



U6 Fix

May Showers

GORDON GRAY | JUNE 7, 2019

The BLS reported that firms added 75,000 jobs to payrolls in the month of May. Private payrolls were up 90,000, while government shed 15,000 jobs. The service sector showed net gains of 82,000, but retail continued to show jobs losses with a fourth straight month of payroll losses. Manufacturing and construction remain largely flat. Jobs figures for March and April were revised downward by a total of 75,000.

The unemployment rate was unchanged from last month and remains at 3.6 percent. The labor force participation rate was also unchanged at 62.8 percent, though the labor force saw a net gain of 176,000, reversing a four-month losing streak.

Average hourly earnings were up 6 cents for a 3.1 percent year-over-year gain, while production and non-supervisory workers saw a larger, 7-cent earnings pick-up for the month.

By educational attainment, unemployment was unchanged or, in the case of workers with some college or an associates degree, was down 0.3 percent. Unemployment for African Americans fell to 6.2 percent, while unemployment for Asians ticked up by 0.3. Teenage workers saw a modest decline in unemployment of 0.3 percent.

Data junkies here's your fix: The May U-6 (the broadest measure of unemployment) declined to 7.1 percent, reflecting slight declines in measures of discouraged workers and those working part-time for economic reasons.

The May jobs report disappointed a lot of predictions for the month, but reflected moderating economic growth that has been long coming.