



Later this morning the August employment numbers will be released. July saw a slight uptick in unemployment to 6.2 percent, and 209,000 jobs added. August numbers will be looking to brush off the July vacation that went over about as well as flat soda. As a refresher, here is a recap of key economic indicators since last month's report:

- The price index of U.S. imports decreased 0.2 percent in July;
- The Producer Price Index for final demand rose 0.1 percent in July;
- The Consumer Price Index increased 0.1 percent in July;
- Real average hourly earnings were unchanged from June to July;
- Orders for durable goods increased 22.6 percent;
- Consumer Confidence index stands at 92.4;
- New home sales decreased 2.3 percent in July;
- ISM gauge of non-manufactured goods rose to 59.6 percent;
- ISM manufacturing index rose to 59.0 percent;
- ADP reported private-sector employment up by 204,000 jobs in August.

## *Eakinomics: August Jobs*

What will the Department of Labor Employment Report for August reveal at 8:30? Recall that in July, non-farm employment rose 209,000 jobs, while the unemployment rate settled at 6.2 percent. That marked the 6th straight 200,000+ jobs month this year (see table, line 1). To get a feel for the month-to-month momentum in the labor market it is useful to take a look at recent readings on the economy, namely the [ADP Employment Report](#), the [Institute for Supply Management reports](#) on manufacturing and non-manufacturing (focusing on the employment index), and [new claims](#) for unemployment insurance (specifically, the 4-week moving average value in the last week of the month).

Each of these indicators provides a direct read on the status of the labor market, and are conveniently available for August prior to the release of the jobs report by the Bureau of Labor statistics. The table provides a quick summary of 2014 to date. As the data reveal, non-manufacturing employment grew stronger in August, while the remainder of the indicators remained solid and essentially unchanged.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
BLS Jobs	144,000	222,000	203,000	304,000	229,000	298,000	209,000	
ADP Jobs	121,198	193,106	198,110	204,992	213,542	297,139	212,429	204,337

ISM Mfg	52.3	52.3	51.1	54.7	52.8	52.8	58.2	58.1
ISM Non-Mfg	56.4	47.5	53.6	51.3	52.4	54.4	56.0	57.1
New UI Claims	335,250	338,000	321,000	320,250	310,500	315,250	297,500	302,750

In light of this, I'd expect jobs in August to be up some from July — my prediction is 225,000 jobs — with some risk of a larger number yet. As for unemployment, the key remains the degree to which the recession-weary return to the labor force. There appears to be some firming on this front, so I expect the unemployment rate to remain unchanged at 6.2 percent.

For my take on the whole report, look for the U-6 Fix later this morning.