

# National Week In Review

## Week Ending March 17, 2006

**M**etropolitan Area Unemployment Rates . . . Unemployment rates were lower in January than a year earlier in 336 of the 367 metropolitan areas across the United States. Honolulu, Hawaii recorded the lowest jobless rate at 2.2%. The highest rate was registered by Gulfport-Biloxi, Miss. (17.9%) and Pascagoula, Miss. (13.8%), two areas impacted by Hurricane Katrina. Analyzing metropolitan area nonfarm employment, 331 recorded over-the-year increases, 30 reported decreases, and 6 had no change. The largest over-the-year percentage declines in employment were reported in New Orleans-Metairie-Kenner, La. (-32.6%), Gulfport-Biloxi, Miss. (-20.3%), Spartanburg, S.C. (-4.6%), and Anderson, S.C. (-4.1%).

**Consumer Inflation Minimal** . . . The Consumer Price Index (CPI), which measures the average change in prices of goods and services purchased by households, edged up 0.1% in February to 199.1 (1982 - 1984 = 100). Energy prices fell by 1.2% but remain 20.1% higher than a year ago. Natural gas prices tumbled 4.5% after a record-setting increase in January. Gasoline prices dipped 1.0% but remain 20.6% higher than a year ago. Apparel prices fell 1.0%, the largest decline in nearly four years. Medical care prices rose 0.5%. Hospital services jumped 1.1%, the largest gain in nearly four years. Airline ticket prices climbed 1.2%. The CPI is the government's most closely watched inflation measure.

**Jobless Claims Rise** . . . The number of Americans filing new claims for unemployment benefits climbed 5,000 to 309,000 in the week ending March 11<sup>th</sup>. 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, rose by 5,750 to 296,500. Meanwhile, the number of people continuing to collect unemployment benefits declined by 49,000 to 2.45 million, the lowest since February 10, 2001. The four-week average of continuing claims fell by 15,000 to 2.48 million, also the lowest since February 2001.



**Housing Construction Tumbles** . . . Housing starts tumbled 7.9% in February after soaring to a 12-year high in January. Construction of single-family homes dipped 2.3%, while multifamily construction plunged 30.4%. Construction fell in all four regions of the country. In the Northeast, starts fell by 23.5%, the largest decline since May 2001. In the South, the nation's largest housing market, starts slid 11.2%. Economists expect the housing sector to continue to ease this year, but still forecast 2006 as the third best year for the market on record.

**Home Mortgage Rates Near Four-Year High** . . . Rates for 30-year mortgages, the most commonly used home loan, climbed to an average 6.42%. This is the highest level since July 5, 2002. Fifteen-year mortgage rates jumped to an average 6.06%, the highest level since June 7, 2002. Spring is typically the busiest time of the year for home sales because many families tend to buy homes then move during the summer, before the school year begins.

### Sources:

- ❑ Bureau of Labor Statistics
- ❑ MarketWatch.com
- ❑ *USA Today*

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