



**U6 Fix**

# November Jobs: No Surprises

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The November report contained absolutely no surprises. The economy generated 211,000 jobs and the unemployment rate stayed steady at 5.0 percent.

Inside the report, the underpinnings were solid but unspectacular. The labor force rose 273,000 and the labor force participation rate edged up to 62.5 percent (up 0.1 percent).

The unemployment rate for Hispanics was 6.4 percent, up only slightly, while the rate for teenagers fell a full 0.2 percentage points to 15.7 percent. Teen unemployment has fallen sharply in the past three reports.

The important average hourly earnings data showed monthly growth of 0.2 per-cent and are now up 2.3 percent year-over-year. In a world with inflation running just south of 2 percent, that represents modest real wage growth.

There were two weak points in the report. Weekly hours of work declined slightly and lead to a decline in average weekly earnings. There was also an increase of 319,000 in part-time work for economic reasons.

Data junkies here's your fix: the November U-6 (the broadest measure of unemployment) rose to 9.9 from 9.8 percent. The rise was driven by the in-crease in people working part time because of slack business conditions.

The bottom line: The November report ensures that the Fed will move at the Decem-ber meeting. It also eliminates any fears of downside risk to growth, but provides no evidence of a significant upshift beyond the 2.2 percent average since the recovery began.