



## U6 Fix

# Not Naughty, but Not Especially Nice

GORDON GRAY | JANUARY 10, 2020

Payrolls in December grew by 145,000, with private sector payrolls growing by 139,000. The service-sector gained 140,000 jobs, while goods-producing industries saw a drop of 1,000 workers, marked by a 12,000 decline in manufacturing employment.

The unemployment rate held at 3.5 percent. The labor force grew by 209,000, and the labor force participation rate held at 63.2 percent.

Average hourly earnings increased by 3 cents, a 2.9 percent increase over the year. Average hourly earnings for production and non-supervisory workers increased by 2 cents, for a 3.03 percent gain over the year.

By educational attainment, unemployment declined or was unchanged. Unemployment declined by 0.1 percentage points for both workers with less than a high-school diploma and those with a bachelor's degree or higher, while unemployment declined by 0.2 percentage points for workers with some college or an associate degree. By race, unemployment increased by 0.3 percent for African Americans and declined by 0.1 percent for Asians.

**Data junkies here's your fix: The December U-6 (the broadest measure of unemployment) decreased to 6.7 percent, reflecting declines in the contribution of discouraged workers and a decline in workers marginally attached to the work force.**

*The December jobs report was a bit softer than expectations, with manufacturing employment returning to negative territory and a particular disappointment on earnings, but it is still a reflection of a labor market that is essentially healthy and strong.*