



Joint Economic Committee

Republicans

Representative David Schweikert • Vice Chairman

January 2024 Employment Release

Republican Staff Commentary

January 2024 Employment Situation (Released February 2nd, 2024)

Core Statistics

- Nonfarm payroll employment increased by 353K.
 - Private sector payroll employment increased by 317K.
 - Government payroll employment increased by 36K.
- The headline unemployment rate (U-3) remained unchanged at 3.7 percent.
 - The broadest measure of unemployment (U-6, which combines underemployment with unemployment) increased by 0.1 percentage points to 7.2 percent.
- The labor force participation rate (LFPR) remained unchanged at 62.5 percent.
- Over the past 12 months, for all employees on private nonfarm payrolls:
 - Average nominal weekly earnings increased by 2.97 percent.
 - Average nominal hourly earnings increased by 4.48 percent.
- Over the past 12 months, for production and nonsupervisory employees on private nonfarm payrolls:
 - Average nominal weekly earnings increased by 3.23 percent.
 - Average nominal hourly earnings increased by 4.77 percent.

Economic Context

The January jobs report each year causes some concerns because it can appear substantially dissimilar from the December data. Here's a few reasons why that isn't unusual:

- The reduction of jobs after the winter holidays can lead to substantial changes in the non-seasonally adjusted (NSA) data. In prior years an average of [2.9 million jobs](#) have been shed between December and January. The seasonally-adjusted (SA) data attempts to account for these changes so that we can make month-to-month comparisons.
 - However, seasonal adjustments aren't perfect, and the economy is always changing in a new general direction that subverts seasonal adjustments. This was seen in January 2023, when only 2.5 million jobs were shed, leading to large seasonally adjusted estimates of job growth.
- Overall pre-holiday hiring in 2023 was weaker than previous years, so there were fewer jobs to shed in January. This probably helps explain the substantial increase we saw this year.

- Additional context: December's substantial data revision (+117K) is mostly due to late-arriving survey responses from highly seasonal industries. Jobs revisions included +26K in retail, +24K in transportation & warehousing, and +22K in professional & business services (mostly in temp help services).

The BLS conducts an annual update each January that improves the accuracy of its regular monthly survey-based estimates with a once-annual census-based benchmark of employment data.

- The benchmark update causes changes in:
 - (1) Prior non-seasonally adjusted employment estimates,
 - (2) Monthly seasonal adjustments,
 - (3) Employment gains and losses due to businesses opening and closing.
- These changes are applied to the 11 months prior to March 2023 (the benchmark month) and the 9 months afterward.
- This means that most jobs data from April 2022 through December 2023 have been updated to more accurate estimates, but some of the changes (and their size) may catch people by surprise.
- For context, the benchmark revision led to a reduced estimate of 266K fewer jobs, about 0.1% of the total. The average benchmark revision over the last 10 years has been 0.1%, so this update isn't unusual.

Economic Analysis

- See the [JEC website](#) for additional analysis of today's release.

Table 1. Labor Indicators**2/2/2024**

	Jan 2024	Dec 2023	Difference
Jobs Added (thousands)			
Nonfarm	353k	333k	20k
Total Private	317k	278k	39k
Unemployment			
Official Rate (U-3)	3.7%	3.7%	0.0%
Broader Rate (U-6)	7.2%	7.1%	0.1%
Labor Force Participation Rate			
16 yrs. And older	62.5%	62.5%	0.0%
Prime age (24 to 54 yrs.)	83.3%	83.2%	0.1%
Employment-to-Population Ratio	60.2%	60.1%	0.1%

Source: Bureau of Labor Statistics, JEC Republican Staff

*Discrepancy from monthly figures due to rounding.

Table 2. Nominal Average Earnings**2/2/2024**

	Jan 2024	Dec 2023	Difference
Production Non-Supervisory			
Hourly Earnings			
M/M	0.4%	0.4%	0.1%
Y/Y	4.8%	4.6%	0.2%
Weekly Earnings			
M/M	-0.2%	0.4%	-0.5%
Y/Y	3.2%	4.3%	-1.1%
All Employees			
Hourly Earnings			
M/M	0.6%	0.4%	0.2%
Y/Y	4.5%	4.3%	0.2%
Weekly Earnings			
M/M	0.0%	0.1%	-0.1%
Y/Y	3.0%	4.0%	-1.0%

Source: Bureau of Labor Statistics, JEC Republican Staff

*Discrepancy from monthly figures due to rounding.

Table 3. BLS Revisions**2/2/2024**

	First	Second	Third	Net Revision
Nonfarm Jobs Added (thousands)				
Dec-23	216k	333k		117k
Nov-23	199k	173k	182k	-17k

Source: Bureau of Labor Statistics, JEC Republican Staff**Table 4. ADP Estimate****2/2/2024**

	BLS	ADP	let Difference
Private Nonfarm Jobs Added (Thousands)	317k	107k	210k

Source: Bureau of Labor Statistics, ADP, JEC Republican Staff**Econ Calendar**

Date	Time (ET)	Release
Feb 13	8:30 AM	Consumer Price Index
Feb 29	8:30 AM	Personal Income and Outlays
Mar 08	8:30 AM	Employment Situation

Legend

m/m = month over month; q/q = quarter over year; y/y = year over year

SA = seasonally adjusted; SAAR = seasonally adjusted annual rate

pps = percentage points