

## National Week In Review: Week Ending March 3, 2006

**Unemployment Rate Tumbles In 2005 . . .** The nation's unemployment rate tumbled from 5.5% in 2004 to 5.1% in 2005. The unemployment rate in the Midwest (5.4%) was the highest among the four regions for the first time in 20 years. The unemployment rate in the West registered the largest decline from 2004 to 2005, down 0.7 percentage point to 5.2%. The Northeast and South reported the lowest unemployment rates at 4.8% and 5.0%, respectively. Mississippi posted the highest jobless rate at 7.9%; followed by Louisiana, at 7.1%; Alaska and South Carolina, 6.8% each; and Michigan, 6.7%.

**Major Work Stoppages Down In 2005 . . .** Major lockouts and strikes idled 99,600 workers with 1.7 million workdays of idleness in 2005. Both measures declined from 2004 despite an increase in the number of work stoppage events, 22 in 2005 compared to 17 in 2004. The 17 events idled 171,700 workers with 3.3 million workdays of idleness. Of the 22 major work stoppages in 2005, 17 were in private industry and 5 were in state and local government.

**Fourth Quarter GDP Revised Upward . . .** Real gross domestic product (GDP), the most comprehensive measure of economic activity, grew by 1.6% in the 4<sup>th</sup> quarter of 2005. This is stronger than originally thought; however, it still represents the weakest pace in three years. Initially, forecasters reported GDP advancing at a 1.1% annual rate. The 4<sup>th</sup> quarter slowdown was blamed on lingering fallout from the Gulf Coast hurricanes. Economists forecast a sizeable rebound in the first three months of 2006, bolstered by the warmest January in more than a century.

**Existing Home Sales Down For Fifth Consecutive Month . . .** The National Association of Realtors reported that sales of previously-owned homes fell for the fifth consecutive month, down 2.8% to a seasonally adjusted annual rate of 6.56 million units, the slowest pace in two years. Conversely, sales of both existing homes and new homes set records for the fifth consecutive year in 2005.



**Consumer Spending Strongest In Six Months . . .** The U.S. Commerce Department reported that personal spending soared 0.9% in January, the largest increase since July 2005. January sales were boosted by warm weather, which lured shoppers to malls. Disposable income - - the amount remaining after taxes - - rose 0.5% in January.

**Consumer Confidence Down . . .** The Consumer Confidence Index declined 5.1 points to 101.7 in February (1985 = 100). The Conference Board's Consumer Research Center reports, "Consumers are growing increasingly concerned about the short-term health of the economy and, in turn, about job prospects." Consumers expecting fewer jobs to become available in the

coming months increased to 20.0% from 15.2% in January. Consumers expecting business conditions to improve declined to 16.0% from 17.9%. The Consumer Confidence Survey is based on a representative sample of 5,000 U.S. households. Consumer confidence is considered a barometer of consumer spending, which accounts for two-thirds of the U.S. economy, and is the broadest measure of U.S. economic output.

**Sources:**

- ❑ National Association of Realtors
- ❑ The Conference Board
- ❑ *The Washington Post*
- ❑ *USA Today*

**By Mike Daniels**