U6 Fix

Holiday Cheer

GORDON GRAY | DECEMBER 6, 2019

Payrolls in November grew by 266,000, with private sector payrolls growing by 254,000. Goods-producing industries saw a 48,000 jobs gain, buoyed by a 41,000 employment gain among motor vehicles and parts industries – marking the return of striking GM workers. Revisions pushed payroll gains in the previous two months up by a combined 41,000.

The unemployment rate fell back to 3.5 percent, a near 50-year low. The labor force grew by 40,000, the 7th straight month of growth. The labor force has grown by over 1.9 million potential workers since April.

Average hourly earnings increased by 7 cents, a 3.1 percent increase over the year. Average hourly earnings for production and non-supervisory workers increased by 7 cents for a 3.7 percent gain over the year.

By educational attainment, unemployment was essentially unchanged, but for declines of 0.3 percent and 0.1 percent for workers with less than high school diplomas and workers with bachelor's degrees or higher, respectively. By race, unemployment increased by 0.1 percent for African Americans and Hispanics, and declined by 0.3 percent for Asians.

Data junkies here's your fix: The November U-6 (the broadest measure of unemployment) decreased to 6.9 percent, reflecting the decline in the regular unemployment measure, and the net effect of a slight increase in the contribution of marginally attached workers and a decline in the share of part-time workers for economic reasons.

The November jobs report was surprisingly strong, beating expectations and affirming the strength of the labor market heading into the new year.