



**The Daily Dish**

## January 8th Edition

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Happy Jobs Friday! The November report contained absolutely no surprises. The economy generated 211,000 jobs and the unemployment rate stayed steady at 5.0 percent. Here is a recap of the major economic indicators since the last jobs number:

- The price index of U.S. imports decreased 0.4 percent in November;
- The Producer Price Index for final demand increased 0.3 percent in November;
- The Consumer Price Index did not change in November;
- Real average hourly earnings increased 1 cent from October to November;
- Orders for durable goods did not change;
- Consumer Confidence index increased from 92.6 to 96.5;
- New home sales increased 4.1 percent in November;
- ISM manufacturing index decreased to 48.2 percent in December;
- ISM nonmanufacturing index decreased to 55.3 percent in December;
- ADP reported private sector employment increased by 257,000 jobs in December.

### *Eakinomics: Closing the Jobs Tally for 2015*

Today the Department of Labor releases the final employment report for 2015. Global equity markets and core [economic growth](#) are tanking, the U.S. manufacturing sector has [contracted](#) for two consecutive months, the Fed is negotiating the path to normalized monetary policy and U.S. trade data are softening. That bodes ill for the December jobs report, right?

Not necessarily. While the ISM manufacturing employment index fell from 51.3 to 48.1, the non-manufacturing index — which covers much more of the economy — continues to show increases, and at a faster rate (December: 55.7 versus November: 55.0). And new claims for unemployment insurance are falling — the 4-week moving average is down by 1,250. Finally, the [ADP Employment Report](#) showed 257,000 new jobs in December. Job growth averaged 210,000 per month in 2015 (through November); I anticipate that it will do exactly that in December.

The more interesting numbers will lie elsewhere in the report. I expect the unemployment rate to drop to 4.9 percent, but it is hard to be confident given the unpredictable behavior of the labor force participation rate. The latter, along with the growth in average hourly earnings, are probably the two most important numbers to be released at 8:30.