

U.S. Data Review

- The labor market: go figure

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The Employment Situation

Another stunning figure on employment, but this time in the positive direction (up 2.5 million), radically different than the expected decline of 7.5 million. The surprising gain could be the result of random variation, as the figures are sharply out of line with claims for unemployment insurance. Alternatively, perhaps the claims figures are inaccurate because of overwhelming workloads at state employment offices. A drop in the number of individuals receiving unemployment benefits in early May suggested that workers were being recalled to their jobs; perhaps the state employment offices were too busy to monitor recalls accurately.

The jump in employment was broadly based, although some sectors continued to shed workers (mining, information, government). Job gains were sharpest in the areas that had cut employment in prior months. The leisure industry and retail sector posted large gains, as did the miscellaneous service area. The construction and manufacturing sectors also posted firm results.

The household survey also showed positive results, with employment gains totaling 3.8 million. This increase outstripped a jump of 1.7 million in the size of the labor force, which led to a drop of 1.4 percentage points in the unemployment rate to 13.3 percent. The broad unemployment rate also fell, dropping 1.6 percentage points to 21.2 percent. In addition to the decline in the narrow unemployment rate, a drop in the number of involuntary part-time workers contributed to the drop in the broad unemployment rate.

Average hourly earnings fell 1.0 percent following a jump of 4.7 percent in the prior month. These changes reflect shifts in the composition of employment more so than changes in wage rates. Large job cuts among in lower-paid workers led to an increase in the average in April, and the return of these workers in May pushed the average a bit lower.

Employment Report

	Nonfarm Payrolls* (Chg., Thousands)	Private- Sector Payrolls	Unemp. Rate (Percent)	Broad Unemp. Rate (Percent)	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												
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	178	162	3.7	7.1	165	120	60.8	9.2	4,407	0.2	34.4	
2020	-3,817	-3,517	7.9	13.3	-4,312	-1,266	57.3	7.0	7,157	1.0	34.3	
Qtrly. Average												
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	210	200	3.5	6.8	168	168	61.0	9.1	4,278	0.2	34.3	
20-Q1	-303	-319	3.8	7.5	-1,010	-548	60.8	8.5	4,755	0.4	34.3	
2019 Monthly												
Oct.	185	190	3.6	6.9	246	350	61.0	9.2	4,397	0.3	34.4	
Nov.	261	247	3.5	6.8	-8	-54	61.0	9.2	4,288	0.4	34.3	
Dec.	184	164	3.5	6.7	267	209	61.0	9.0	4,148	0.1	34.3	
2020 Monthly												
Jan.	214	179	3.6	6.9	-89	50	61.2	9.3	4,182	0.2	34.3	
Feb.	251	220	3.5	7.0	45	-60	61.1	9.1	4,318	0.3	34.4	
Mar.	-1,373	(-870)	-1356	4.4	8.7	-2,987	-1,633	60.0	7.0	5,765	0.6	34.1
Apr.	-20,687	(-20,537)	-19,724	14.7	22.8	-22,369	-6,432	51.3	2.0	10,887	4.7	34.2
May	2,509	3,094	13.3	21.2	3,839	1,746	52.8	7.7	10,633	-1.0	34.7	

* Preliminary readings on nonfarm payrolls are shown in parenthesis.

Source: Bureau of Labor Statistics via Haver Analytics

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