



U6 Fix

Not Just Leaves Falling

GORDON GRAY | NOVEMBER 3, 2023

Today's employment is broadly in line with recent hiring trends, which have reflected robust but steady declines in labor demand. Ignoring the effects of the labor strikes, this topline employment report doesn't raise any eyebrows. But the dissonance between the household and payroll surveys for the second month, most consciously marked by a raise in unemployment despite positive job growth, is worth attention.

The Bureau of Labor Statistics (BLS) reported today that, according to surveyed U.S. firms, employers hired 150,000 new workers in the month of October. Of these, 99,000 were added to private sector rolls, while 51,000 workers joined government rolls. Goods-producing industries saw an 11,000 worker decline, driven by a 33,200 fall in auto manufacturing workers – a direct result of the UAW strike. Construction, on the other hand, was up 23,000. The service sector gained 110,000 workers led by an 89,000 worker gain in private education and health services, followed by more modest gains in leisure and hospitality and professional and business services. Payroll employment was revised down by a combined 101,000 in August and September.

The household survey again painted a different picture than did the payroll survey. BLS reported that, based on surveyed responses from households, the unemployment rate in September ticked up to 3.9 percent, the highest rate since January of 2022. The labor force participation rate similarly fell to 62.7 percent with a loss of 201,000 workers in October.