

U.S. Data Review

- Labor market: less robust than in other recent months, but still respectable

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April Employment and Unemployment

Nonfarm payrolls rose 428,000 in April, a bit better than the expected increase of 380,000 but shy of the average of 538,000 in the prior six months. Downward revisions totaling 39,000 in the prior two months added to the light feeling of the April results. The unemployment rate was steady at 3.6 percent, as declines in employment as measured by the household survey and in the size of the labor force were offsetting. Average hourly earnings rose 0.3 percent, lighter than the recent average and expected increase of 0.4 percent. All things considered, the report lacked the vigor seen in other recent months and it fell shy of expectations in several respects, but the performance was still respectable.

The breakdown of employment by industry did not show any notable surprises. A few areas posted results above their recent averages (manufacturing, transportation & warehousing, financial activities) while some were below recent averages (construction, business services). The leisure and hospitality sector might capture some attention, as job growth of 78,000 was noticeably shy of the average of 147,000 in the prior six months.

The steady unemployment rate reflected nearly identical declines in employment as measured by the household survey and the size of the labor force (off 353,000 and 363,000, respectively). The declines were disappointing, but these series often move erratically and prior months had shown strong results. With the labor force shrinking in April, the participation rate moved two ticks lower to 62.2 percent; the prime age participation rate eased one tick to 82.4 percent. The broad unemployment rate rose 0.1 percentage point to 7.0 percent, as the number of individuals marginally attached to the labor force (i.e. those that would like a job but are not actively looking) more than offset the number of individuals working part time involuntarily.

Average hourly earnings rose 0.3 percent, below the recent average of 0.4 percent and light considering the degree of tightness in the labor market. The change left the year-over-year increase at 5.5 percent, one tick lower from the reading in March but above all other months in the past year.

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											
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	519	507	3.8	7.1	533	438	59.9	8.7	4,014	0.4	34.6
2021 Monthly											
July	689	638	5.4	9.2	1,092	261	58.4	14.4	4,450	0.5	34.8
Aug.	517	497	5.2	8.8	463	130	58.5	14.2	4,481	0.3	34.7
Sep.	424	409	4.7	8.5	639	-34	58.8	13.7	4,450	0.5	34.8
Oct.	677	694	4.6	8.2	428	139	58.9	13.0	4,398	0.6	34.8
Nov.	647	627	4.2	7.7	1,090	516	59.3	13.4	4,266	0.4	34.8
Dec.	588	561	3.9	7.3	651	168	59.5	12.9	3,929	0.5	34.8
2022 Monthly											
Jan.	504	492	4.0	7.1	1,199	1,393	59.7	10.1	3,717	0.6	34.6
Feb.	714	(750) 704	3.8	7.2	548	304	59.9	9.6	4,135	0.1	34.7
Mar.	428	(431) 424	3.6	6.9	736	418	60.1	7.5	4,170	0.5	34.6
Apr.	428	406	3.6	7.0	-353	-363	60.0	7.5	4,033	0.3	34.6

* Preliminary readings on nonfarm payrolls shown in parenthesis.

Source: Bureau of Labor Statistics via Haver Analytics

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