



U6 Fix

A Hot January for Jobs

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The January employment report showed real strength across the board. Payroll jobs were up 257,000, while November and December were revised upward by 147,000. Usually the good news ends there. In January average hourly earnings were up by 0.5 percent – and up 2.2 percent on a year-over-year basis. Average hours were flat, however, but overall the combination of jobs and earnings was a positive sign for the labor market.

The unemployment rate bounced up by 0.1 percentage points to 5.7 percent. However, both the labor force and labor force participation rose, the latter by 0.2 percentage points to 62.9.

Consistent with the household survey, Hispanic unemployment rose from 6.5 percent to 6.7 percent as the participation rate jumped to 66.5 from 66.0 percent.

Data junkies here's your fix: the January U-6 (the broadest measure of unemployment) rose to 11.3 percent from 11.2 percent.

The bottom line: The January jobs report was strong; stronger than other surveys released this week. It is a promising start to 2015 and one hopes that genuine momentum is rising in both jobs and labor earnings.