The Daily Dish

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Last month's jobs numbers were a tale of two surveys with the payroll survey reporting 321,000 while the household survey showed only 4,000 newly employed people and unchanged labor force participation and unemployment rates. For a reminder, here is a recap of key economic indicators since last month's report:

- The price index of U.S. imports decreased 1.5 percent in November;
- The Producer Price Index for final demand fell 0.2 percent in November;
- The Consumer Price was decreased 0.3 percent in November;
- Real average hourly earnings increased 6 cents from October to November;
- Orders for durable goods fell 0.7 percent;
- Consumer Confidence index increased from 91.0 to 92.6;
- New home sales decreased 1.6 percent in November;
- ISM manufacturing index decreased to 55.5 percent in December;
- ISM non-manufacturing index decreased to 56.2 percent in December;
- ADP reported private-sector employment was up by 241,000 jobs in December.

Eakinomics: Closing the Books on 2014 Jobs

Today the Department of Labor will release the payroll employment and household unemployment reports for December 2014. The sharp uptick in jobs (to 321,000) in November combined with a 5 percent annual growth rate in real GDP during the 3rd quarter has fueled talk of a rapid upshift in the U.S. economy. Today's reading on the labor market will have a significant impact on perceptions of economic performance as we enter the new year and the new Congress.

For a variety of reasons, I expect a solid — if unspectacular — report. Fourth quarter GDP will undoubtedly pull back to growth in the vicinity of 3 percent, and the November jobs number may very well be revised downward. I'd expect December to show 230,000 jobs, a rate consistent with the trends in GDP and productivity. It also matches up with the data received from the ADP employment report and the ISM reports on manufacturing and non-manufacturing business.

The harder calls are the unemployment rate — I'm anticipating that it will remain unchanged at 5.8 percent — and the growth in inflation-adjusted hourly earnings. The latter has been a consistent disappointment to date during the recovery but also jumped sharply in November. Again, I anticipate a pull back to rates of real growth closer to 0.1 percent.

The December report will be solid, but relative to some (overblown) expectations may disappoint some quarters.

From the Forum

4 Reasons Taxpayers Should Be Wary of Executive Action on Housing by Andy Winkler, AAF Director of

Housing Finance Policy