



The Daily Dish

# November Jobs Report

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Happy Jobs Friday! The October jobs report showed more healing in the labor market. There were 161,000 new jobs and 44,000 additional jobs due to revisions in recent months. Average weekly hours were flat, but average hourly earnings were up strongly – 0.4 percent and 2.6 percent from one year ago. Job growth was widespread. The household survey, on the other hand, is full of strange numbers. The top-line unemployment rate fell by 0.1 to 4.9 percent – but for the wrong reasons. The labor force fell by 195,000 and labor force participation by 0.1 percentage points. Indeed, measured employment fell in the household survey. Hispanic unemployment fell by 0.7 to 5.7 percent, teenage unemployment fell by 1.3 percentage points to 17.2 percent and unemployment for those without a high school diploma dropped by 1.2 percentage points to 7.3 percent.

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

- The price index of U.S. imports increased 0.5 percent in October;
- The Producer Price Index for final demand did not change in October;
- The Consumer Price Index increased 0.4 percent in October;
- Real average hourly earnings increased 1 cent from September to October;
- Orders for durable goods increased 4.8 percent;
- Consumer Confidence index increased from 100.8 to 107.1;
- New home sales decreased 1.9 percent in October;
- ISM manufacturing index increased to 53.2 percent in November;
- ADP reported private sector employment increased by 216,000 jobs in November.

## *Eakinomics: November Jobs Report*

Today brings the first monthly jobs report of the Trump Era, and what striking change there has been. In the aftermath of his shocking electoral victory, [consumer confidence](#) jumped significantly in November to 107.1 from 100.8 in October. The Present Situation Index increased from 123.1 to 130.3, while the Expectations Index increased from 86.0 to 91.7. Similarly, the Michigan index of [consumer sentiment](#) increased 6.6 points from 87.2 in October to 93.8 in November. Equity markets also rallied sharply.

The ISM Manufacturing index rose from 51.9 percent in October to November's 53.2 percent, although the employment index dipped by 0.6 percentage points to 52.3 percent. Still, the ADP Employment Report showed 216,000 new jobs in November (up from an October reading of 119,000) and new claims for unemployment insurance remain low.

Where does this leave the bottom line? Recall that the October report was a bit muddled, with 161,000 new jobs but an unemployment rate that fell to 4.9 percent because of declines in labor force participation. The near term data suggest strengthening in the underlying pace of growth, so I'm expecting 190,000 new jobs, an unchanged unemployment rate, and growth in average hourly earnings at over 2.5 percent annually.