



JOINT ECONOMIC COMMITTEE

CHAIRMAN ERIK PAULSEN (R-MN)

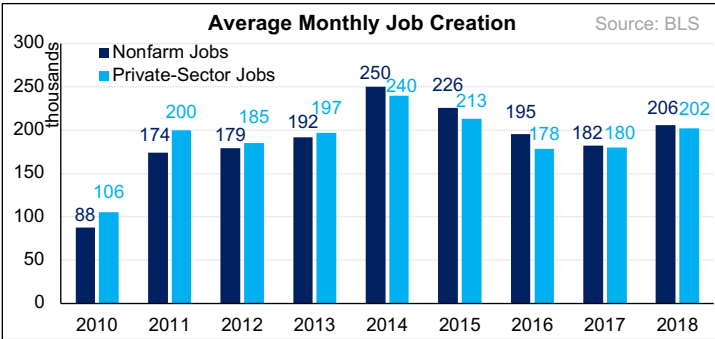


December 10, 2018

November 2018 Jobs Review

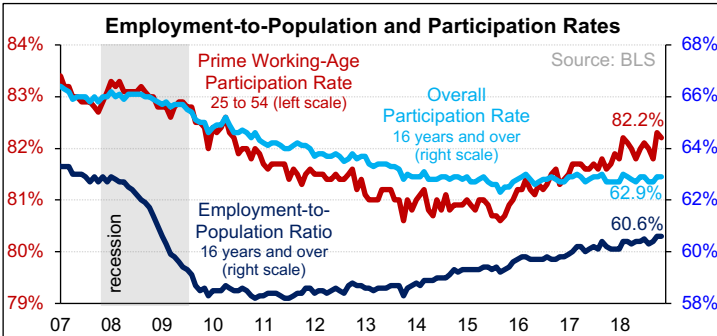
Jobs Review Snapshot

- 155,000 jobs were created in November and nearly 2.3 million so far in 2018.
- The unemployment rate at 3.7% remained the lowest since 1969.
- Workers' hourly earnings continue to grow the fastest since 2009.

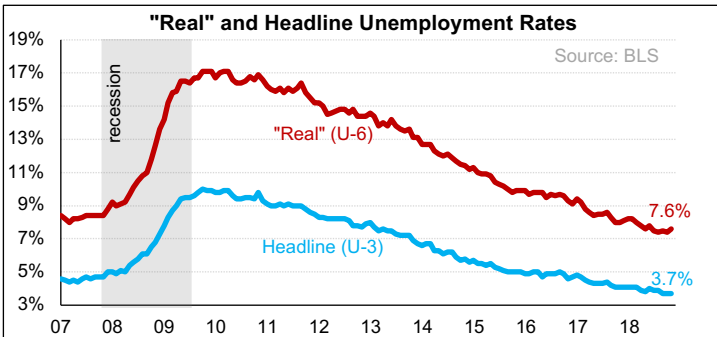


Details

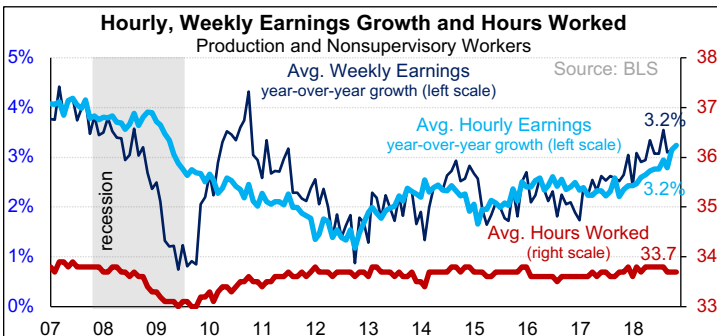
The [Bureau of Labor Statistics \(BLS\) reports](#) that 155,000 jobs were added in November, 161,000 in the private sector and 6,000 fewer government jobs. The largest job gains were in health care and education (+34,000), professional and business services (+32,000), and manufacturing (+27,000). Job losses were reported in information (-8,000) and mining/logging (-3,000).



The employment-to-population ratio was unchanged at 60.6%, remaining the highest since January 2009. The overall (ages 16 and older) labor force participation rate (LFPR) was unchanged at 62.9%, and the prime working-age (ages 25 to 54) LFPR, after surging in October, ticked down to 82.2% from 82.3%. This remains short of its 83% average during the last business cycle's expansion, which suggests room for elevated rates of economic growth to continue.¹



The headline unemployment rate (U-3), which counts as unemployed those who searched for work in the last four weeks, was unchanged at 3.7%, remaining the lowest since December 1969.² The "real" unemployment rate (U-6), increased to 7.6% from 7.4%. The U-6 includes those in U-3, those who searched for work in the past twelve months, and those who want full-time work but can only find part-time work.



Average hourly earnings (AHE) and average weekly earnings (AWE) of production and nonsupervisory workers³ were both 3.2% higher than 12 months ago.⁴ Equal AWE and AHE growth rates indicate people are working the same number of hours per week as a year ago. During the previous expansion AHE and AWE each averaged 3% growth per year, compared with respective averages of only 2.1% and 2.4% during the Obama-era portion of the current expansion.

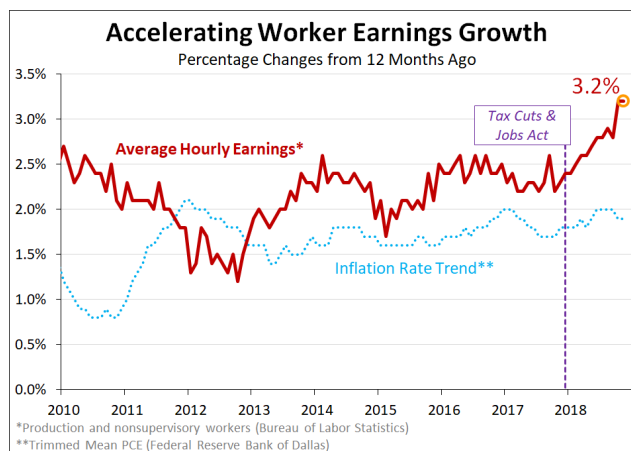
November 2018 Jobs Review Sources: BLS, <i>Econoday</i>	October Initial	October Revised	November Forecast	November Actual
<i>Establishment Survey</i>				
Nonfarm Payrolls Change.....	250,000	237,000	190,000	155,000
Private Payrolls Change.....	246,000	251,000	183,000	161,000
Average Hourly Earnings: All Employees (Year-over-Year % Chg.).....	3.1%	3.1%	3.2%	3.1%
Average Hourly Earnings: Production and Nonsupervisory Workers.....	3.2%	3.2%	--	3.2%
<i>Household Survey</i>				
Population Growth (16 years and older).....	224,000	--	--	194,000
Change in Labor Force.....	711,000	--	--	133,000
Labor Force Participation Rate.....	62.9%	--	62.8%	62.9%
16 to 64 years of age.....	73.8%	--	--	73.8%
25 to 54 years of age (prime-age).....	82.3%	--	--	82.2%
Change in Number of Employed.....	600,000	--	--	233,000
Employment-to-Population Ratio.....	60.6%	--	--	60.6%
Change in Number of Unemployed.....	111,000	--	--	-100,000
“Headline” Unemployment Rate (U-3).....	3.7%	--	3.7%	3.7%
“Real” Unemployment Rate (U-6).....	7.4%	--	--	7.6%
Not in Labor Force.....	-487,000	--	--	60,000

Context

This was another solid jobs report:

- The unemployment rate remained the lowest since 1969.
- The employment-to-population ratio remained the highest since 2010.
- Worker earnings growth remains the fastest since 2009.

Pro-growth policies are increasing employment and wage growth without raising inflation.



Noteworthy

Jobs numbers were revised up for September to 119,000 from 118,000 (final estimate) and down for October to 237,000 from 250,000 (second estimate).

The December Employment Situation release is scheduled for January 4 at 8:30 a.m.

¹ JEC considers the prime working-age LFPR, which measures the ratio of those aged 25 to 54 who are currently employed or have sought work in the past four weeks, a better indicator because demographic factors are affecting the overall LFPR. The dates used to calculate the previous business cycle expansion's 83% average prime-age LFPR are November 2001 to December 2007.

² The U-3 rate is less meaningful than it once was because the labor force participation rate has been low since the last recession.

³ JEC prefers the production and nonsupervisory workers measure of wages as more representative of the average worker. Production and nonsupervisory workers account for over 82% of all private-sector employees. For service-producing industries, this measure excludes supervisors and employees who are also owners. For the goods-producing sector, workers engaged in management, sales, and accounting are excluded.

⁴ These measurements consist only of gross wages and salary and do not account for non-monetary benefits and compensation. They are not adjusted for inflation. AWE accounts for the average number of hours worked while AHE does not.