

07.May.2021

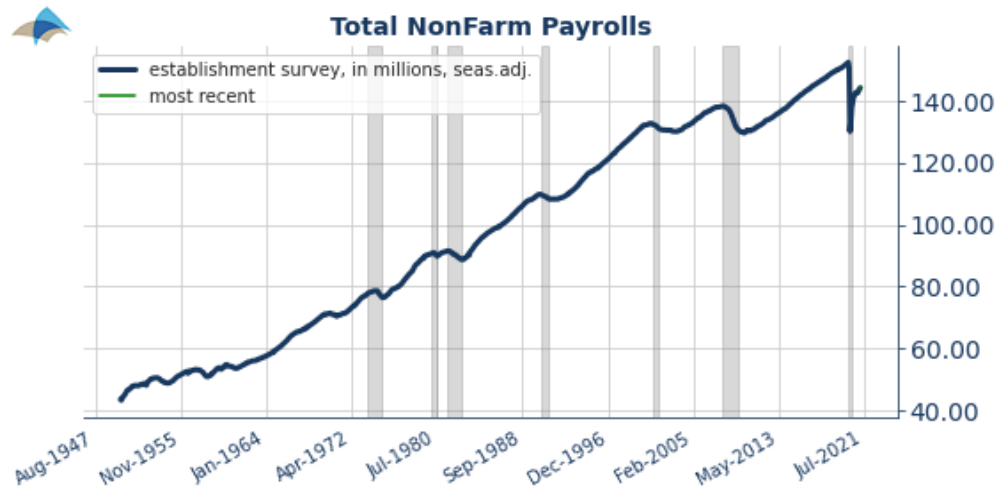
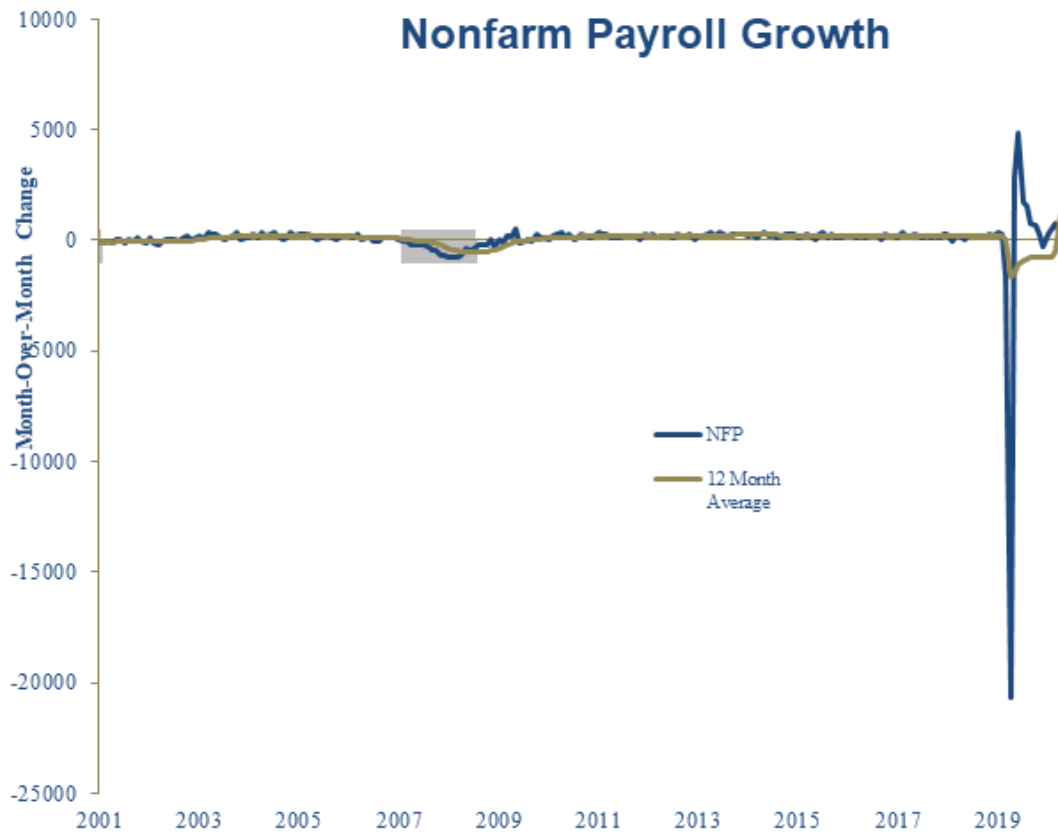
Employment: Anemic Gains, Negative Revisions

Bottom Line: Employment rose just over 266k, nearly a million less than some of the higher forecasts. Moreover, there were net negative revisions to the prior two months' gains. Retail trade and the wholesale/transportation sectors saw surprising job losses. The education sector, which can be impacted by difficult seasonal adjustments this time of year, saw losses. Temporary services companies also saw a sharp decline in employment, down over 100k. Leisure and Hospitality saw gains of 331k, about half of what was expected amid reopenings.

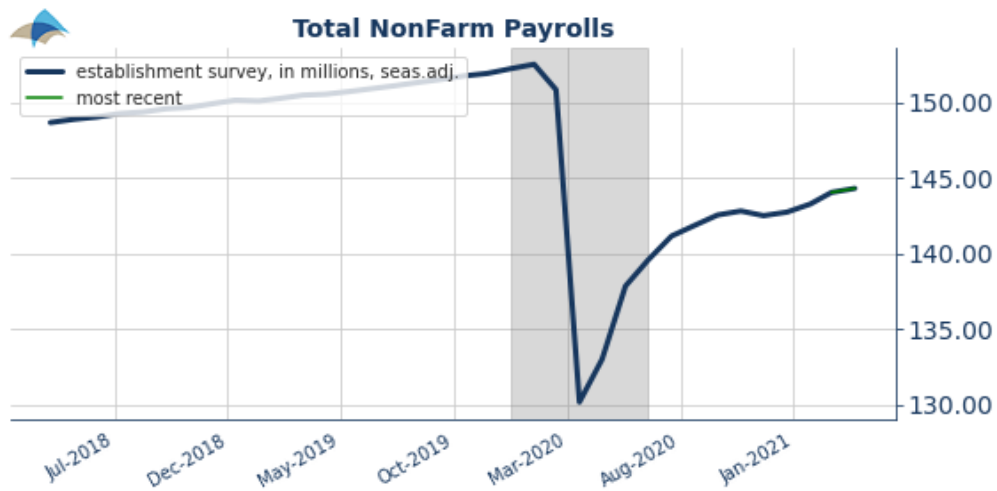
The household employment reported, used for the unemployment rate calculation, saw gains of 328k, slightly higher than the establishment survey but still well below expectations. Labor force participation rose slightly, and the unemployment rate rose a tenth. Average hourly earnings rose sharply, much more than expected, as it appears businesses asked current employees to work longer and paid them modestly more. On the net, average weekly earnings were up nearly a percent.

Overall, looking across all these factors, the data in **this report could be confirming the anecdotes that businesses are having a hard time finding employees** as many unemployed workers prefer to stay on unemployment insurance for either financial, childcare, or health reasons. That said, we should **keep in mind that seasonal adjustments** have been challenging throughout the pandemic and appear to have biased lower the reported jobs in several sectors. In addition, other labor market indicators certainly suggest a stronger market than this report. Still, this report shows just how volatile and uncertain this recovery remains, which likely means the Fed will allow the recovery to run longer before removing accommodation.

	Cons.	Actual	Prior
Non Farm Payroll	1000k	266k	770k
U-rate	5.8%	6.1%	6.0%
Hourly Earnings	0.0%	0.7%	-0.1%



- looking at just the last two years:



Payroll Employment rose by 266k in April, compared with market expectations for an increase of 1000k. The prior 2 months were revised, lower in March by 146k and higher in February by 68k.

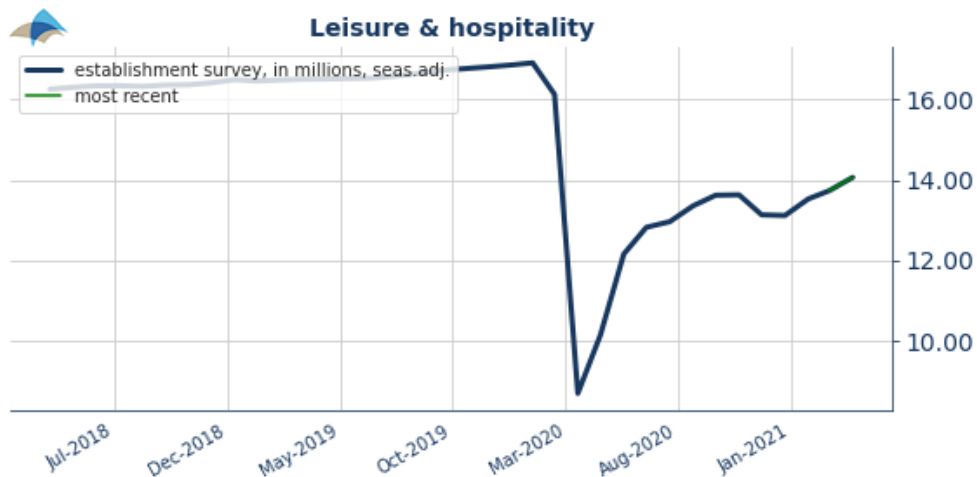
Government jobs ROSE by 48k. Consequently, **private sector** jobs ROSE by 218k.

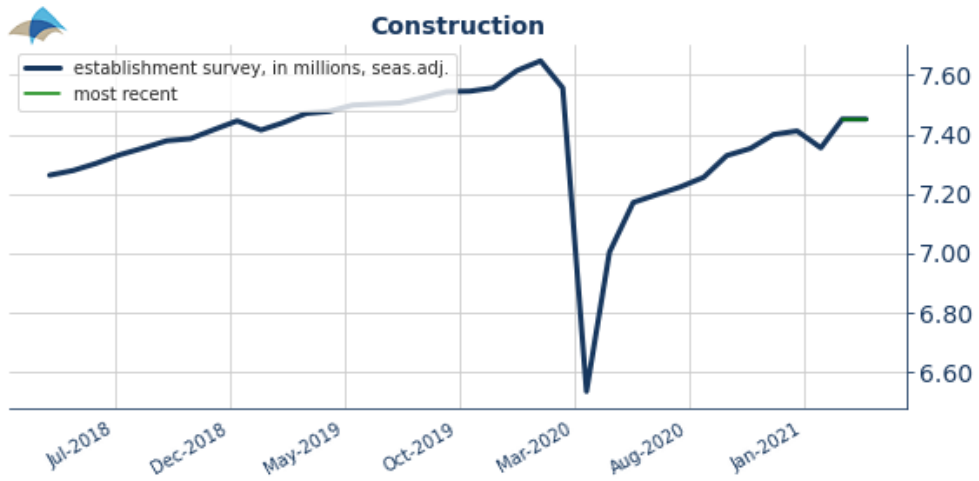
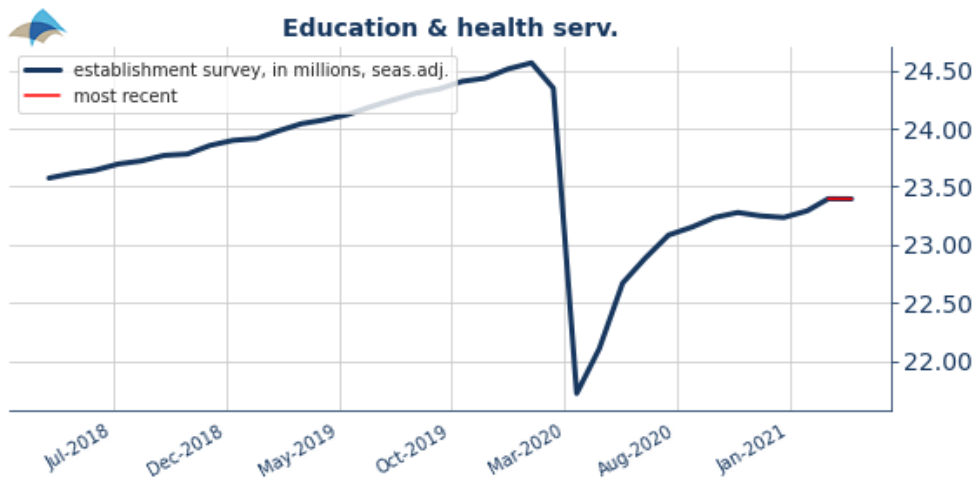
Overall employment is now 10.9% ABOVE its year-ago level, Over the past 12 months, 14,147k jobs have been created. In April, the job gains were in

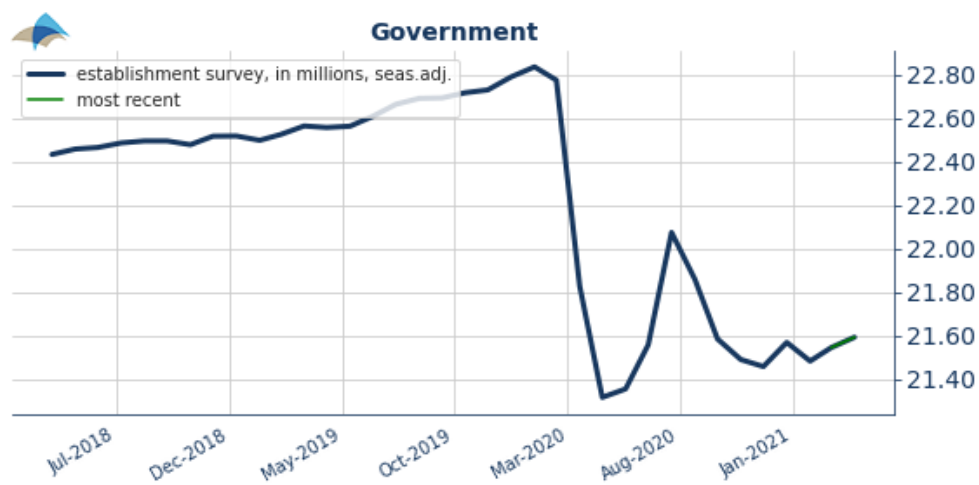
- Leisure & Hospitality (+331k),
- Government (+48k),
- Other Services (+44k),
- Financial Activities (+19k),
- Health Services (+19k), and Information (+1k).

Jobs were shed in

- Manufacturing (-18k)
- Trade, Transportation & Utilities (-66k with -15k of those in Retail Trade),
- Professional & Business Services (-79k with a slip of 111.4k in Temp Help Services),







Change in US Employment - Major Sectors in 000s	Apr-21	Mar-21	Feb-21	Jan-21	Total Since May-20	Total Mar-20 to Apr-20	3m. avg.	6m. avg.	12m. avg.	2020	Avg Mo. prior 5 yrs.
Total nonfarm	266	770	536	233	14147	-22362	524	294	1179	-785	-10
Trade, trans., & utilities	-81	99	58	39	2586	-3363	25	42	216	-70	0
Education & health serv.	-1	104	57	-14	1673	-2843	53	27	139	-99	15
Government	48	62	-86	111	-235	-1009	8	1	-20	-106	-11
Prof. & business serv.	-79	67	93	90	1639	-2387	27	71	137	-72	10
Leisure & hospitality	331	206	413	-17	5376	-8224	317	74	448	-306	-38
Manufacturing	-18	54	35	-18	870	-1385	24	22	72	-48	-2
Financial activities	19	19	-7	7	216	-279	10	11	18	-5	10
Construction	0	97	-57	12	917	-1113	13	20	76	-13	13
Information	1	8	6	13	54	-281	5	6	4	-20	-2
Mining & logging	2	15	2	-1	-7	-68	6	4	-1	-8	-2
Other serv.	nan	42	19	11	1014	-1410	30	11	92	-38	-3

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The Unemployment Rate ROSE by 0.1 percentage points in April to 6.1%, compared with market expectations for a small decline to 5.8%. Household employment rose by 328k while the labor force increased by 430k, resulting in an increase in the number of unemployed of 102k.

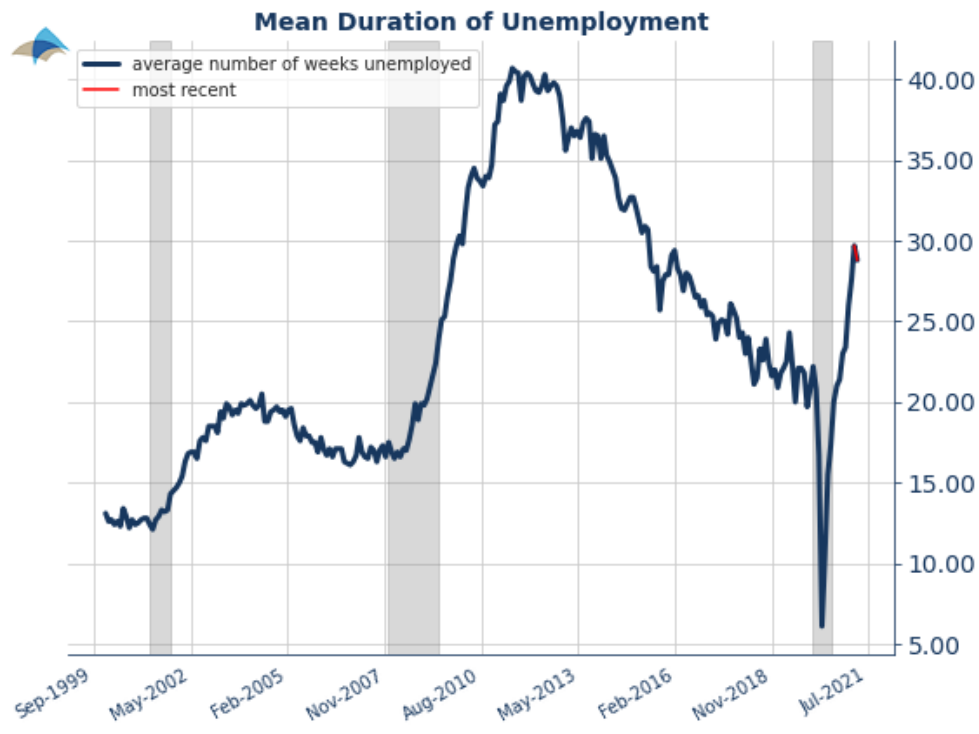
The Labor Force Participation Rate ROSE by 0.2 percentage points to 61.7%.

The Employment-Population Ratio ROSE by 0.1 percentage points to 57.9%.

The number of people **Working Part-Time for Economic Reasons** FELL by 626k to 5,178k. while **Long-Term Unemployment** FELL by 35k to 4,183k (accounting for 42.6% of the unemployed), as the **Mean Duration of Unemployment** FELL by 0.9 weeks to 28.8 weeks. There are now 9.8 million people officially unemployed. In addition, there are another 6,647k people who say they want a job but are not currently looking for one. Finally, another 5,178k

people are working part-time because of slack economic conditions.





	Average for											
	Three	Six	Twelve	Five	Ten							
	Apr-21	Mar-21	Feb-21	Jan-21	Months	Months	Months	2019	2018	Years	Years	
Unemployment Rate	6.1%	6.0%	6.2%	6.3%	6.1%	6.3%	8.0%	3.7%	3.9%	4.4%	6.2%	
Civilian Labor Force (mln.)	161.0	160.6	160.2	160.2	160.6	160.5	160.2	164.6	163.1			
Change (thousands)	430	347	50	-406	276	45	376	121	215	137	96	
Household Employment (mln.)	151.2	150.8	150.2	150.0	150.8	150.3	147.5	158.7	156.7			
Change (thousands)	328	609	208	201	382	251	1,484	166	236	185	173	
Unemployed (mln.)	9.8	9.7	10.0	10.1	9.8	10.2	12.8	5.8	6.4	6.9	9.3	
Change (thousands)	102	-262	-158	-606	-106	-206	-1,108	-45	-21	-48	-77	
Not in the Labor Force (mln.)	100.1	100.4	100.7	100.7	100.4	100.5	100.5	95.6	95.8	95.2	92.1	
Currently wants a job (mln.)	6.6	6.9	6.9	7.0	6.8	7.0	7.3	4.9	5.4	5.4	5.9	
Adjusted Unemployment Rate	9.8%	9.9%	10.1%	10.2%	9.9%	10.2%	12.0%	6.3%	7.0%	7.4%	9.3%	
Not at work due to weather ('00)	46.0	116.0	897.0	176.0	353.0	234.3	133.9	112.0	187.0	140.6	151.4	
Mean Duration (in weeks)	28.8	29.7	27.6	26.0	28.7	26.4	22.0	20.8	22.0	24.2	30.3	
Long-Term Unemployed ('000's)	4,183	4,218	4,148	4,023	4,183	4,076	3,003	1,177	1,302	1,594	3,142	
Part-Time for Economic Reason ('000's)	5,178	5,804	5,986	5,824	5,656	5,909	6,950	4,119	4,559	5,012	6,420	

Source: Bureau of Labor Statistics, Department of Labor via Bloomberg. Our calculations.

The Index of Aggregate Hours ROSE by 0.5%, combining the moderate gain in private payroll employment and the longer workweek.

Hourly Earnings ROSE by 0.7% in April, above market expectations of 0.0%. Hourly earnings are now 0.3% ABOVE their year-ago level.

Weekly Earnings also ROSE by 1.0%, the result of the change in hourly earnings and a longer workweek. Weekly earnings are now 2.7% ABOVE their year-ago level.

The Average Workweek ROSE by 0.1 to 35.0 hours, ABOVE the market consensus at 34.9 hours.

	Annualized Averages for										
	Three	Six	Twelve			Five	Ten				
	Apr-21	Mar-21	Feb-21	Jan-21	Months	Months	Months	2019	2018	Years	Years
Average Hourly Earnings	0.70%	-0.1%	0.3%	0.0%	3.4%	4.5%	0.3%	2.9%	3.4%	2.9%	2.2%
<i>Prior Estimate</i>		<i>-0.1%</i>	<i>0.3%</i>	<i>0.0%</i>							
Average Weekly Earnings	0.99%	0.7%	-0.9%	0.9%	3.4%	5.7%	2.7%	2.3%	3.4%	2.7%	2.2%
Average Weekly Hours											
Total Private	35.0	34.9	34.6	35.0	34.8	34.8	34.8	33.5	33.7	33.6	33.7
<i>Prior Estimate</i>		34.8	34.8	34.7							
Goods Producing	40.1	40.2	39.7	40.2	40.0	40.0	39.8	40.1	40.6	40.4	40.3
Manufacturing	40.5	40.5	40.3	40.4	40.4	40.3	40.0	40.4	40.9	40.7	40.7
Overtime	3.2	3.2	3.2	3.2	3.2	3.2	3.0	3.2	3.5	3.3	3.3
Service Producing	33.9	33.8	33.6	33.9	33.8	33.8	33.7	33.2	33.3	33.3	33.3
Index of Aggregate Weekly Hours											
Total Private	0.5%	1.4%	-0.7%	1.0%	5.0%	4.0%	15.9%	0.8%	1.8%	1.6%	1.7%
<i>Prior Estimate</i>		1.5%	-0.8%	1.0%							
Goods Producing	-0.3%	2.1%	-1.3%	0.7%	1.7%	3.3%	15.4%	-0.8%	3.6%	1.3%	1.8%
Manufacturing	-0.1%	0.9%	0.0%	0.9%	3.2%	2.7%	14.7%	-1.2%	2.4%	0.5%	1.0%
Service Producing	0.5%	1.1%	-0.3%	1.0%	5.6%	3.5%	15.8%	1.3%	1.5%	1.7%	1.8%

Source: Bureau of Labor Statistics, Department of Labor via Bloomberg. Our calculations.

