

# National Week In Review

## Week Ending March 24, 2006

**B**est Job Market In 5 Years For College Graduates . . . U.S. college graduates are facing the best job market since 2001, with business, computer, engineering, education and health care graduates in highest demand, according to the employment counseling firm Challenger, Gray & Christmas. In its annual outlook of entry-level jobs, Challenger, Gray & Christmas report strong job growth and falling unemployment makes this spring the hottest job market for America's 1.4 million college graduates in five years. The firm referenced a survey by the National Association of Colleges and Employers which showed employers plan to hire 14.5% more new college graduates than a year ago. Graduates with a degree in economics or finance will see the biggest rise in starting salaries, up 11% to \$45,191. Salary increases are also projected for graduates with degrees in accounting (+6.2%), civil engineering (+4.3%), and business management (+3.9%).



**Mass Layoffs Events Lowest In 5½ Years . . .** In February, employers had 1,073 mass layoff events, seasonally adjusted, resulting in 111,468 workers filing initial claims for unemployment insurance. The number of layoff events represents the lowest level since October 2000. The number of initial claims due to mass layoff actions increased by 3,090 (+2.8%) over the month. The manufacturing sector accounted for 29% of all mass layoff actions and 37% of all initial claims filed. Among the states, California had the highest number of initial claims filed due to mass layoff events at 19,455, followed by Illinois (3,385), New York (3,144), Pennsylvania (3,009), and Ohio (2,772). These five states accounted for 52% of all mass layoff actions and 48% of all initial claims. In South Carolina, there were 6 mass layoff events resulting in 514 initial claims. A mass layoff event covers layoffs of 50 or more workers, regardless of the duration of the layoffs.

**Jobless Claims Drop . . .** The number of Americans filing new claims for unemployment benefits fell by 11,000 to 302,000 in the week ending March 18<sup>th</sup>. However, 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, increased by 6,000 to 303,500. Meanwhile, the number of people continuing to collect unemployment benefits rose by 38,000 to 2.4 million. The four-week average of continuing claims fell by 4,000 to 2.47 million.

**Existing Home Sales Soar . . .** Sales of existing homes and condominiums climbed 5.2% in February to a seasonally adjusted annual rate of 6.91 million units. This represents the biggest rise in two years. By region, sales rose 19.2% in the Northeast, followed by the Midwest (+11.1%) and the West (+5.1%). In the South, sales dipped 2.5%. According to the chief economist for the National Association of Realtors, "Weather conditions across much of the country were unseasonably mild in January and likely were a factor in higher levels of buyer activity, which boosted sales that closed in February."

**New Home Sales Weak . . .** Sales of new homes plunged 10.5%, the largest decline in nearly nine years. The number of new homes on the market climbed 4.4% to a record 548,000, representing a 6.3 months supply. The month's supply is the largest in a decade.

**Durable Goods Orders On The Rise . . .** Durable goods orders rose for the fourth time in five months, up 2.6% in February. Orders for defense capital goods soared 104.1%, the largest rise in four years. Transportation equipment orders jumped 13.4%, led by a 52.5% gain in nondefense aircraft. Orders for computers and electronic products rose 4.2%.

**Wholesale Inflation Has Biggest Drop In 3 Years . . .** The Producer Price Index (PPI), which measures the cost of a basket of goods and services purchased by producers and businesses, plunged 1.4% in February to 158.2 (1982 = 100). This represents the largest decline since April 2003. Energy prices fell by 4.7%, also the biggest drop since April 2003. Gasoline prices tumbled 11.0%, the biggest decline in nearly three years. However, gasoline prices remain 18.4% higher than a year ago. Residential gas prices dipped 4.1% but remain 25.6% higher than a year ago. Home heating oil prices slid 1.1% but remain 29.0% higher than a year earlier. Food prices declined 2.7%, the biggest drop in nearly four years. The leading contributors to this month's decline were lower prices for fresh and dry vegetables (-27.1%), eggs (-23.1%), chicken (-8.2%), and fresh fruits and melons (-7.1%).

**Sources:**

- ❑ Bureau of Labor Statistics
- ❑ MarketWatch
- ❑ Reuters
- ❑ *USA Today*
- ❑ *Washington Post*

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