

National Week In Review

Week Ending August 25, 2006

Nation's Population One-Third Minority . . . In 2005, the nation's minority population totaled 98 million, or 33%, of the country's total of 296.4 million. Hispanics continue to be the largest minority group at 42.7 million, followed by African Americans (39.7 million), Asians (14.4 million), American Indians and Alaska natives (4.5 million), and native Hawaiians and other Pacific islanders (990,000). The population of non-Hispanic whites totaled 198.4 million.

Youth Unemployment Rate At 11.2% . . . From April to July, the number of employed youth 16 to 24 years old increased by 2.5 million to 21.9 million. July is the traditional summertime peak for youth employment. In July, 2.8 million youth were unemployed. The youth unemployment rate was 11.2%, the same as in July 2005. The youth unemployment rate for men was 11.2% versus 11.1% for women. By race, the highest youth unemployment rate was African American, at 24.7%, followed by Hispanics (10.4%), whites (9.0%), and Asians (8.2%).

Mass Layoff Claims Down . . . In July, employers took 1,125 mass layoff events, seasonally adjusted, resulting in 114,895 workers filing initial claims for unemployment insurance. The number of layoff events increased by 28 but the number of associated initial claims fell by 4,767 over the month. The manufacturing sector accounted for 43% of all mass-layoff actions and 58% of all initial claims filed. The two industries with the highest number of initial claims were automobile manufacturing (16,796), and temporary-help services (11,057). Among the states, Michigan had the highest number of initial claims filed due to mass-layoff events at 41,722, followed by California (26,385), Ohio (10,108), Indiana (10,104), and Wisconsin (7,894). In **South Carolina**, there were 13 mass layoff events resulting in 1,143 initial claims. A mass-layoff event covers layoffs of 50 or more workers beginning in a given month, regardless of the duration of the layoffs.

New Home Sales Slump . . . In July, sales of new homes plunged 4.3% to a seasonally-adjusted annual rate of 1.072 million units. In the Midwest, sales plummeted 21.3%. In the South, the nation's busiest sales region, sales fell by 8.0%. Sales surged 11.7% in the West, the second busiest sales region. The backlog of unsold homes soared to a record 568,000 homes on the market at the end of July. At the current sales pace, it would take 6.5 months to deplete this backlog, representing the highest inventory level since November 1995.

Sales Of Existing Homes At 2½-Year Low . . . In July, sales of previously-owned single-family homes and condominiums plunged 4.1% to a seasonally-adjusted annual sales pace of 6.33 million units. This represents the lowest level since January 2004. Sales were down in all parts of the country, led by a 6.4% decline in the West. In the South, sales were down 1.2%. The inventory of unsold homes soared to the highest level in 13 years. There are now 3.86 million homes for sale, which represents a 7.3-month supply. The inventory of unsold homes is a critical indicator. Analysts worry that if the inventory of homes becomes too high, it will increase the likelihood of lower prices.

Mortgage Rates Dip For Fifth Consecutive Week . . . For the week ending August 25th, rates on 30-year mortgages fell for the fifth consecutive week as sales of both new and

existing homes slumped in July, confirming a cooling housing market. Rates on 30-year mortgages fell to 6.48% while rates on 15-year, fixed-rate mortgages slid to 5.6%.

Orders for Manufactured Goods Down . . . New orders for U.S.-made durable goods – items built to last three years or more – fell 2.4% in July. Motor vehicle and parts orders tumbled 7.0%. Civilian aircraft orders declined 10.0%. Conversely, orders for defense aircraft and parts surged 9.0%.

Sources:

- ❑ Bureau of Labor Statistics
- ❑ MarketWatch
- ❑ U.S. Census Bureau
- ❑ *USA Today*

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