

## **Sales/Consumption**

### **Consumer Confidence Jumps In January**

[http://money.cnn.com/2011/01/25/news/economy/consumer\\_confidence/index.htm](http://money.cnn.com/2011/01/25/news/economy/consumer_confidence/index.htm)

Americans were more optimistic about jobs and the overall economy in January, pushing the latest reading on consumer confidence to its highest level since May 2010. The Consumer Confidence Index shot up to 60.6 in January, from 53.3 in December, the Conference Board said. The figure, which is based on a survey of 5,000 U.S. households, is closely watched because consumer spending makes up two-thirds of the nation's economic activity.

The index is still well below a healthy reading. An overall reading above 90 indicates the economy is solid, and 100 or above indicates strong growth. And while a higher number is a positive sign, the index has been volatile and economists are still waiting for a clear trend to emerge.

### **Consumer Rebound: No 'Sugar Rush' - It's 'Protein'**

[http://money.cnn.com/2011/01/26/news/economy/consumer\\_spending\\_rebound/index.htm](http://money.cnn.com/2011/01/26/news/economy/consumer_spending_rebound/index.htm)

American consumers are finally opening their wallets again, according to an exclusive CNNMoney survey, raising hopes that the long-suffering economy could get a boost. The survey of 27 leading economists forecasts that personal consumption, a measure of consumer spending, jumped by 4 percent in the fourth quarter. If that forecast is correct, it will be the strongest increase in that key reading since 2006.

The spending improvements are broad-based, including a strong holiday shopping season and a rebound in demand for new cars. Consumers finally bought big-ticket items that they had held off on during the recession, with Thomson-Reuters forecasting a 24 percent annual rise in spending for such purchases.

### **U.S. Consumer Sentiment Falls Less Than Forecast**

<http://www.bloomberg.com/news/2011-01-28/consumer-sentiment-in-u-s-slips-as-michigan-index-drops-to-74-2-from-74-5.html>

Confidence among U.S. consumers fell less than expected in January, a signal the biggest part of the economy may extend gains from late 2010. The Thomson Reuters/University of Michigan final index of consumer sentiment decreased to 74.2 from 74.5 in December. The median forecast in a survey called for a reading of 73.3, up from a preliminary figure of 72.7 issued earlier this month.

The survey's measure of current conditions, which reflects Americans' perceptions of their financial situation and whether it's a good time to buy big-ticket items like cars, fell to 81.8 from 85.3 in December.

Consumer expectations for six months from now, which more closely projects the direction of consumer spending, climbed to 69.3, the highest since June, from 67.5, according to today's confidence report.

## **Manufacturing/Output**

### **GDP Report: Consumers Boost Economy At Year-End**

<http://money.cnn.com/2011/01/28/news/economy/gdp/index.htm>

American consumers gave the economy a boost in the fourth quarter of 2010, as they loosened their purse strings. Gross domestic product, the broadest measure of the nation's economic activity, grew at an annual rate of 3.2 percent in the last three months of the year, a significant increase from a 2.6 percent rise in the previous quarter.

The faster pace came mainly on the backs of American consumers, who headed back to the shopping malls during the holiday season. Personal consumption, a measure of consumer spending, jumped by 4.4 percent in the fourth quarter -- the strongest increase in that reading in at least four years.

A slower pace of business inventories was the main drag on the overall number. Private businesses increased inventories by \$7.2 billion in the fourth quarter, a stark contrast to \$121.4 billion in the third quarter and \$68.8 billion in the second.

For the year as a whole, real GDP was up 2.9 percent, a complete turnaround from the 2.6 percent decrease seen in 2009.

## **Durable Orders Drop**

[http://www.usatoday.com/money/economy/2011-01-27-jobless-durables\\_N.htm](http://www.usatoday.com/money/economy/2011-01-27-jobless-durables_N.htm)

Factories saw a disappointing drop in demand for their products in December, reflecting weakness for commercial and military aircraft. The Commerce Department said orders for long-lasting durable goods dropped 2.5 percent last month after an even larger 3.1 percent decline in November. The weakness in both months reflected big declines in demand for aircraft. Excluding the transportation sector, orders rose 0.5 percent in December following a 4.5 percent jump in orders outside of transportation in November.

## **Housing**

### **New Home Sales Jump To 8-Month High**

[http://money.cnn.com/2011/01/26/real\\_estate/new\\_home\\_sales/index.htm](http://money.cnn.com/2011/01/26/real_estate/new_home_sales/index.htm)

New home sales climbed 17.5 percent to the highest level in eight months in December. Sales of newly built single-family homes rose to an annual rate of 329,000 units last month, from a revised 280,000 units the month before, the Commerce Department said. That was the highest level since April. But compared with 2009, sales are down 7.6 percent.

The median sales price of new homes was \$241,500, up from \$215,500 the month before. At the end of December, 190,000 new homes were for sale, equal to a 6.9-month supply at the current pace.

### **Home Purchase Contracts, Mortgage Rates Rise**

[http://www.usatoday.com/money/economy/housing/2011-01-27-pending-home-sales\\_N.htm](http://www.usatoday.com/money/economy/housing/2011-01-27-pending-home-sales_N.htm)

The number of people who signed contracts to buy homes rose in December, fifth increase in the past six months, as mortgage rates continued to rise. The National Association of Realtors says its index of sales agreements for previously occupied homes rose 2 percent last month from November. The index posted a 3.1 percent increase in November from October. Economists have cautioned that a big reason for the jump is that people are buying foreclosed homes. Still, the increase is likely to give the weak housing market a boost in the first few months of the year. That's because there's usually a one- to two-month lag between a sales contract and a completed deal.

In a second housing related report, Freddie Mac said the average rate on a 30-year fixed mortgage rose for a second week, boosted by higher bond yields. Freddie Mac said the average rate rose to 4.80 percent this week from 4.74 percent the previous week. The average rate on 15-year loans, a popular refinance option, inched up to 4.09 percent from 4.05 percent.

Mortgage rates have changed little in the new year after spiking more than half a percentage point in the last two months. Investors sold off Treasury bonds during that stretch, driving yields higher. Mortgage rates tend to track the yield on 10-year Treasury notes.

The 30-year loan rate reached a 40-year low average 4.17 percent in November, and 15-year mortgage rates fell to an average 3.57 percent, lowest on records dating back to 1991.

Record high foreclosures, a weak job market and expectations that prices will fall further have convinced potential buyers to hold off on purchasing homes. And historically low rates have done little to boost demand.

## **Employment**

### **Initial Jobless Claims Climb Higher**

[http://money.cnn.com/2011/01/27/news/economy/initial\\_claims/index.htm](http://money.cnn.com/2011/01/27/news/economy/initial_claims/index.htm)

The number of Americans filing for first-time unemployment benefits rose last week, signaling the roller coaster ride for the job market has not yet come to an end. There were 454,000 initial jobless claims filed in the week ended Jan. 22, the Labor Department said. That was up 51,000 from the 403,000 claims filed the week before, and much worse than the 410,000 claims economists surveyed by Briefing.com had expected.

Jobless claims often bounce around from week to week. They dipped below the 400,000 mark four weeks ago, but then began rising again soon after. Snowstorms in the Southeast and layoffs of temporary holiday workers could be distorting the January numbers more than usual, some economists say.

Still, the general theme remains the same, Robillard said -- the economy is improving, but at a much slower pace than hoped. Since the weekly figures can be volatile, economists look at the four-week moving average to smooth out the week-to-week choppiness. That figure rose 15,750 to 428,750 from the previous week, showing a slightly worse job market.

Continuing claims -- which include people filing for the second week of benefits or more -- rose to 3,991,000 in the week ended Jan. 15, an increase of 94,000 from the week before.

## **Kentucky**

### **Jobless Rates Down In 84 Counties From December 2009 To December 2010**

<http://www.workforce.ky.gov/newspub.htm#Jan. 27, 2010>

Unemployment rates fell in 84 Kentucky counties between December 2009 and December 2010, according to the Kentucky Office of Employment and Training, an agency of the Kentucky Education and Workforce Development Cabinet.

Fayette and Woodford counties recorded the lowest jobless rates in the Commonwealth at 7.5 percent each. Magoffin County recorded the state's highest unemployment rate — 18.8 percent.

### **Dozen Companies Considering Adding 621 Jobs Get Incentive Approval**

<http://www.courier-journal.com/article/20110127/BUSINESS/301270074/1003/BUSINESS/Dozen+companies+considering+adding+621+jobs+get+incentive+approval>

Twelve companies considering opening or expanding in Louisville were approved for state tax incentives based on plans that could create a total of 621 local jobs. The plans are preliminary, and the companies only get the incentives, collected over a 10-year period, once they actually make hires.

The companies approved are:

Supply Chain Solutions. The logistics service provider, separate from the UPS subsidiary of the same name, is considering expanding in Louisville and adding 343 jobs paying an average wage of \$15.25 an hour, including benefits. It was approved for \$4 million in incentives.

Dharma Construction Services. The senior-living housing construction company is considering moving its headquarters to Louisville, adding 41 jobs paying \$28 an hour, benefits included. Dharma was approved for \$1.25 million in incentives, plus \$40,740 in sales tax rebates under a different program.

Republic Bank is considering adding a mortgage warehouse lending division in Louisville with 40 jobs paying \$25 an hour, including benefits. The bank was approved for \$720,000 in incentives.

Atlas Copco Tools & Assembly Systems. The industrial tool manufacturer is considering adding a Louisville facility for equipment repair and maintenance, with plans for 30 jobs paying \$27 an hour, including benefits. Atlas was approved for \$650,000 in incentives.

Profile Pipe Technologies. The South Carolina-based pipe manufacturer is reorganizing in bankruptcy, and a Louisville-based investment group is considering buying the company's assets and moving its headquarters here. Plans call for 25 jobs paying \$18.75 an hour, including benefits, and \$500,000 in state tax incentives.

Aero Containers International, a start-up manufacturer serving the aviation industry, may create 20 jobs paying an average of \$18.23 an hour, including benefits. The company could get \$400,000 in incentives.

Rainbow Design Services, a Jeffersontown company serving the cable industry with engineering and other services, is looking to expand, adding 20 jobs paying an average of \$15 an hour, including benefits. It was approved for incentives worth \$300,000.

Sportswear Inc., which does business as Prep Sportswear, customizes sports-related products, may open a fulfillment center near UPS' Worldport shipping hub. It would result in 50 jobs paying an average of \$15 an hour, including benefits. The company was approved for \$1 million in incentives.

Trinity Video Communications, located in the Jeffersontown's Bluegrass Commerce Park, is considering expanding and adding 12 jobs paying an average of \$17.25 an hour, including benefits. Trinity was approved for \$254,000 in tax breaks.

The Dow Chemical Co. is considering expanding operations at the former Rohm & Haas plant in Rubbertown, which it bought in 2009. Plans call for 11 jobs paying \$40 an hour, benefits included, and \$475,000 in tax breaks.

IMR Metallurgical Services, a manufacturing support company, may expand and add 10 jobs at an average of \$20 an hour, including benefits, and earn \$150,000 in tax incentives.

PGXL Laboratories is a five-year-old company that employs 7 in a Louisville lab where researchers work to identify genetic markers relevant to the treatment of diseases and disorders, according to a state release. The company got a \$200,000 no-interest loan towards to the purchase of \$400,000 in high-tech equipment. The company plans to create 19 jobs averaging \$61,000 annually — excluding benefits — with each job paying at least \$40,000, according to state documents.

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