

Sales/Consumption

September Store Sales Top Expectations

http://money.cnn.com/2010/10/07/news/economy/retail_sales/index.htm

Retailers reported strong sales results for September, as shoppers loaded up on discounted items amid the still-struggling economy. Thomson Reuters, which tracks same-store sales for a group of 28 national chains, said total sales for the group rose 2.8 percent in September -- better than its initial forecast of a 2.1 percent gain in the month. Sales were up 3.2 percent in August. Same-store sales rose 0.6 percent in September 2009, which marked the first increase after a prolonged period of declines.

An important gauge of a retailer's health, same-store sales measure sales at stores that have been open for at least a year. They have been on the rise for 13 months in a row. Overall, nearly three quarters of the retailers in the survey reported sales that beat analysts' expectations. Looking ahead, sales could soften in October, as consumers take a breather between the back-to-school shopping period and the holiday spending frenzy.

Consumer Credit Falls \$3.34 Billion In August

<http://www.reuters.com/article/idUSTRE6964N420101007>

Total consumer credit outstanding declined for the seventh straight month in August as credit card debt continued to fall. The Federal Reserve said total outstanding credit, which covers everything from car loans to credit cards, fell by \$3.34 billion after dropping \$4.09 billion in July.

So-called revolving, or credit-card credit, fell \$4.99 billion in August after a \$4.98 billion fall the prior month. That marked the 24th consecutive month credit-card debt decreased. Non-revolving credit, which includes closed-end loans for big-ticket items like cars, boats, college education and vacations, increased \$1.65 billion after increasing \$888.59 million in July. It was the fourth straight month of gains.

Manufacturing/Output

Factory Orders Decline

<http://online.wsj.com/article/SB10001424052748704631504575531830830701148.html>

U.S. factory orders dropped more than expected in August, marking the third decline in the last four months. U.S. manufactured goods orders decreased by 0.5 percent to \$408.94 billion, the Commerce Department said. Commercial airplanes drove the decline; excluding transportation, all other factory orders rose.

The report had positive data. A barometer of business capital spending increased; non-defense capital goods orders excluding airplanes rose by 5.1 percent. Factory orders are either durable or non-durable. Durables are designed to last at least three years -- things such as cars. The Commerce report said durables dropped by 1.5 percent, revised from a previously reported 1.3 percent decrease. Nondurables rose by 0.3 percent. Capital goods orders fell 0.1 percent. Non-defense capital goods orders rose 0.1 percent. Meanwhile, defense-related capital goods dropped by 1.8 percent. Excluding defense, all other factory orders decreased 0.5 percent.

ISM: Service-Sector Growth Accelerates In September

http://www.usatoday.com/money/economy/2010-10-05-ism-service_N.htm

Service-oriented companies, the nation's predominant job generator, grew slightly faster in September as demand from customers improved. It was the ninth straight month of expansion, but the pace of growth has been sluggish since early summer. The Institute for Supply Management says its service-sector index rose to 53.2 last month from 51.5 in August. Economists had expected a lower reading of 52. The index shows service companies have been expanding every month this year, but not as fast as the much smaller manufacturing sector. Companies that supply services are highly dependent on consumer spending.

U.S. Wholesale Inventories Rise 0.8 Percent In August

http://www.marketwatch.com/story/us-wholesale-inventories-rise-08-in-august-2010-10-08?reflink=MW_news_stmp

U.S. wholesale inventories rose 0.8 percent in September to a seasonally adjusted \$409.4 billion, the Commerce Department reported. Inventories in August were revised up to 1.5 percent, compared with an original reading of a 1.3 percent. The inventory-to-sales ratio was 1.24.

Housing

Pending Home Sales Up

http://www.usatoday.com/money/economy/2010-10-04-pending-home-sales-factory-orders_N.htm

The number of people who signed contracts to buy homes rose in August for the second straight month but remained far below last year's pace. The National Association of Realtors said that its seasonally adjusted index of sales agreements for previously occupied homes rose 4.3 percent to a reading of 82.3. That's still more than 20 percent below the pace in the same month a year earlier. The index provides an early measurement of sales activity because there is usually a one- to two-month lag between a sales contract and a completed deal.

30-Year Mortgage Rates Fall To New Low Of 4.27 Percent

http://www.usatoday.com/money/economy/housing/2010-10-07-mortgage-rates_N.htm

Rates on 30-year mortgages fell to the lowest level in decades for the ninth time in 12 weeks, pushed down by traders anticipating a move by the Federal Reserve to pump more money into the economy. The average rate for 30-year fixed loans dropped to 4.27 percent, mortgage buyer Freddie Mac said. That's the lowest on records dating back to 1971, and down from 4.32 percent the previous week.

Employment

Jobs Take A Hit In September

http://money.cnn.com/2010/10/08/news/economy/september_jobs_report/index.htm

The job market suffered another blow last month, as business hiring dwindled and the government continued to shed workers. Overall, the economy lost a total of 95,000 jobs in September, the Labor Department reported, far worse than expected and down from the previous month, when employers shed 57,000 jobs.

Government job losses, especially temporary census positions, have dragged down the overall number for several months. But in September, sweeping cuts by cash-strapped state and local governments accounted for more than half of the public sector losses. The government shed a total of 159,000 workers in September, of which 77,000 were census workers. But there was also a surprising jump in job cuts at the state and local level, with a total of 83,000 jobs lost -- the worst decline since 1982.

Of those, 58,000 cuts were teachers and other education workers, as school started back up in September amid budget crises in several states.

The overall payroll numbers for the year have been distorted by the huge spike in hiring caused by the addition of 564,000 census workers in the spring, and the end of those temporary jobs since then. But when census jobs are stripped out of the total, September was the first month of 2010 that saw a decline in jobs.

Job Openings Remain Scarce For Unemployed

http://money.cnn.com/2010/10/07/news/companies/job_openings_hiring/index.htm

The number of job openings increased slightly in August, but there was no real improvement of the odds that unemployed workers will find a job. There were 3.2 million job openings in August, up from 3.1 million positions that were available in July, the Labor Department said. That means there were 4.6 unemployed job seekers per job opening, unchanged from the previous month.

That's an improvement from the record high of 6.2 job seekers per opening set in July, August and November of last year. But there was little improvement this summer as job growth nearly stalled out.

The ratio of job openings to the number of unemployed was only two-to-one from the end of 2000, when the Labor Department started tracking openings, to the month before the recession started in December 2007. But it has averaged 4.2-to-1 since the start of the recession. The ratio has lingered between 4.6 and 5.1 job seekers per opening since April.

Jobless Claims Fall Below 450,000

http://money.cnn.com/2010/10/07/news/economy/initial_claims/index.htm

Initial filings for unemployment insurance fell to the lowest level in nearly three months last week, an encouraging sign ahead of the government's highly anticipated monthly jobs report. The number of first-time filers for unemployment benefits fell to 445,000 in the week ended Oct. 2, down 11,000 from the week before, the Labor Department reported. The number was lower than economists' forecasts of 455,000, according to consensus estimates by Briefing.com, but it still fell in a range that analysts say points to weakness in the job market.

The last time initial claims ticked below 450,000 was during the week ended July 10. But overall, the weekly number has been stuck in a tight range since last November, hovering in the mid to upper 400,000s and even ticking slightly above 500,000 in mid-August. The most recent four-week moving average, which is calculated to smooth out volatility, was 455,750. Economists say they're looking for initial claims to fall to 400,000 or lower before they can say a jobs recovery has made noteworthy progress.

Kentucky

State Approves Incentives For Expanding Companies

<http://www.kentucky.com/2010/10/05/1464414/state-approves-incentives-for.html>

The Kentucky Economic Development Finance Authority board approved several tax incentives for companies at its monthly meeting Thursday. In general, when a company is approved for tax incentives, it can keep that amount of money, which it would otherwise pay in taxes, assuming it fulfills the terms of the deal.

Here are selected board approvals:

Lexmark International in Lexington received a one-year extension for its plans to buy new research and development equipment and software, and to buy its laboratory facilities. The company had been preliminarily approved in March 2009 for \$975,000 in tax incentives. The total investment will be \$16.5 million counting equipment, construction materials and labor. The tax incentive program does not require new jobs to be created, only that the company have 3,000 employees.

Big Ass Fans in Lexington received a six-month extension to complete an expansion that was projected to add 51 jobs. The project was given preliminary approval in October 2007 and was awarded \$1 million in incentives. The company estimated that the expansion would cost \$17.36 million.

Asahi Bluegrass Forge Corp. in Richmond, \$1 million for its plans to open a forge plant to build automotive supplies. The company estimates the plant will cost \$20.3 million. It is expected to add 50 jobs that pay an average hourly wage of \$19, including benefits. Under a different tax incentive program, the company was approved for an additional \$120,000 in incentives.

Custom Data Processing Inc. in Frankfort, \$200,000 for its plans to expand a data processing software center. The company estimates that the expansion will cost \$405,000. It is expected to add 18 jobs that pay an average hourly wage of \$15, including benefits.

Caudill Seed & Warehouse Co. Inc. in Winchester, \$300,000 for its plans to buy a fertilizer manufacturing company. The company estimates the purchase will cost \$775,000. It is expected to add 18 jobs that pay an average hourly wage of \$16.50, including benefits.

Fischbach USA Inc. in Elizabethtown, \$2 million for its plans to install new equipment for its plastic packaging operations and a new food-packaging product line. The company estimates the project will cost \$8.69 million. Under the benefits afforded as part of the Kentucky Reinvestment Act program, the company must maintain 68 of the 76 jobs that pay \$17.31 an hour, excluding benefits.

Bando USA in Bowling Green, \$475,000 for its plans to add a manufacturing line to its plant that makes power transmission products. The company estimates that the expansion will cost \$7.08 million. It is expected to add 15 jobs that pay an average hourly wage of \$22.04, including benefits. Under a different tax incentive program, the company was approved for an additional \$51,000 in incentives.

Medina Blanking Inc. in Bowling Green, \$1.9 million for its plans to open a plant to provide blanking and stamping services to the automotive industry and others. The company estimates the plant will cost \$9.93 million. It is expected to add 60 jobs that pay an average hourly wage of \$23.24, including benefits. Under a different tax incentive program, the company was approved for an additional \$90,000 in incentives.

INFAC North America in Campbellsville, \$1 million for its plans to expand a warehouse and distribution center to include manufacturing of brake and transmission control cables. The company originally was approved in October 2009 for \$400,000 in incentives but has broadened the scope from a project adding 20 employees to adding 72 employees, who will be paid an average hourly wage of \$11, including benefits.

Anderson Forest Products in Tompkinsville, \$800,000 for its expansion to include manufacturing lines for pallet and cable reel products. The company estimates the expansion will cost \$1.32 million. It is expected to add 40 jobs that pay an average hourly wage of \$11.85, including benefits.

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