



U6 Fix

Not a Turkey

GORDON GRAY | DECEMBER 8, 2023

The November jobs report came in fairly close to expectations with respect to topline employment growth. Beyond the headline, the report is stronger still. Job gains were somewhat more evenly distributed, hours and wages accelerated (which can be a bit of double-edged sword, though perhaps less so most recently). A parallel reading of the economy, the household survey, suggested considerably more robust labor demand marked by large gains in employed workers, falling unemployment, and new entrants in the labor force. All in all, a fairly festive report.

The Bureau of Labor Statistics (BLS) reported today that U.S. firms added 199,000 new workers to their rolls in the month of November. Private-sector firms hired 150,000 new workers, while federal, state, and local governments added 49,000 workers. Goods-producing industries added 29,000 new workers to payrolls in November. Given that manufacturing employment was boosted by 30,000 auto workers returning to work, in the absence of this phenomenon, goods-producing employment would have been about flat or slightly negative for the month. The service sector gained 121,000 workers led by a 99,000-worker gain in private education and health services, followed by a 40,000 gain in leisure and hospitality employment. Temporary help services employment returned to negative territory, resuming an eight-month slide that was only interrupted in November. Payroll employment for September was revised down by 35,000, bringing that month's jobs gain down to 262,000.

The household survey was directionally in line with the payroll survey, but unlike last month where it painted a somewhat weaker picture of the economy, this month's household survey suggested a comparatively stronger labor market. According to this survey, the number of unemployed workers fell by 215,000 workers, while the number of employed Americans grew by a somewhat eye-popping 747,000 workers. The unemployment rate in November fell to 3.7 percent; paired with a 532,000 gain in the labor force, this decline is all the more suggestive of a stronger labor market. The labor force participation rate relatedly ticked up to 62.8 percent.