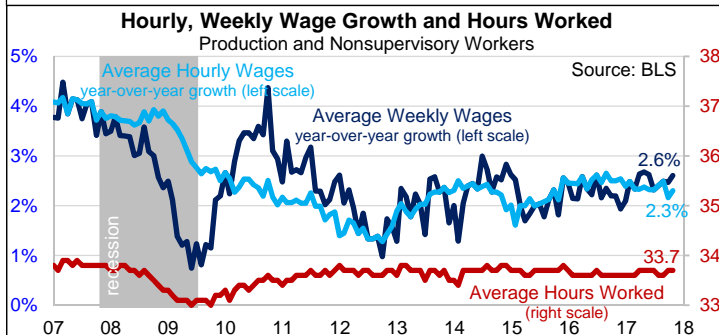
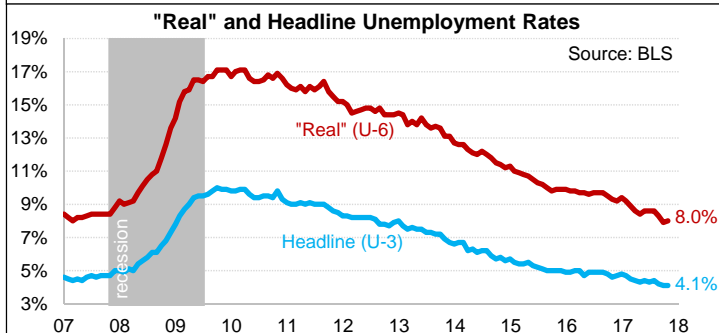
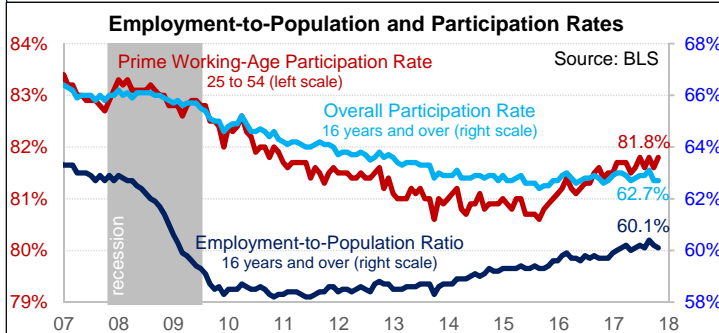
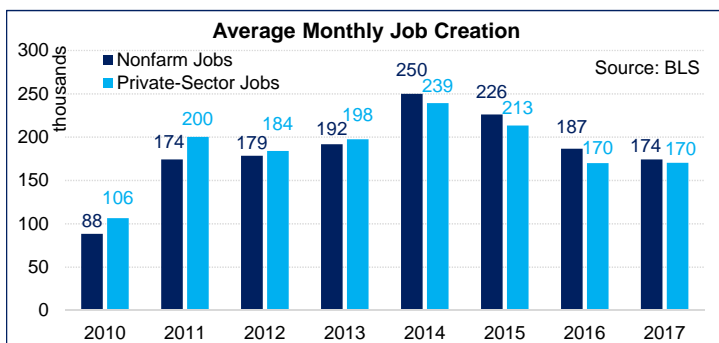


## November 2017 Jobs Review

### Jobs Review Snapshot

- 228,000 jobs were created in November, exceeding expectations.
- The prime-age (25 to 54) labor force participation rate rose from 81.6% to 81.8%.
- Substantial job growth together with modest wage growth suggests the U.S. economy has room to grow.



### Details

The [Bureau of Labor Statistics \(BLS\)](#) reports 228,000 nonfarm payroll jobs were added in November, of which 221,000 were in the private sector. The largest private-sector job gains were in educational and health services (+54,000), professional and business services (+46,000), manufacturing (+31,000), and construction (+24,000). Job losses were reported only in information (-4,000) and utilities (-200). The government sector added 7,000 jobs.

The employment-to-population ratio decreased from 60.2% to 60.1%. The overall labor force participation rate (LFPR) was unchanged at 62.7%. The prime working-age (25 to 54) LFPR increased from 81.6% to 81.8%; during the previous business cycle's expansion (December 2001 to December 2007), it averaged 83%.<sup>1</sup>

The headline unemployment rate (U-3), which only counts those who searched for work in the last four weeks as unemployed, was unchanged at 4.1%.<sup>2</sup> The "real" unemployment rate (U-6), which counts those in U-3 plus those who searched for work in the past twelve months and those who want full-time work but can only find part-time work for economic reasons, ticked up from 7.9% to 8.0%.

Average hourly earnings (AHE) and average weekly earnings (AWE) of production and nonsupervisory workers<sup>3</sup> were 2.3% and 2.6% higher than 12 months ago.<sup>4</sup> The relatively higher AWE growth rate indicates that average hours worked has increased from 12 months ago. During the previous expansion, AHE and AWE each increased an average of 3% per year, compared to an average of only 2.2% and 2.4% in the current expansion, respectively.

<b>November 2017 Jobs Review</b> Sources: BLS, Bloomberg Econoday	<b>October</b> Original	<b>October</b> Revised	<b>November</b> Forecast	<b>November</b> Actual
<i>Establishment Survey</i>				
Nonfarm Payrolls Change.....	261,000	244,000	190,000	<b>228,000</b>
Private Payrolls Change.....	252,000	247,000	184,000	<b>221,000</b>
Average Hourly Earnings: All Employees (Year-over-Year % Chg.).....	2.4%	2.3%	2.6%	<b>2.5%</b>
Average Hourly Earnings: Production and Nonsupervisory Workers.....	2.3%	2.2%	--	<b>2.3%</b>
<i>Household Survey</i>				
Population Growth (16 years and older).....	204,000	--	--	<b>183,000</b>
Change in Labor Force.....	-765,000	--	--	<b>148,000</b>
Labor Force Participation Rate.....	62.7%	--	--	<b>62.7%</b>
16 to 64 years of age.....	73.3%	--	--	<b>73.4%</b>
25 to 54 years of age (prime-age).....	81.6%	--	--	<b>81.8%</b>
Change in Number of Employed.....	-484,000	--	--	<b>57,000</b>
Employment-to-Population Ratio.....	60.2%	--	--	<b>60.1%</b>
Change in Number of Unemployed.....	-281,000	--	--	<b>90,000</b>
“Headline” Unemployment Rate (U-3).....	4.1%	--	4.1%	<b>4.1%</b>
“Real” Unemployment Rate (U-6).....	7.9%	--	--	<b>8.0%</b>

## Context

Robust job creation together with modest wage growth imply that the workforce and business demand for workers are growing steadily despite an aging population. This trend supports the view that the U.S. economy has ample room to grow, and that tax and regulatory reform can accelerate growth.

## Noteworthy

Last week, the Bureau of Economic Analysis (BEA) published a [revised estimate](#) of third-quarter GDP growth from 3.0% to 3.3%, despite the devastating impacts of two major hurricanes.

The September jobs number was revised up from 18,000 to 38,000 (final estimate) and the October jobs number was revised down from 261,000 to 244,000 (second estimate) for a net gain of 3,000 jobs.

The December Employment Situation release is scheduled for January 5 at 8:30am.

<sup>1</sup> 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.

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

<sup>3</sup> 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.

<sup>4</sup> 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.