

Description of the Center for Data Analysis Website charts:

Chart 1: Consumer Price Index and Producer Price Index Change

Chart 1 shows the yearly percent change by month in the Consumer Price Index (CPI-U), and the Producer Price Index (PPI). CPI-U measures how much in constant dollars urban consumers are paying for the goods and services they buy. It is the statistic most often used to measure inflation. Investment items, life insurance, and collectibles are excluded from CPI-U. The Producer Price Index (PPI) measures the average amount in constant dollars producers of goods and services in the U.S. are receiving for their output. Chart 1 shows PPI for all finished goods.

Chart 2: Daily Yield Spread, Moody's Aaa and baa Rated Corporate Bonds

Corporate bonds are sold by corporations to provide them with operating cash that they later pay back with interest to the buyers of the bonds. Moody's Investors Service is an independent company that issues ratings for corporate issuers of bonds. The highest rated corporations receive an Aaa rating. An Aaa rating means that Moody's rates a company safer than any other rating it gives to pay investors in its corporate bonds back. The slightly lower Moody's credit rating of baa means that Moody's rates a company receiving a baa rating as more likely to default on their corporate bonds sold to investors. A company defaults on its corporate bonds if it goes out of business, and the remaining assets when sold do not raise enough money to pay the corporate bond holders back. An Aaa company can pay less interest on its bonds because there is less perceived risk of it defaulting on the loan. Chart 2 shows the percentage point spread between Aaa rated corporate bonds and baa rated corporate bonds. When there is a wide spread, it generally means that many corporations are thought of by investors as being in danger of going out of business.

Chart 3: Number of Job Hires in Month

Chart 3 tracks the number of job hires in the U.S. economy by month. The hires level is the total number of additions to the payroll occurring at any time during the reference month, including both new and rehired employees, full-time and part-time, permanent, short-term and seasonal employees, employees recalled to the location after a layoff lasting more than 7 days, on-call or intermittent employees who returned to work after having been formally separated, and transfers from other locations.

Chart 4: Percent of the Labor Force Long-Term Unemployed

This chart shows the monthly percentage of the labor force that has been unemployed for 15 weeks or longer. Short-term unemployment frequently occurs in strongly growing economies, but growth in the long-term rate indicates economic contraction.

Remember to bookmark the Center for Data Analysis Website, and return frequently for chart updates. The CDA Website data and charts are here: <http://www.heritage.org/cda/>