

Economic Update, April 21, 2023

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Summary: The Federal Reserve's Beige Book was released this week with updates of current economic condition for the 12 Federal Reserve Districts. According to the publication, "Overall economic activity was little changed in recent weeks." However, the S&P's U.S. Composite Purchasing Managers' Index signaled an upturn in business activity. In Tennessee, the rates for job openings and hires for February—at 6.9 percent and 4.5 percent, respectively—were both higher than the national rates. The housing market remains soft, as existing home sales retreated by 2.4 percent in March, and mortgage applications decreased 8.8 percent from the previous week.

Federal Government Indicators and Reports:

Bureau of Labor Statistics

Tuesday, [Usual Weekly Earnings of Wage and Salary Workers](#): "Median weekly earnings of the nation's 119.2 million full-time wage and salary workers were \$1,100 in the first quarter of 2023 (not seasonally adjusted). . . . This was 6.1 percent higher than a year earlier."

Wednesday, [State Job Openings and Labor Turnover](#): In February, "job openings rates decreased in 20 states and increased in 2 states. . . . Hires rates decreased in 4 states and increased in 1 state." Tennessee's job openings rate in February 2023 was 6.9 percent, above the total U.S. job openings rate of 6.0 percent, while the state's hires rate was at 4.5 percent, above the total U.S. hires rate of 4.0 percent.

Wednesday, [Employment Characteristics of Families](#): "In 2022, 4.7 percent of families included an unemployed person, down from 6.7 percent in 2021. . . . Of the nation's 83.8 million families, 80.1 percent had at least one employed member in 2022."

Census Bureau

Monday, [Business Formation](#): "Business Applications for March 2023, adjusted for seasonal variation, were 451,752, an increase of 4.5 percent compared to February 2023."

Tuesday, [New Residential Construction](#): "Privately-owned housing units authorized by building permits in March were at a seasonally adjusted annual rate of 1,413,000. This is 8.8 percent below the revised February rate of 1,550,000 and is 24.8 percent below the March 2022 rate of 1,879,000."

Department of Labor

Thursday, [Initial Claims](#): "In the week ending April 15, the advance figure for seasonally adjusted initial claims was 245,000, an increase of 5,000 from the previous week's revised level." There were 2,225 initial claims in Tennessee for the week ending April 15, a decrease of 182 from the previous week.

Economic Indicators and Confidence:

Federal Reserve

Wednesday, [Beige Book Summary of Commentary on Current Economic Conditions](#): “Overall economic activity was little changed in recent weeks. Nine Districts reported either no change or only a slight change in activity . . . while three indicated modest growth. . . . Travel and tourism picked up across much of the country. . . . Lending volumes and loan demand generally declined across consumer and business loan types. Several Districts noted that banks tightened lending standards amid increased uncertainty and concerns about liquidity. The majority of Districts reported steady to increasing demand and sales for nonfinancial services.”

S&P Global

Friday, [U.S. Composite PMI](#): The index “registered 53.5 in April, up from 52.3 in March, to signal the quickest upturn in business activity since May 2022.”

Mortgages and Housing Markets:

National Association of Realtors

Tuesday, [Wealth From Home Appreciation Over the Past Decade](#): “Middle-income homeowners accumulated \$122,100 in wealth as their homes appreciated by 68 percent in the last 10 years. . . . Low-income homeowners were able to build \$98,900 in wealth in the last decade from home price appreciation only, while upper-income households saw an increase of \$150,800.”

Thursday, [Existing-Home Sales](#): “Existing-home sales retreated 2.4 percent in March to a seasonally adjusted annual rate of 4.44 million. Sales declined 22.0 percent from one year ago. The median existing-home sales price dipped 0.9 percent from the previous year to \$375,700. The inventory of unsold existing homes rose 1.0 percent from the prior month to 980,000 at the end of March, or the equivalent of 2.6 months’ supply at the current monthly sales pace.”

Mortgage Bankers Association

Wednesday, [Mortgage Applications](#): “Mortgage applications decreased 8.8 percent from one week earlier. . . . The average contract interest rate for 30-year fixed-rate mortgages with conforming loan balances (\$726,200 or less) increased to 6.43 percent from 6.30 percent. . . . The average contract interest rate for 15-year fixed-rate mortgages increased to 5.89 percent from 5.78 percent.”