

# U.S. Data Review

- Employment: decelerating, but still respectable

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## September Employment

- Nonfarm payrolls rose 263,000 in September, close to the expected increase of 255,000. Results in the prior two months combined were revised upward by 11,000, as a sharp adjustment to government employment (state and local) offset a downward adjustment in the private sector. The September increase in payrolls lagged the average of 383,000 in the prior six months, but the gain still represented a respectable performance.
- Several industries posted gains in line with their recent averages, but others trimmed payrolls, including retail trade, transportation & warehousing, financial services, and state and local governments (giving back some of the upward revision). The health-care sector was strong, but it was the only industry to register gains noticeably above their recent average.
- The unemployment rate fell 0.2 percentage point to 3.5 percent, returning to the recent low. The change reflected an increase of 204,000 in employment as measured by the household survey and a drop of 57,000 in the size of the labor force. The decline in the size of the labor force resulted in a dip of 0.1 percentage point in the labor force participation rate (62.3 percent). The prime-age participation rate also fell 0.1 percentage point (82.7 percent).
- The broad unemployment rate fell 0.3 percentage point to 6.7 percent, matching the low in the current cycle. The drop in the number of involuntary workers offset an increase in the number of marginally attached workers and led to the larger change in the broad unemployment rate.
- Average hourly earnings rose 0.3 percent in September, matching expectations. The change left the year-over-year increase at 5.0 percent, down from 5.2 percent in the prior month and a recent high of 5.6 percent in March, but still brisk.
- The length of the average workweek was unchanged at 34.5 hours, a reading in the low end of the range from the current expansion. Although hours were unchanged, the gain in employment led to an increase of 0.2 percent in the index of work time, suggesting a moderate advance in total output for the month.
- All told, the report cannot be viewed as signaling vigorous economic activity, but it was firm enough to suggest that the economy is still on track. We doubt that today's report will lead Fed officials to rethink their policy plans. More tightening ahead; a pivot is far off.

## 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)	
<b>Annual Average</b>												
2019	164	146	3.7	7.2	167	124	60.8	9.2	4,407	0.2	34.4	
2020	-774	-688	8.1	13.7	-741	-330	56.8	12.6	7,227	0.5	34.6	
2021	562	524	5.4	9.4	508	135	58.4	16.1	4,914	0.4	34.8	
2022	420	404	3.7	6.9	329	266	60.0	8.7	3,991	0.4	34.6	
<b>2022 Monthly</b>												
Jan.	504	492	4.0	7.1	1,199	1,393	59.7	10.1	3,717	0.6	34.6	
Feb.	714	704	3.8	7.2	548	304	59.9	9.6	4,135	0.1	34.7	
Mar.	398	385	3.6	6.9	736	418	60.1	7.5	4,170	0.5	34.6	
Apr.	368	368	3.6	7.0	-353	-363	60.0	7.5	4,033	0.3	34.6	
May	386	331	3.6	7.1	321	330	60.1	9.6	4,328	0.4	34.6	
June	293	346	3.6	6.7	-315	-353	59.9	8.5	3,621	0.4	34.5	
July	537	(526)	448	3.5	6.7	179	-63	60.0	8.5	3,924	0.5	34.5
Aug.	315	(315)	275	3.7	7.0	442	786	60.1	8.5	4,149	0.3	34.5
Sep.	263	288	3.5	6.7	204	-57	60.1	8.3	3,843	0.3	34.5	

\* Preliminary readings on nonfarm payrolls shown in parenthesis.  
Source: Bureau of Labor Statistics via Haver Analytics

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