

U.S. Data Review

- The labor market: vigorous job growth in November; moderate results elsewhere

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The Labor Market

Nonfarm payrolls surged 266,000 in November, easily beating the expected increase of 180,000. In addition, results in the prior two months were revised upward by a combined total of 41,000. The unemployment rate moved one tick lower to 3.5 percent, although the shift was primarily a rounding issue rather than a substantive decline. Average hourly earnings rose 0.2 percent, a bit lighter than expected, although growth in the prior month was revised upward by 0.1 percentage point to 0.3 percent.

The surge in payrolls was partly influenced by a jump of 54,000 in the manufacturing sector, but a hefty advance was well anticipated because of workers at General Motors returning from their strike. The net increase of 11,000 in manufacturing in the past two months was encouraging, as this area is most vulnerable to downside risks associated with the trade war and an uncertain global outlook. Job growth has been reasonably firm despite the risks. The health-care industry registered robust job growth (60,000 versus an average of 45,000 in the prior 12 months). No other sectors stood out as unusually strong. Brisk job growth in November was more the result of several areas posting above-average results rather than sharp advances in a few industries.

The drop in the unemployment rate was not especially impressive if the figure is calculated with more precision (3.535 versus 3.562 percent in October). The broad unemployment rate also moved one tick lower to 6.9 percent, and this change had a bit more substance (6.869 percent versus 6.958 percent in October). The drop in the broad rate reflected the downward wiggle in the traditional measure, but was more influenced by a drop of 116,000 (-2.6 percent) in the number of individuals working part time involuntarily.

Average hourly earnings rose 0.2 percent, lighter than the expected increase of 0.3 percent, but the figure almost rounded up to the expected total (0.248 percent). In addition, growth in the prior month was revised upward by 0.1 percentage point (0.356 percent versus 0.213 percent as initially reported). Thus, wage developments tilted on the firm side.

Employment Report

	Nonfarm Payrolls* (Chg., Thousands)	Private- Sector Payrolls (Chg., Thousands)	Unemp. Rate (Percent)	Broad Unemp. Rate (Percent)	Household Emp. (Chg., Thousands)	Labor Force (Chg., Thousands)	Emp.- Population Ratio (Pct.)	Median Duration of Unemp. (Weeks)	Part-Time Econ. Reasons (Thou.)	Avg. Hourly Earnings % Chg.	Avg. Workweek (Hours)
Annual Average											
2017	179	172	4.4	8.5	149	71	60.1	10.1	5,254	0.2	34.4
2018	223	215	3.9	7.7	240	217	60.4	9.3	4,780	0.3	34.5
2019	180	165	3.7	7.2	150	106	60.8	9.3	4,435	0.2	34.4
Qtrly. Average											
18-Q4	233	236	3.8	7.6	292	395	60.6	9.2	4,689	0.3	34.5
19-Q1	174	165	3.9	7.6	-66	-93	60.7	9.3	4,652	0.2	34.5
19-Q2	152	146	3.6	7.2	86	7	60.6	9.4	4,452	0.2	34.4
19-Q3	193	156	3.6	7.0	421	353	60.9	9.1	4,238	0.3	34.4
2019 Monthly											
July	166	122	3.7	7.0	283	370	60.7	8.9	3,984	0.3	34.3
Aug.	219	163	3.7	7.2	590	571	60.9	8.9	4,381	0.4	34.4
Sept.	193 (180)	183	3.5	6.9	391	117	61.0	9.4	4,350	0.0	34.4
Oct.	156 (128)	163	3.6	7.0	241	325	61.0	9.3	4,438	0.4	34.4
Nov.	266	254	3.5	6.9	83	40	61.0	9.4	4,322	0.2	34.4

* Preliminary readings on nonfarm payrolls are shown in parenthesis.

Source: Bureau of Labor Statistics via Haver Analytics

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