The Daily Dish

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Last month's jobs numbers saw both good (the economy created 248,000 jobs) and bad (97,000 who left the labor force pushed the participation rate to a low not seen since 1978). Hoping for more good than bad this month, here is a recap of key economic indicators since last month's report:

- The price index of U.S. imports decreased 0.5 percent in September;
- The Producer Price Index for final demand decreased 0.1 percent in September;
- The Consumer Price increased 0.1 percent in September;
- Real average hourly earnings decreased 2 cents from August to September;
- Orders for durable goods rose 0.9 percent;
- Consumer Confidence index rose from 89.0 to 94.5;
- New home sales increased 0.2 percent in September;
- ISM manufacturing index rose to 59.0 percent in October;
- ISM non-manufacturing index fell to 57.1 percent in October;
- ADP reported private-sector employment was up by 230,000 jobs in October.

Eakinomics: October Jobs Report

240,000. 5.8 percent.

There, now that we have cut to the chase, and given my take of the top line job growth and unemployment rates, let's discuss the really important numbers that the Labor Department will release at 8:30 in the October employment report.

The labor market has clearly been improving. The Institute for Supply Management reports on manufacturing and non-manufacting business both recorded accelerating employment in October. Similarly, the ADP employment report showed 230,000 new jobs created, up from 213,000 in its September survey. And new claims for unemployment insurance declined by 2,250 (on average) over the past month. These factors suggest employment at 240,000, with a real risk that the actual number will be larger. Also, the evidence is accumulating that the discouraged workers will not be returning to the labor market. That means the labor force participation rate will likely be flat and job gains will push the unemployment rate down modestly.

But the real issue is whether wages will finally begin to accelerate. The September report showed that average hourly earnings were only up 1.0 percent over the previous year — less than the rate of inflation. Until wage growth rises to generate a real, inflation-adjusted gain it will be difficult for the economy to accelerate significantly. That is the key number for the October report.

From the Forum

Weekly Checkup: Dual Eligibles by Brittany La Couture, AAF Health Care Policy Analyst