



Family Employment Supports Robust Consumer Spending

Although the current lull in personal consumption expenditures may raise some concerns regarding the consumer, the latest release on Employment Characteristics of Families argues for a resumption of robust consumer outlays. The vast majority of consumer decision units (households) in America are comprised of families. Family income is rebounding at a faster rate than can be deduced from average weekly earnings which only measures individuals. Specifically:

- The number of families with at least one unemployed member declined by 557,000 last year, nearly double the decline recorded in the prior year (see Chart 1).
- The proportion of families with at least one unemployed member fell to 5.8%, the lowest level since this series began in 1995 (see Chart 2).
- The proportion of families with at least one employed full-time worker continued to improve (see Chart 3) as did the proportion of families with at least one unemployed member with some family member(s) employed (see Chart 4). That neither series has yet risen to pre-crisis levels is an indication that the labor market is not yet fully healed.

Chart 1

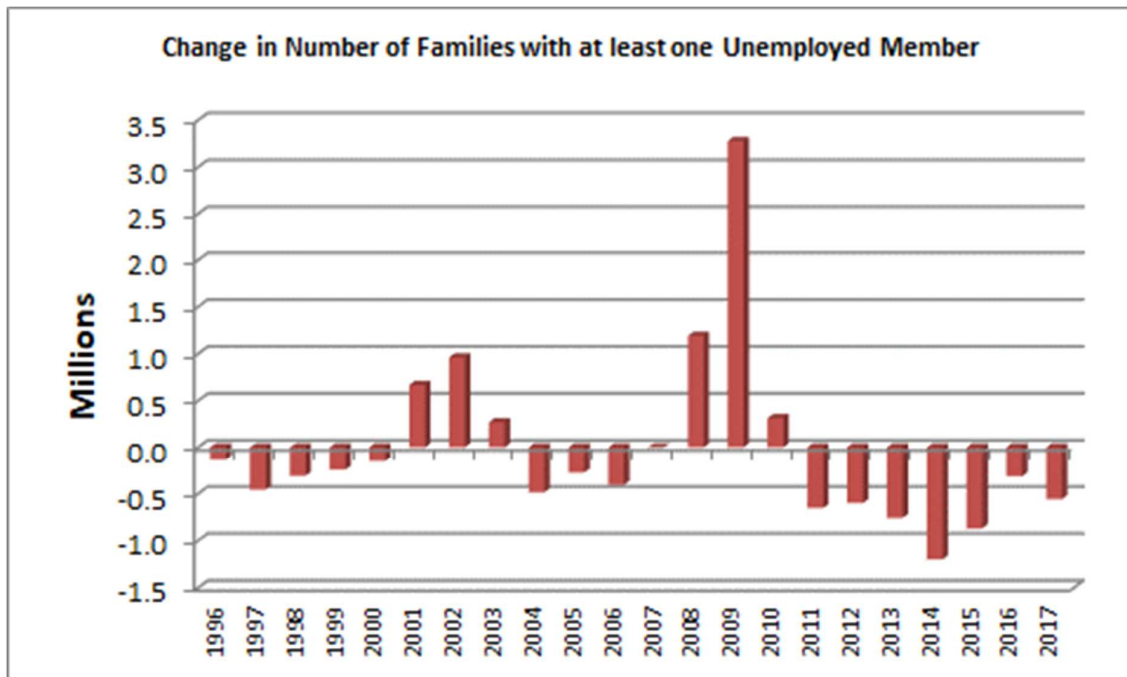


Chart 2

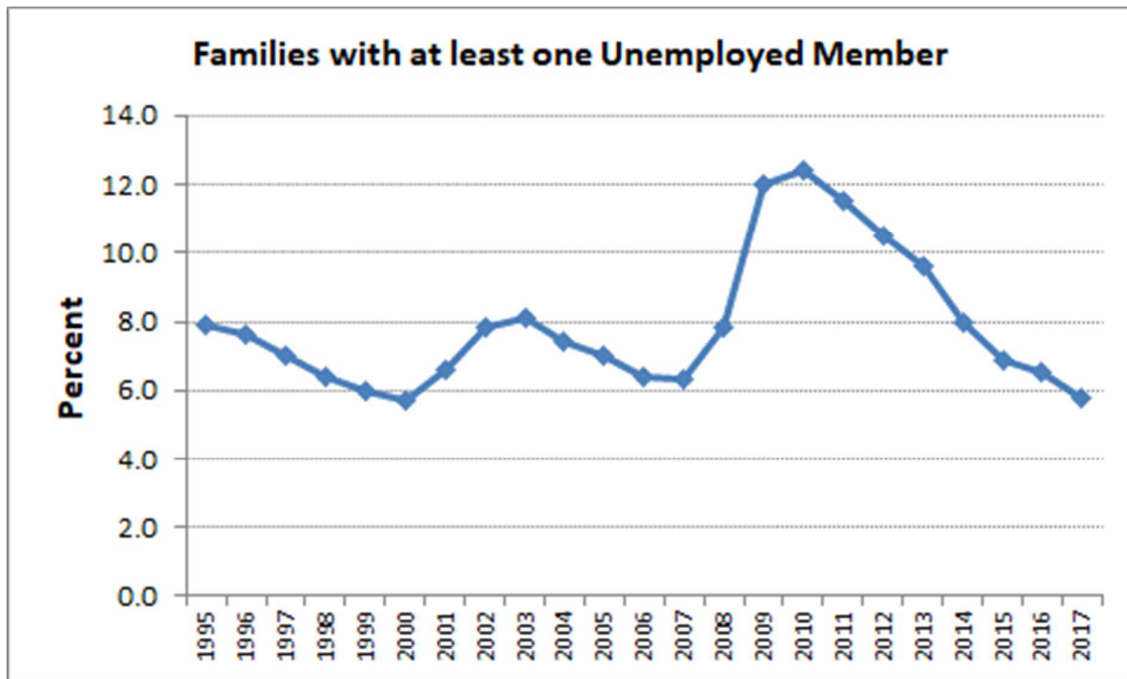


Chart 3

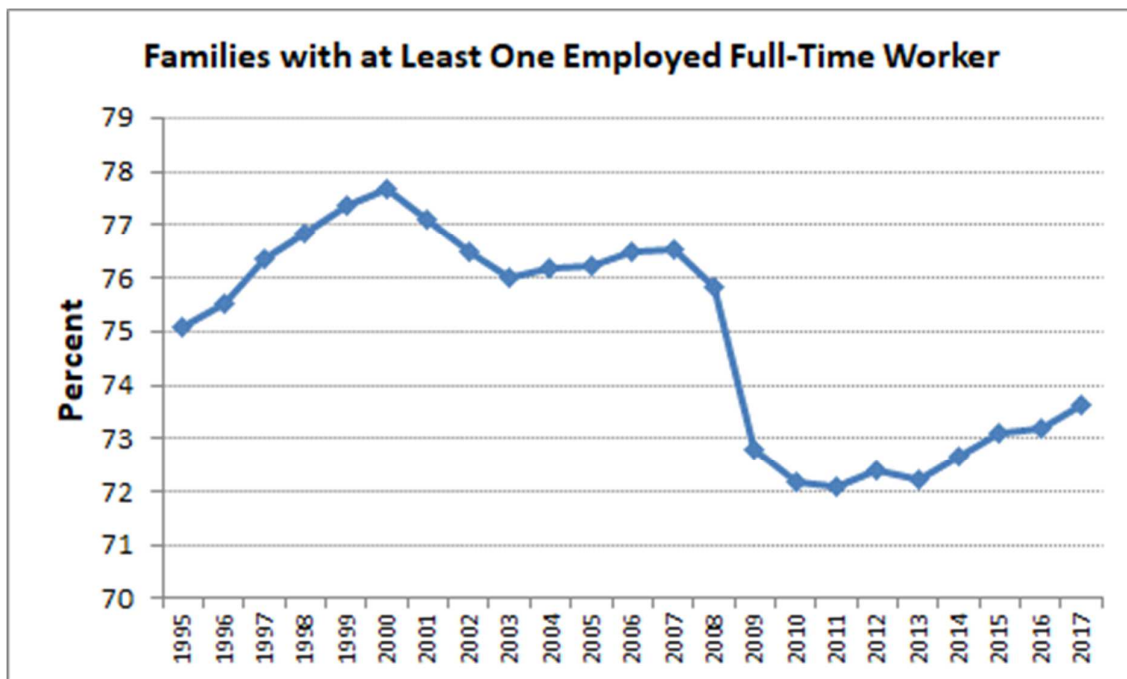


Chart 4

