



Joint Economic Committee

Republicans

Representative David Schweikert • Vice Chairman

September 2023 Jobs Report

Republican Staff Commentary

KEY TAKEAWAYS

At 8:30am, the BLS [announced](#) that in September:

Establishment Survey

- The U.S. added 336k nonfarm jobs in September. Job gains generally occurred in the service sector (234k) and government (73k).
- The nonfarm print strongly beat expectations. E.g., economists polled by WSJ expected the economy to add 170k jobs.
- However... the inaugural forecast of the JEC macro model was closer. It forecast 400k on the strength of recent data.
- Private employment growth was also quite strong. The BLS estimates 263k, while ADP separately [estimated](#) 89k earlier this week.

Household Survey

- The headline unemployment rate held at 3.8%. While at a 15-month high, it remains near historical lows.
- The U-6 unemployment rate (a broader definition of unemployment) ticked down from 7.0% from 7.1%.
- Similarly, the labor force participation rate held steady at 62.8%. Similarly, the prime-age rate held at 83.5%.

Establishment Survey Revisions

- This month, nonfarm jobs for August were revised up by 40k, while nonfarm jobs for July were revised up by 79k.
- These revisions break the recent streak of downwards revisions to the initial numbers (3rd estimate minus 1st estimate).

MARKET REACTION

On the news:

- U.S. equities were closed, but futures fell.
- The 10Y yield ticked up by a few basis points.
- The dollar slightly depreciated versus the euro.

The 10Y yield is currently seeing some intraday volatility but (as of writing) is currently a bit above 4.8%.

FEDWATCH

Ahead of the Nov 1 FOMC meeting:

- Options markets are [pricing](#) a 7/10th chance of no hike vs. 3/10ths chance of a 25bps hike.
- Options-implied probabilities became modestly more hawkish on the jobs print.

However, the decision will ultimately depend on the CPI inflation print later this month.

- The Cleveland Fed [nowcasts](#) a 39bps m/m print for headline CPI.
- The JEC macro model similarly forecasts a 41bps m/m print.



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Table 1. Labor Indicators

10/6/2023

	Sep 2023	Aug 2023	Difference
Jobs Added (thousands)			
Nonfarm	336k	227k	109k ppt
Total Private	263k	177k	86k ppt
Unemployment			
Official Rate (U-3)	3.8%	3.8%	0.0% ppt
Broader Rate (U-6)	7.0%	7.1%	-0.1% ppt
Labor Force Participation Rate			
16 yrs. And older	62.8%	62.8%	0.0% ppt
Prime age (24 to 54 yrs.)	83.5%	83.5%	0.0% ppt
Employment-to-Population Ratio	60.4%	60.4%	0.0% ppt
Nominal Average Hourly Earnings			
M/M	0.2%	0.2%	0.0% ppt
Y/Y	4.2%	4.3%	-0.1% ppt

Source: Bureau of Labor Statistics, JEC Republican Staff

Table 2. ADP Estimate

10/6/2023

	BLS	ADP	Difference
Private Nonfarm Jobs Added (Thousands)	263k	89k	174k

Source: Bureau of Labor Statistics, ADP, JEC Republican Staff

Table 3. BLS Revisions

10/6/2023

	First	Second	Third	Net Revision
Nonfarm Jobs Added (thousands)				
Aug-23	187k	227k		+40k
Jul-23	187k	157k	236k	+49k

Source: Bureau of Labor Statistics, JEC Republican Staff



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Econ Calendar

Date	Time (ET)	Release
Oct 12	08:30AM	Consumer Price Index JEC State Inflation Tracker
Oct 20	10:00AM	State-level Unemployment
Oct 26	08:30AM	GDP Q3 2023 Advanced Estimate
Oct 27	08:30AM	Personal Income and Outlays
Nov 01	02:00PM 02:30PM	Federal Reserve Announcement Fed Chairman Powell Presser
Nov 03	08:30AM	Employment Situation Report

Legend

m/m = month over month; q/q = quarter over year; y/y = year over year
SA = seasonally adjusted; SAAR = seasonally adjusted annual rate
% = percentage points; bps = basis points (1/100ths of a %)