



**The Daily Dish**

# April Jobs

GORDON GRAY | MAY 6, 2022

The March jobs report was another strong one. While the topline employment number may have come in slightly below some expectations, prior upward revisions of 95,000 reflect an average pace of job growth for the year of 546,000 per month. Employers in March added 431,000 workers to payrolls, with private sector employers gaining 426,000 employees, while the unemployment rate fell to 3.6 percent. The labor force participation rate rose to 62.4 percent.

Here is a brief summary of the major economic indicators since the last jobs numbers:

- The Producer Price Index for final demand increased 1.4 percent in March;
- The Consumer Price Index increased 1.2 percent in March;
- Real average hourly earnings decreased nine cents from February to March;
- Orders for durable goods (including defense and aircraft) increased 0.8 percent in March;
- New home sales decreased 8.6 percent in March;
- The Price Index of U.S. imports increased 2.6 percent in March;
- ISM Services Index decreased 1.2 percentage points to 57.1 percent in April;
- ISM Manufacturing Index decreased 1.7 percentage points to 55.4 percent in April;
- Consumer Confidence Index decreased 0.3 points from 107.6 to 107.3 in April;
- ADP reported private sector employment increased by 247,000 jobs in April.

## GORDON'S GUESSTIMATE: APRIL JOBS

Two days ago, the Federal Reserve announced a 50-basis point increase in the federal funds rate and articulated a view of an economy confronting substantial risk from inflation, flagging economic growth, war in Europe, and not to be left out, COVID-19. GDP growth went negative, according to the first estimate for Q1. Relatedly, productivity data from Q1 was historically bad, showing a decline in output per hour of 7.5 percent. If observers really want to look and see “stagflation” risks in the data, they won’t have to look hard to spot it in cratering productivity and the highest unit labor costs in 40 years.