based on a representative sample of 5,000 U.S. households.

Consumer Spending Edges Up . . . Personal consumption spending increased 0.1% in February, after surging 0.8% in January. February's performance is the weakest gain in six months. Disposable incomes, the amount left after paying taxes, rose by 0.2%. Consumer spending is closely monitored since it accounts for two-thirds of total economic activity, and is the broadest measure of U.S. economic output.

Employers Plan To Expand Their Workforce . . . According to a survey of 16,000 employers conducted by Manpower Inc, 30% of U.S. companies intend to increase staffing levels in the second quarter of this year. This marks the ninth consecutive quarter that more than 20% of the companies surveyed indicated plans to expand their workforce. Construction firms outpaced the other industries, with 43% planning to increase staffing and only 3% planning to reduce it.

Jobless Claims Drop . . . The number of Americans filing new claims for unemployment benefits fell by 10,000 to 302,000 in the week ending March 25th. The four-week average of new claims, which smoothes out the data to reduce the impact of one-time events such as holidays and weather, fell by 1,500 to 310,750.

Sources:

- ❑ Bureau of Economic Analysis
- ❑ Bureau of Labor Statistics
- ❑ Conference Board
- ❑ *Washington Post*

By Mike Daniels