

U.S. Data Review

- July employment report: strong in nearly every respect

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Employment Report

- The jump of 255,000 in nonfarm payrolls was well above the expected increase of 180,000, and the gain was joined by upward revisions of 18,000 in the prior two months.
- Increases in manufacturing and construction employment were encouraging, as these areas had been struggling recently but they showed signs of life in July. Similarly, employment at temporary help firms was firm in the past two months after slow hiring in the first five months of the year. The mining sector, in contrast, continued to pare payrolls.
- The unemployment rate was unchanged at 4.9 percent, but it wiggled lower if measured to more than one decimal point (4.878 versus 4.899 percent). Moreover, both the labor force and employment as measured by the household survey showed strong increases. The broad unemployment rate, in contrast, slipped to 9.7 percent in July from 9.6 percent in June. Increases in both part-time workers for economic reasons and marginally attached workers pushed the broad measure higher.
- Not only did businesses hire actively in July, but they also increased the length of the average workweek, returning the measure to its range from last year (albeit the low portion of that range). With a solid increase in payrolls and a longer workweek, July was probably a strong month for production. Indeed, the index of hours worked, a measure that provides insight into production, rose 0.5 percent in July, one of the sharpest gains of the past few years.
- Average hourly earnings rose 0.3 percent in July, which left year-over-year growth at 2.6 percent and reinforced the emerging upward trend in wage growth.

Employment Report*

	Nonfarm Payrolls (Chg., Thousands)	Private- Sector Payrolls	Unemp. Rate (Percent)	Broad Unemp. Rate	Household Emp. (Chg., Thousands)	Labor Force	Emp.- Population Ratio (Pct.)	Median Duration of Unemp. (Weeks)	Part-Time Econ. Reasons (Thou.)	Avg. Hourly Earnings % Chg.	Avg. Workweek (Hours)
Annual Average											
2014	251	240	6.2	12.0	230	88	59.0	14.2	7,210	0.1	34.5
2015	229	221	5.3	10.5	208	141	59.3	11.7	6,365	0.2	34.5
2016	186	167	4.9	9.7	227	208	59.7	11.1	6,039	0.2	34.4
Qtrly. Average											
15-Q3	192	177	5.2	10.2	73	-39	59.3	11.6	6,272	0.2	34.6
15-Q4	282	281	5.0	9.9	329	322	59.4	10.8	5,956	0.2	34.5
16-Q1	196	181	4.9	9.8	464	484	59.8	11.2	6,033	0.3	34.5
16-Q2	153	135	4.9	9.7	-74	-135	59.7	10.8	6,078	0.2	34.4
2016 Monthly											
Jan.	168	155	4.9	9.9	615	502	59.6	10.9	5,988	0.5	34.6
Feb.	233	222	4.9	9.7	530	555	59.8	11.2	5,988	0.0	34.4
Mar.	186	167	5.0	9.8	246	396	59.9	11.4	6,123	0.2	34.4
Apr.	144	147	5.0	9.7	-316	-362	59.7	11.4	5,962	0.3	34.4
May	24 (11)	-1	4.7	9.7	26	-458	59.7	10.7	6,430	0.2	34.4
June	292 (287)	259	4.9	9.6	67	414	59.6	10.3	5,843	0.1	34.4
July	255	217	4.9	9.7	420	407	59.7	11.6	5,940	0.3	34.5

* Preliminary readings on nonfarm payrolls shown in parenthesis.

Source: Bureau of Labor Statistics

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