

U.S. Data Review

- Employment: robust in January

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The Labor Market

Job growth totaled 225,000 in January, easily beating the expected increase of 165,000. The brisk advance primarily reflected several areas posting above-average increases in employment, with three sectors standing out with gains notably stronger than recent averages (construction, private education, and health care). The manufacturing sector, in contrast, posted one of its weakest showings of the past few years with a drop of 12,000, mostly in the auto industry. Manufacturing activity has been soft recently and the new figures do not suggest a break in the trend. Financial services performed poorly, cutting employment by 1,000 versus gains in most months in the neighborhood of 10,000.

Today's report included benchmark revisions to historical data on payrolls based on a universe count of jobs as of March 2019. The new figures show that employment as of that month was 505,000 lower than previously believed (based on not seasonally adjusted data). The average pace of monthly job growth in the year ended March totaled 169,000, down from pre-revision figures of 210,000 (based on seasonally adjusted data and including revisions to seasonal factors). The revisions also included upward adjustments to figures since March, with job growth in the final nine months of the year 92,000 firmer than previously believed. With the upward adjustment, and with the good gain in January, the recent performance has been strong (average of 206,000 in the past six months).

The unemployment rate rose 0.1 percentage point to 3.6 percent. The report included new population controls (i.e. blow-up factors) that were not applied to historical data, and thus month-to-month changes should be interpreted cautiously. The new controls reduced both employment and the size of the labor force, but the effects were about equal and thus the month-to-month change in the jobless rate was not affected meaningfully by the new blow-up factors. The broad unemployment rate rose 0.2 percentage point to 6.9 percent, as increases in the number of marginally attached workers and the number of involuntary part-time workers added to the effect of the increase in the narrow unemployment rate.

Average hourly earnings rose 0.2 percent in January, although the change almost rounded up to 0.3 percent (0.247 percent). The change left the year-over-year increase at 3.1 percent, close to other recent readings but shy of the results close to 3.5 percent in some earlier months.

Employment Report

	Nonfarm Payrolls*	Private- Sector Payrolls		Unemp. Rate	Broad Unemp. Rate	Household Emp.	Labor Force	Emp.- Population Ratio	Median Duration of Unemp.	Part-Time Econ. Reasons	Avg. Hourly Earnings	Avg. Workweek
	(Chg., Thousands)			(Percent)		(Chg., Thousands)		(P ct.)	(Weeks)	(Thou.)	% Chg.	(Hours)
Annual Average												
2017	176	170		4.3	8.5	147	69	60.1	10.1	5,254	0.2	34.4
2018	193	183		3.9	7.7	237	214	60.4	9.3	4,779	0.3	34.5
2019	175	161		3.7	7.1	165	120	60.8	9.2	4,407	0.2	34.4
Qtrly. Average												
19-Q1	139	128		3.9	7.5	-28	-59	60.7	9.3	4,641	0.3	34.5
19-Q2	159	151		3.6	7.2	136	66	60.6	9.3	4,477	0.2	34.4
19-Q3	203	171		3.6	7.0	383	306	60.9	9.1	4,230	0.2	34.4
19-Q4	198	193		3.5	6.8	168	168	61.0	9.1	4,278	0.2	34.3
2019 Monthly												
Oct.	185	(152)	190	3.6	6.9	246	350	61.0	9.2	4,397	0.3	34.4
Nov.	261	(256)	247	3.5	6.8	-8	-54	61.0	9.2	4,288	0.4	34.3
Dec.	147	(145)	142	3.5	6.7	267	209	61.0	9.0	4,148	0.1	34.3
2020 Monthly												
Jan.	225	206		3.6	6.9	-89	50	61.2	9.3	4,182	0.2	34.3

* Preliminary readings on nonfarm payrolls are shown in parenthesis.

Source: Bureau of Labor Statistics via Haver Analytics

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