

03.Jun.2022

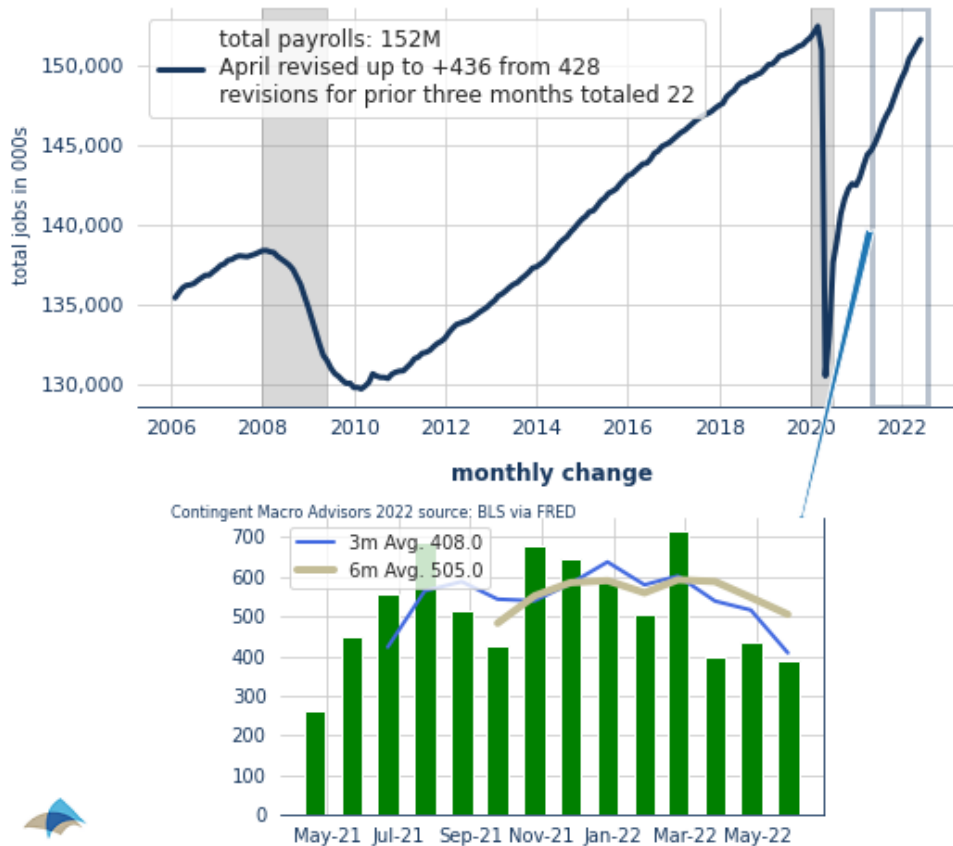
Employment: Continued Solid Gains

Bottom Line: Job gains in April were somewhat stronger than expected with solid hiring across most sectors, wages modestly higher and the unemployment rate unchanged at 3.6%. Leisure and hospitality jobs led the gains again with restaurants and hotels hiring. The only slight negative was retail trade, which shed nearly 61k, somewhat surprisingly, but that tends to be a sector where seasonal adjustments can be difficult at this time of year.

Wages were higher, though slightly below expectations. On a trend basis wage growth is still historically robust but is decelerating modestly, now running at 4.5% annualized over the last three months, well below the 5.2% pace of the last 12 months.

Overall, this was another solid labor report. Given the Fed's focus on the strength of the labor market as a critical factor behind sustained inflation, this will do little to dissuade the notion the Fed will likely continue 50bp rate hikes in June, July, and possibly September.

Total Nonfarm Payrolls May: +390, consensus: +325k



Payroll Employment rose by 390k in May, compared with market expectations for an increase of 380k. The prior 2 months were revised, higher in April by 8k and lower in March by 30k.

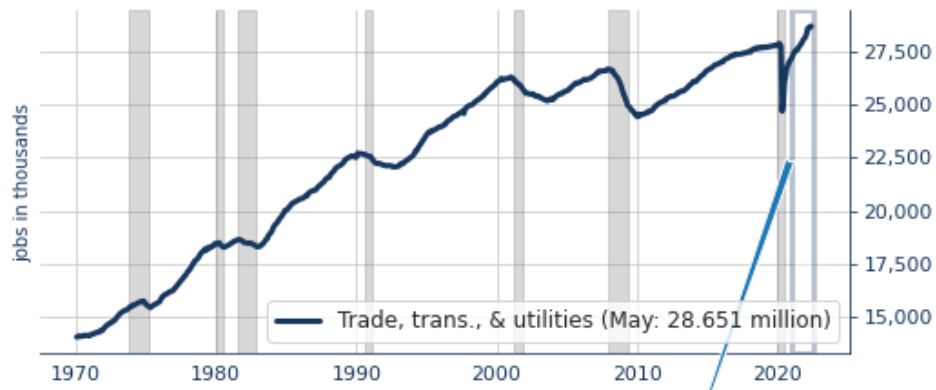
Government jobs ROSE by 57k. Consequently, **private sector** jobs ROSE by 333k. Private education jobs rose by 33k. State and Local education jobs rose by 51k.

Overall employment is now 4.5% ABOVE its year-ago level, Over the past 12 months, 6,541k jobs have been created.

In May, the job gains were in:

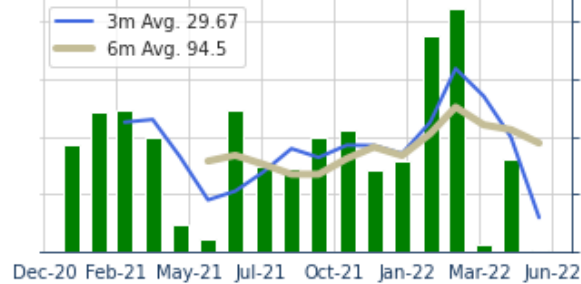
- Trade, Transportation & Utilities (+62k with -61k of those in Retail Trade),
- Professional & Business Services (+75k with the addition of 19.3k in Temp Help Services), Leisure & Hospitality (+84k),
- Government (+57k),
- Education & Health Services (+42k),
- Construction (+36k),
- Manufacturing (+18k), and
- Information (+16k).

Trade, trans., & utilities

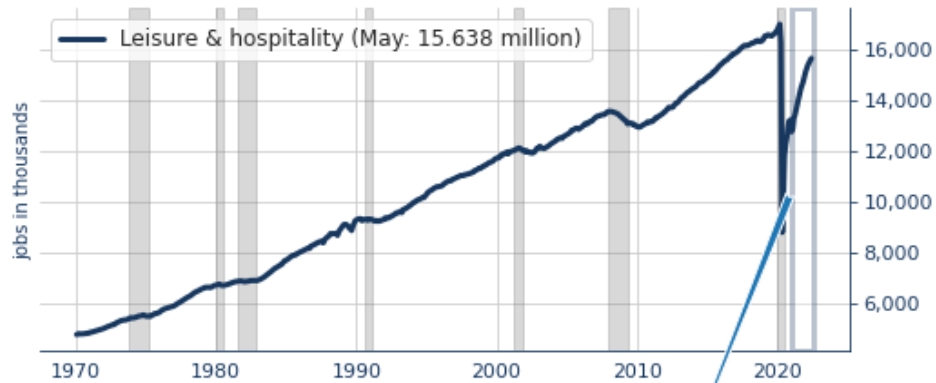


recent monthly changes (May: 1.0k)

Contingent Macro Advisors 2022 source: US BLS

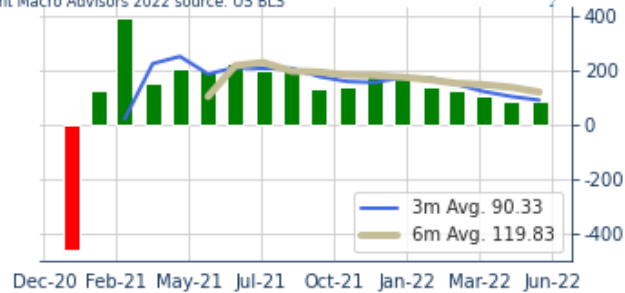


Leisure & hospitality

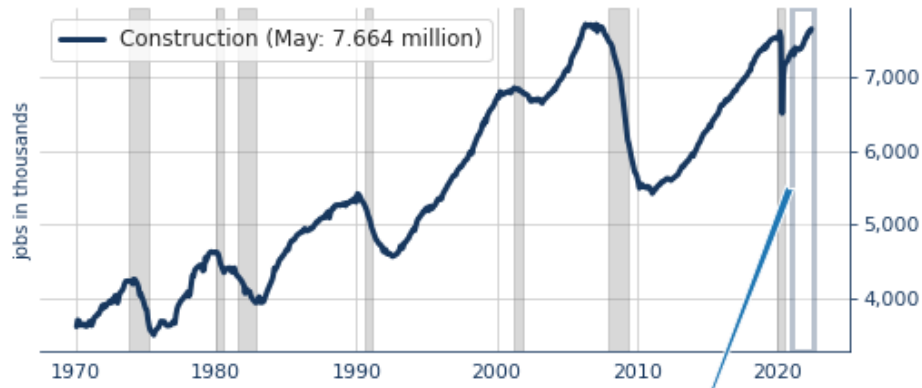


recent monthly changes (May: 84.0k)

Contingent Macro Advisors 2022 source: US BLS



Construction



recent monthly changes (May: 36.0k)

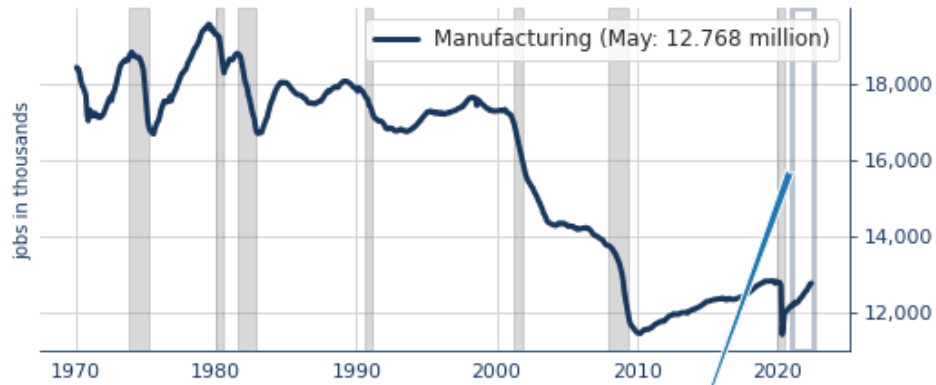
Contingent Macro Advisors 2022 source: US BLS



Dec-20 Feb-21 May-21 Jul-21 Oct-21 Jan-22 Mar-22 Jun-22

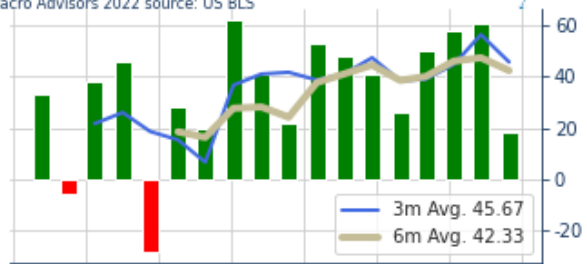


Manufacturing



recent monthly changes (May: 18.0k)

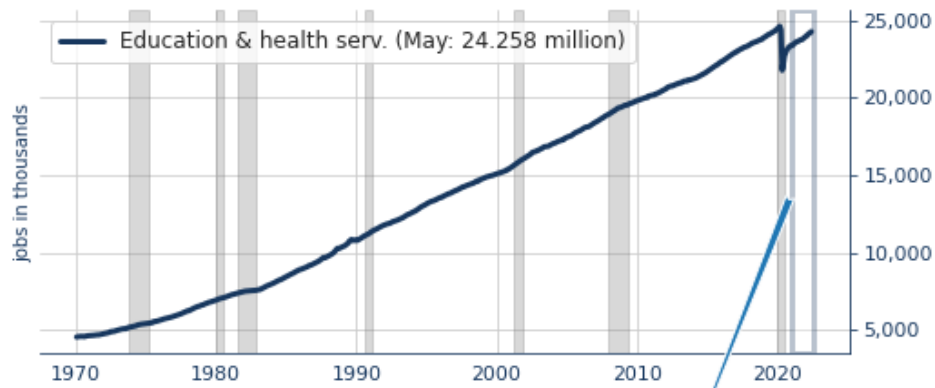
Contingent Macro Advisors 2022 source: US BLS



Dec-20 Feb-21 May-21 Jul-21 Oct-21 Jan-22 Mar-22 Jun-22

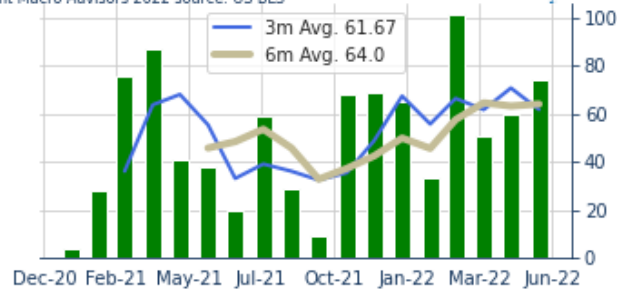


Education & health serv.



recent monthly changes (May: 74.0k)

Contingent Macro Advisors 2022 source: US BLS



Change in US Employment - Major Sectors in 000s	May-22	Apr-22	Mar-22	Feb-22	3m. avg.	6m. avg.	12m. avg.	2021	Avg Mo. prior 5 yrs.
Total nonfarm	390.000	436.000	398.000	714.000	408.000	505.000	545.100	561.917	63.700
Trade, trans., & utilities	1.000	81.000	7.000	211.000	29.700	94.500	92.800	83.750	13.800
Education & health serv.	74.000	60.000	51.000	101.000	61.700	64.000	53.200	49.083	16.800
Government	57.000	31.000	13.000	10.000	33.700	25.000	24.000	37.500	-2.700
Prof. & business serv.	75.000	49.000	94.000	87.000	72.700	80.700	99.200	94.333	25.600
Leisure & hospitality	84.000	83.000	104.000	124.000	90.300	119.800	150.700	196.333	-12.300
Manufacturing	18.000	61.000	58.000	50.000	45.700	42.300	41.700	30.417	3.300
Financial activities	8.000	35.000	11.000	29.000	18.000	16.500	16.800	11.833	8.200
Construction	36.000	0.000	22.000	54.000	19.300	27.000	23.600	15.750	12.100
Other serv.	16.000	13.000	15.000	38.000	14.700	18.700	24.800	23.750	-1.800
Information	16.000	15.000	18.000	0.000	16.300	10.500	13.700	16.167	1.700
Mining & logging	5.000	8.000	5.000	10.000	6.000	6.000	4.800	3.000	-1.000

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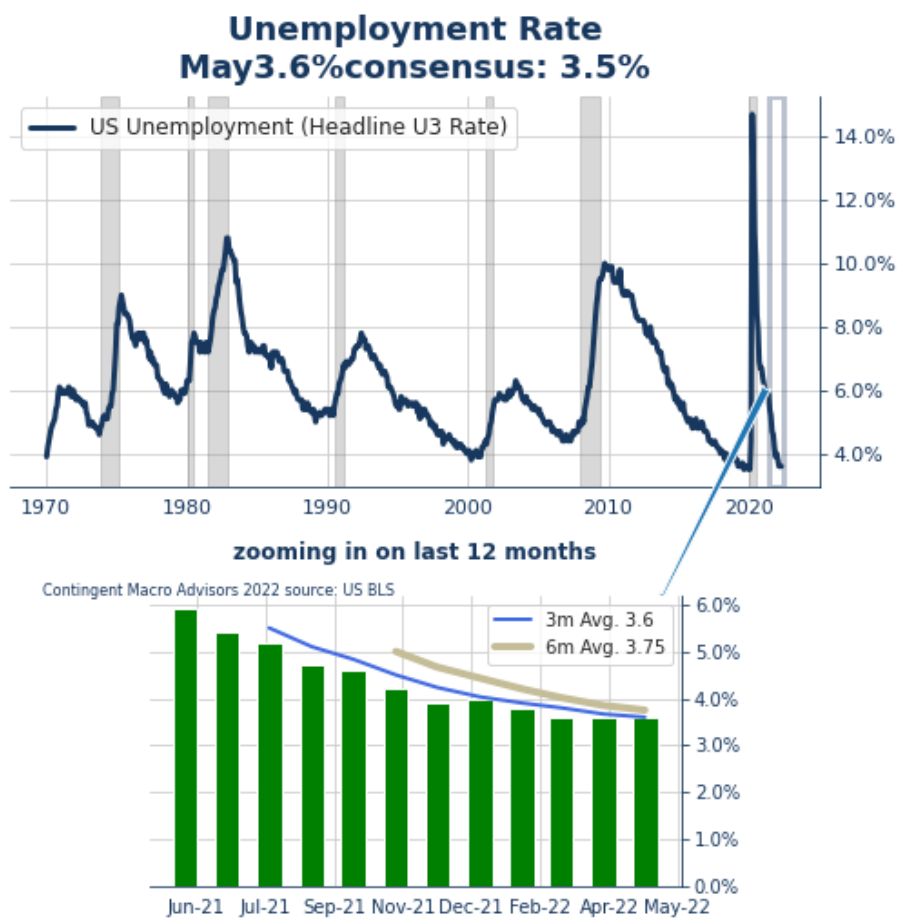
The Unemployment Rate was UNCHANGED in May at 3.6%, compared with market expectations for a small decline to 3.5%.

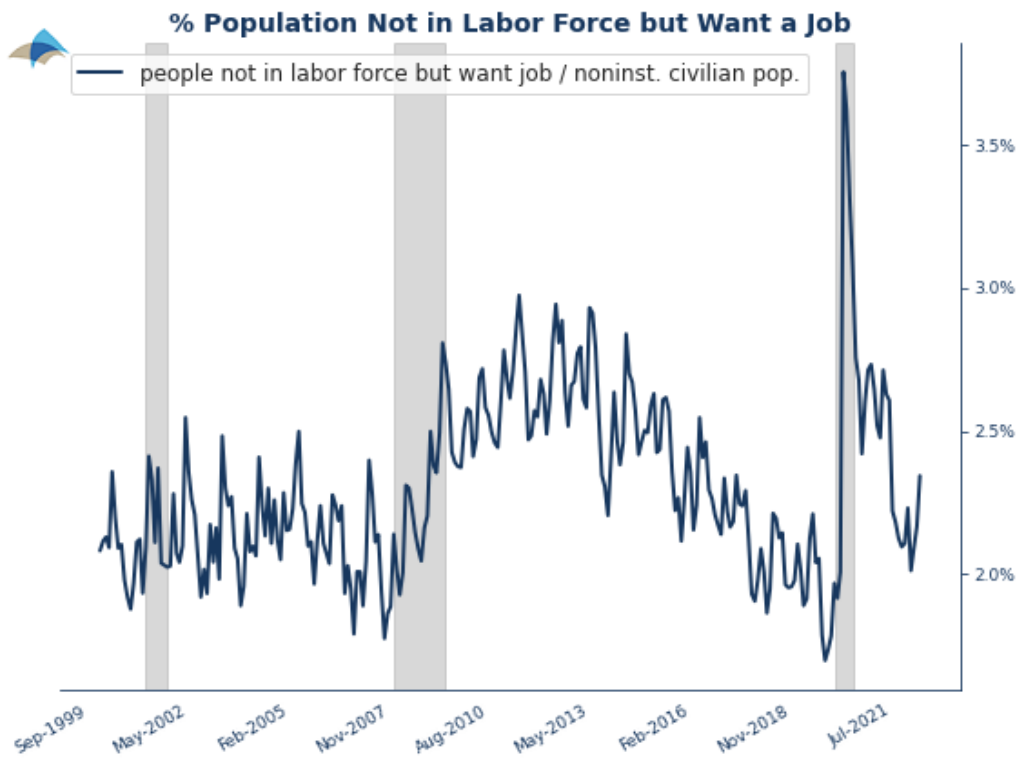
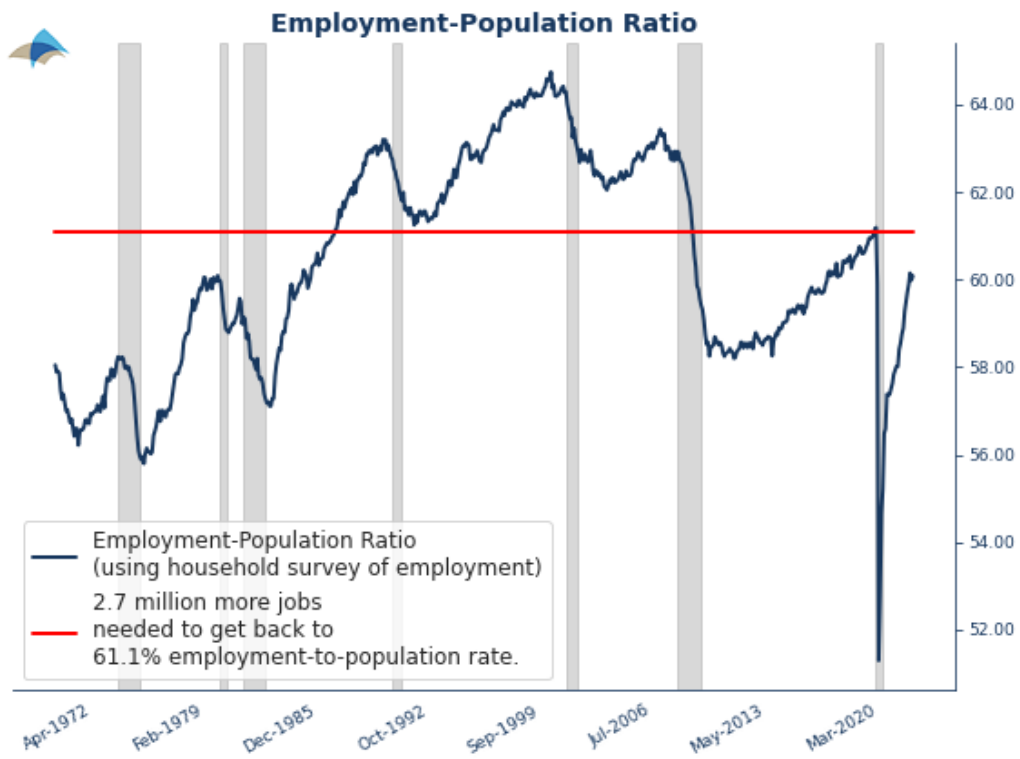
Household employment rose by 321k while the labor force increased by 330k, resulting in an increase in the number of unemployed of 9k.

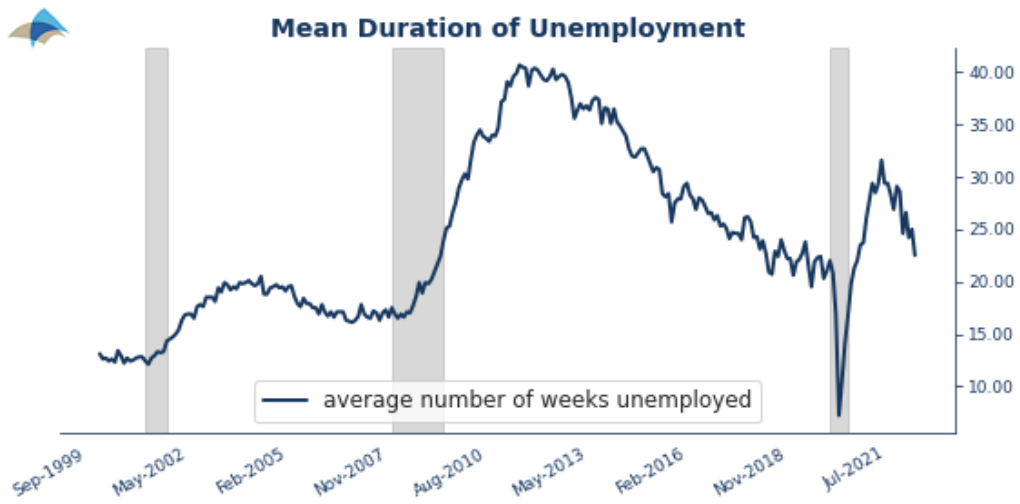
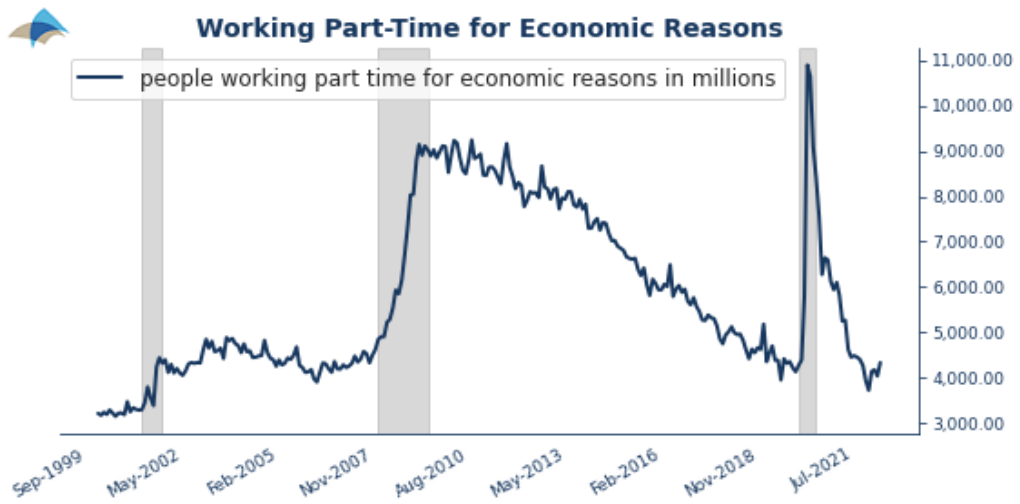
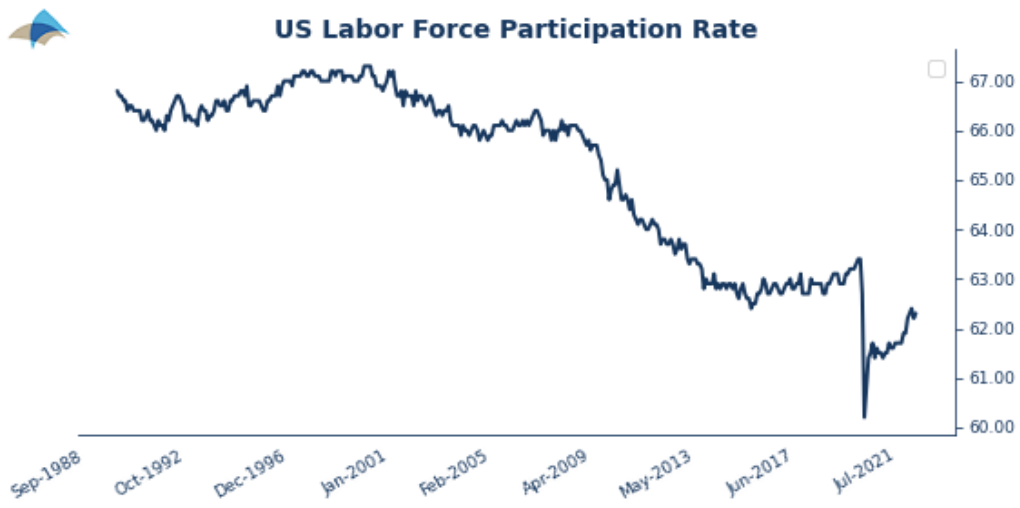
The Labor Force Participation Rate ROSE by 0.1 percentage points to 62.3%.

The Employment-Population Ratio ROSE by 0.1 percentage points to 60.1%. The number of people Working Part-Time for Economic Reasons ROSE by 239k to 4,235k. while Long-Term Unemployment FELL by 127k to 1,356k (accounting for 22.8% of the unemployed), while the Mean Duration of Unemployment FELL by 2.5 weeks to 22.5 weeks.

There are now 6.0 million people officially unemployed. In addition, there are another 5,681k people who say they want a job but are not currently looking for one. Finally, another 4,235k people are working part-time because of slack economic conditions.







	May-22	Apr-22	Mar-22	Feb-22	Average for						
					Three Months	Six Months	Twelve Months	2020	2019	Five Years	Ten Years
Unemployment Rate	3.6%	3.6%	3.6%	3.8%	3.6%	3.8%	4.4%	8.1%	3.7%	5.0%	6.1%
Civilian Labor Force (mln.)	164.4	164.0	164.4	164.0	164.3	163.8	162.7	164.6	163.1		
Change (thousands)	330	-363	418	304	128	375	298	124	218	138	96
Household Employment (mln.)	158.4	158.1	158.5	157.7	158.3	157.6	155.6	149.9	158.8		
Change (thousands)	321	-353	736	548	235	517	573	167	239	186	173
Unemployed (mln.)	6.0	5.9	6.0	6.3	5.9	6.2	7.1	10.8	5.9	7.4	9.0
Change (thousands)	9	-11	-318	-243	-107	-142	-275	-43	-21	-48	-77
Not in the Labor Force (mln.)	99.3	99.5	99.0	99.3	99.3	99.4	99.8	100.6	95.5	96.5	93.6
Currently wants a job (mln.)	5.7	5.9	5.7	5.4	5.8	5.7	5.9	7.3	4.8	5.7	6.0
Adjusted Unemployment Rate	6.8%	6.9%	6.9%	6.9%	6.9%	7.0%	7.7%	10.8%	6.3%	7.8%	9.1%
Not at work due to weather ('01)	18.0	77.0	89.0	161.0	61.3	105.0	75.7	111.0	112.0	137.8	144.6
Mean Duration (in weeks)	22.5	25.0	24.2	26.6	23.9	25.3	27.2	23.7	21.0	23.5	29.3
Long-Term Unemployed (000's)	1,356	1,483	1,428	1,702	1,422	1,611	2,279	3,979	1,196	1,974	2,901
Part-Time for Economic Reason (000's)	4,235	3,996	4,149	4,105	4,127	4,001	4,182	6,036	4,073	5,004	6,133

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

The Index of Aggregate Hours ROSE by 0.3%, combining the solid gain in private payroll employment and the steady workweek.

Hourly Earnings ROSE by 0.3% in May, below market expectations of 0.4%. Hourly earnings are now 5.2% ABOVE their year-ago level.

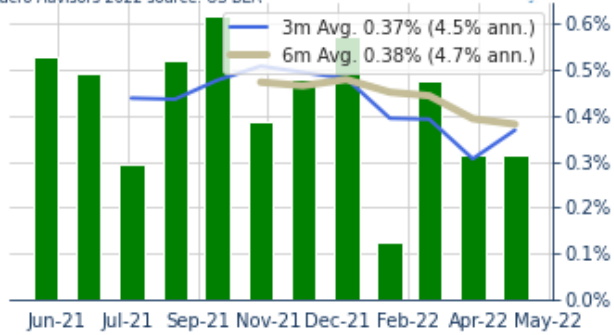
Weekly Earnings also ROSE by 0.3%, the result of the change in hourly earnings and a steady workweek. Weekly earnings are now 4.3% ABOVE their year-ago level.

The Average Workweek was UNCHANGED at 34.6 hours, BELOW the market consensus at 34.7 hours.

Average Hourly Earnings Total All Employees



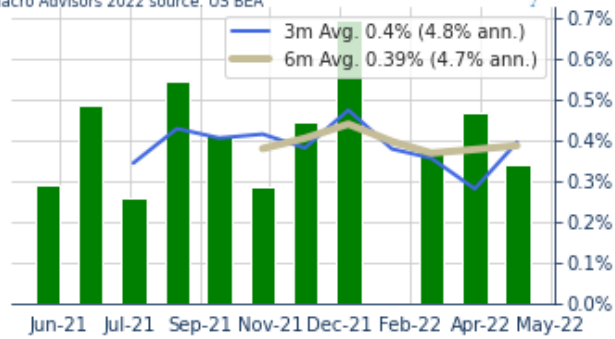
Contingent Macro Advisors 2022 source: US BEA



Average Hourly Earnings Goods-producing



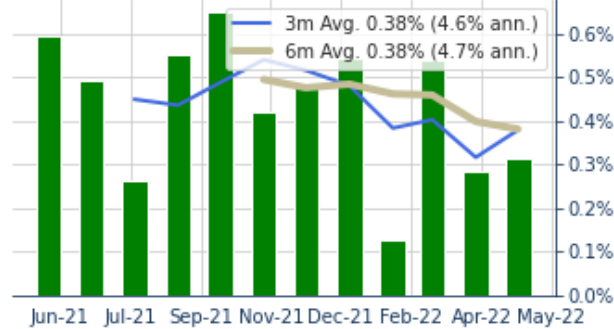
Contingent Macro Advisors 2022 source: US BEA



Average Hourly Earnings Private service-providing



Contingent Macro Advisors 2022 source: US BEA



	May-22	Apr-22	Mar-22	Feb-22	Annualized Averages for			2020	2019	Five Years	Ten Years
					Three Months	Six Months	Twelve Months				
Average Hourly Earnings	0.31%	0.3%	0.5%	0.1%	4.5%	4.7%	5.2%	2.9%	3.4%	3.5%	2.6%
<i>Prior Estimate</i>		0.3%	0.5%	0.1%							
Average Weekly Earnings	0.31%	0.3%	0.2%	0.4%	3.3%	3.5%	4.3%	2.3%	3.4%	3.7%	2.7%
Average Weekly Hours											
Total Private	34.6	34.6	34.6	34.7	34.6	34.7	34.7	34.2	33.5	33.7	33.7
<i>Prior Estimate</i>		34.6	34.6	34.7							
Goods Producing	40.1	40.0	40.1	40.4	40.1	40.1	40.0	39.9	40.1	40.2	40.3
Manufacturing	40.4	40.5	40.7	40.7	40.5	40.5	40.4	40.1	40.4	40.6	40.7
Overtime	3.2	3.3	3.4	3.5	3.3	3.3	3.3	3.2	3.2	3.3	3.4
Service Producing	33.5	33.6	33.6	33.6	33.6	33.6	33.7	33.7	33.2	33.3	33.3
Index of Aggregate Weekly Hours											
Total Private	0.3%	0.3%	0.0%	0.9%	2.2%	3.5%	4.2%	0.7%	1.8%	0.1%	0.9%
<i>Prior Estimate</i>		0.4%	0.0%	0.9%							
Goods Producing	0.5%	0.1%	-0.3%	1.8%	1.3%	5.0%	4.5%	-0.6%	3.3%	0.1%	0.9%
Manufacturing	-0.1%	0.0%	0.4%	1.4%	1.3%	4.7%	4.0%	-1.2%	2.3%	-0.5%	0.2%
Service Producing	0.0%	0.3%	0.3%	0.8%	2.4%	3.5%	4.0%	1.3%	1.4%	0.1%	1.0%

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