



The Daily Dish

February Jobs

GORDON GRAY | MARCH 9, 2018

The February jobs report showed that payrolls were up by 200,000 in January of 2018, while earnings grew by 9 cents, reflecting stronger earnings growth than prevailed in 2017. This is a healthy jobs report, with somewhat better than expected payroll and earnings growth, but in many respects it reflects last year's labor market trends. The highlight of the report was a 9 cent, or 2.9 percent year-over-year (YoY), increase in average hourly earnings. This growth rate outpaced the 2017 earnings rate of 2.5 percent and will spur optimism that a tight labor market conditions will finally show up in worker pay. However, these data may reflect minimum wage increases, rather than market forces at work. The unemployment rate and labor force participation rate were unchanged at 4.1 percent and 62.7 percent. The gaudier "2" in front of the payroll jobs number didn't reflect quite enough growth in the employed population to edge the unemployment rate down to 4 percent. Within the unemployment rates there were some conflicting changes. Worker's with less than a high-school degree saw their unemployment rate fall back to 5.4 percent after a jump in December. African-American unemployment which fell to a more-than-forty year low in December at 6.8 percent, jumped to 7.7 percent.

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

- The Producer Price Index for final demand increased 0.4 percent in January;
- The Consumer Price Index increased 0.5 percent in January;
- Real average hourly earnings decreased 2 cents from December to January;
- Orders for durable goods decreased 3.7 percent in January;
- New home sales decreased 7.8 percent in January;
- The Price Index of U.S. imports increased 1.0 percent in January;
- ISM Non-Manufacturing Index decreased to 59.5 percent in February;
- ISM Manufacturing increased to 60.8 percent in February;
- Consumer Confidence Index increased from 124.3 to 130.8 in February;
- ADP reported private sector employment increased by 235,000 jobs in February.

Eakinomics: February Jobs