

07.Apr.2023

Employment: Job Growth Slows, Wages Still Growing

Bottom Line: Nonfarm payrolls rose as expected in March, up 236k, the slowest gains in over two years. Private sector job gains were particularly slow as government hiring jumped. Construction and manufacturing shed jobs, as did retail trade. Jobs in education and health services continued to grow but slowed significantly from the average pace of the last year.

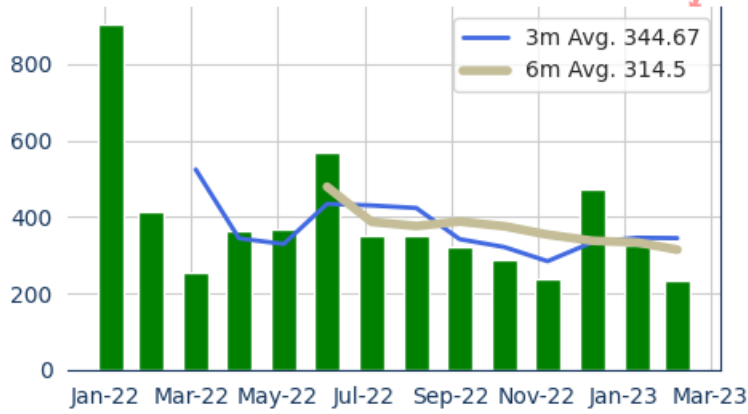
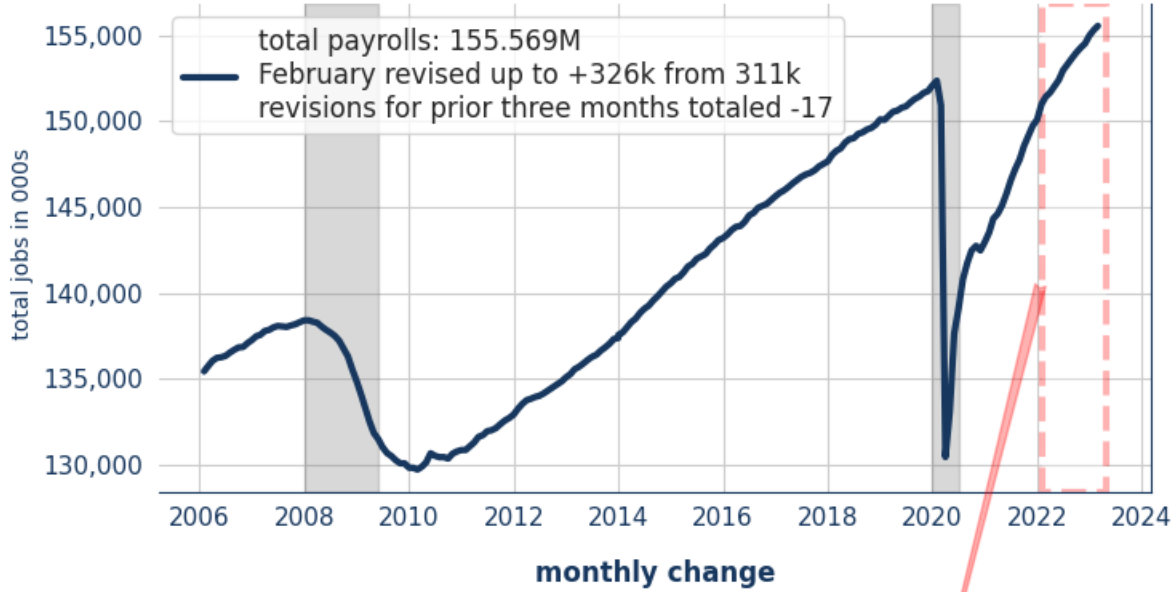
Average hourly earnings rose 0.27%, just a touch faster than the prior month but still decelerating slowly on a trend basis. After running at an annualized pace of well over 5% in 2021 and over 4% in 2021, the trend rate of gains looks to be settling into the 3 - 3.5% area, slower but still more robust than the pre-pandemic trend rate.

Finally, the household survey showed sharply stronger job gains, rebounding to 577k in March from just 177k in February. With the labor force participation rate edging just a touch higher, the unemployment rate dropped a tenth to 6.7%.

Overall, looking through the volatility, the labor market remains robust but is cooling slowly.

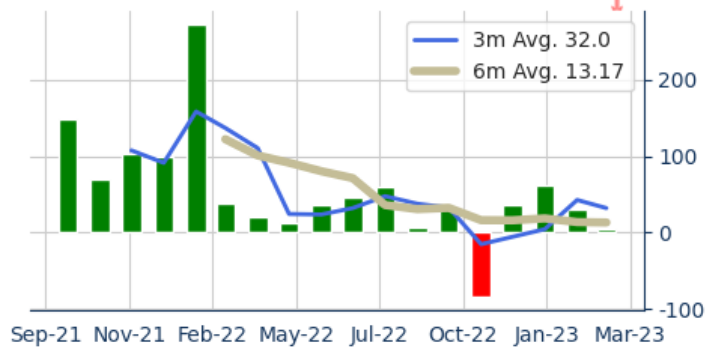
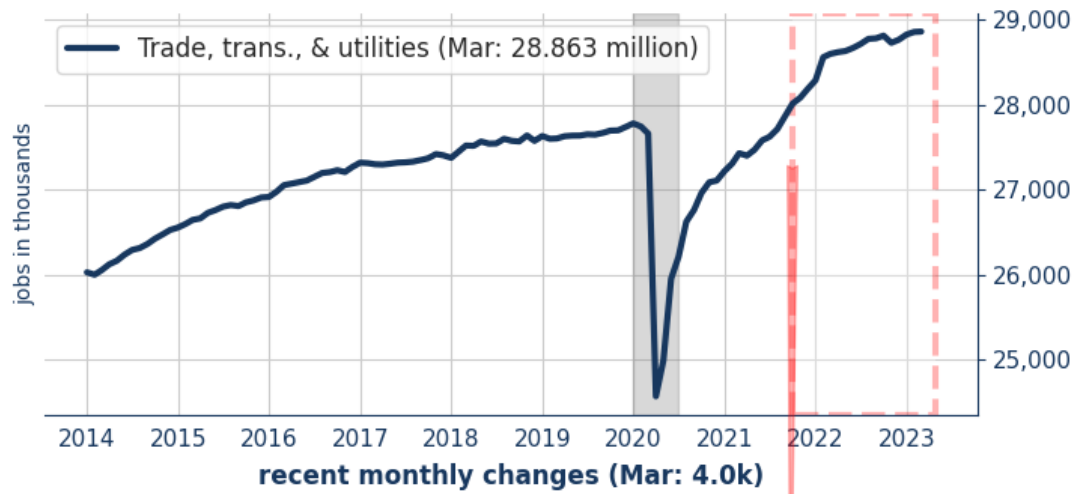
Total Nonfarm Payrolls

March: +236.0k, consensus: +230k



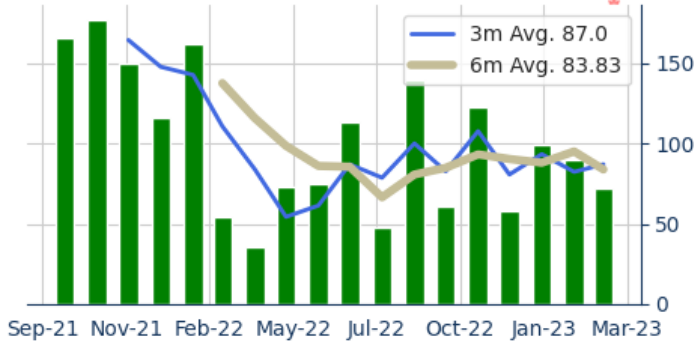
Contingent Macro Advisors 2023 source: BLS via FRED

Trade, trans., & utilities



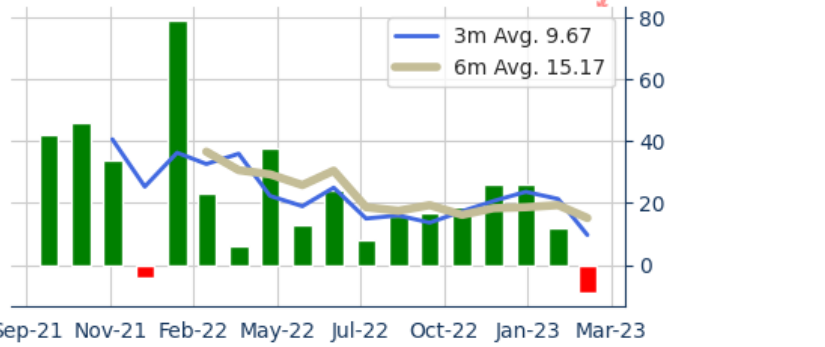
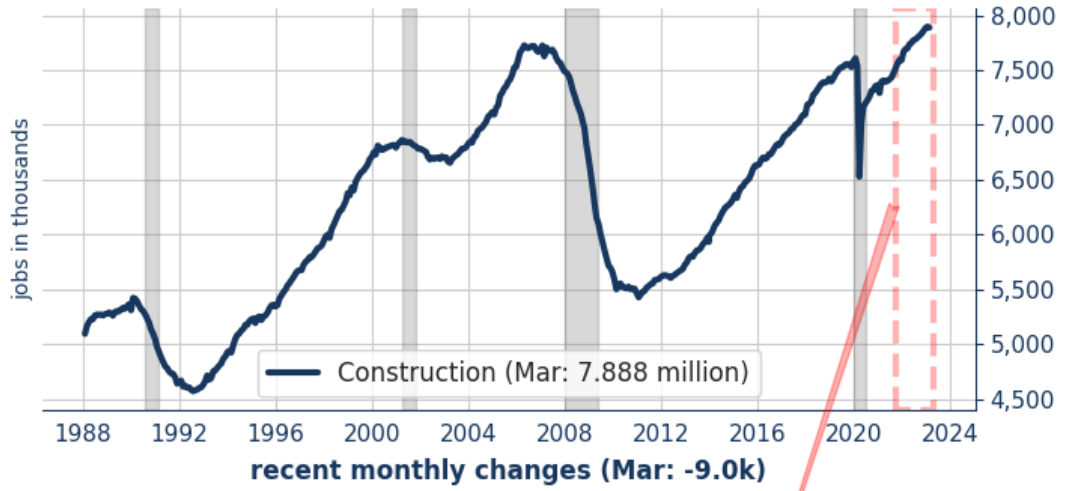
Contingent Macro Advisors 2023 source: US BLS

Leisure & hospitality



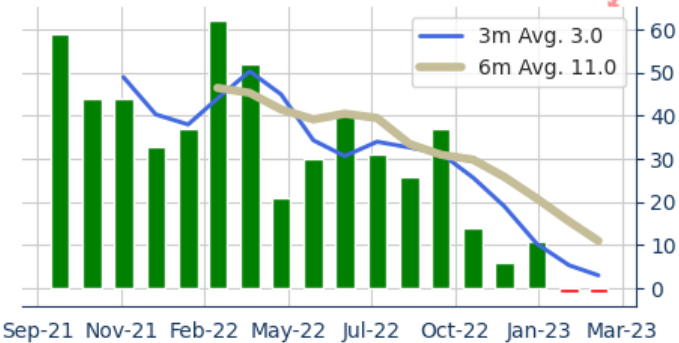
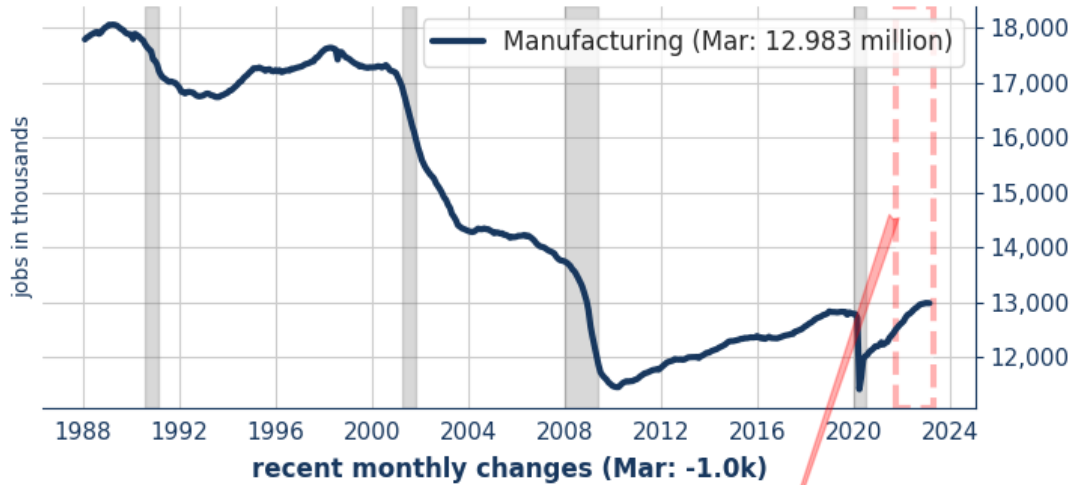
Contingent Macro Advisors 2023 source: US BLS

Construction



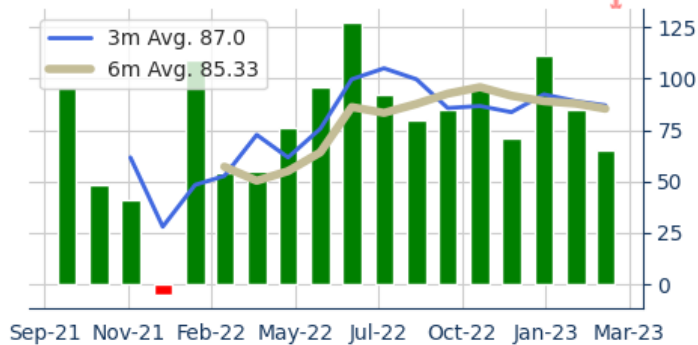
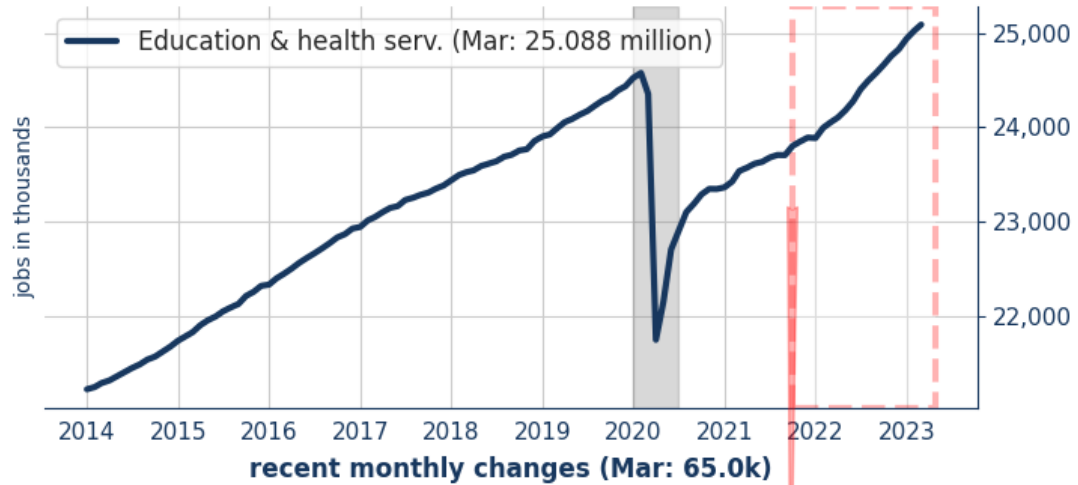
Contingent Macro Advisors 2023 source: US BLS

Manufacturing



Contingent Macro Advisors 2023 source: US BLS

Education & health serv.



Contingent Macro Advisors 2023 source: US BLS

Change in US Employment - Major Sectors in 000s	Mar-23	Feb-23	3m. avg.	6m. avg.	12m. avg.	2022	5y
Total nonfarm (155.6Mil. jobs)	236.00	326.00	344.70	314.50	345.40	399.42	121.50
Trade, trans., & utilities (28.9Mil.)	4.00	31.00	32.00	13.20	21.90	48.17	22.40
Education & health serv. (25.1Mil.)	65.00	85.00	87.00	85.30	86.50	77.92	26.10
Prof. & business serv. (23.0Mil.)	39.00	55.00	46.00	32.80	42.80	62.08	34.70
Government (22.6Mil.)	47.00	60.00	75.30	53.30	40.30	22.92	2.20
Leisure & hospitality (16.6Mil.)	72.00	90.00	87.00	83.80	82.20	88.17	5.60
Manufacturing (13.0Mil.)	-1.00	-1.00	3.00	11.00	22.20	32.50	6.20

Financial activities (9.1Mil.)	-1.00	-1.00	-1.00	5.00	8.40	13.83	9.30
Construction (7.9Mil.)	-9.00	12.00	9.70	15.20	16.30	22.08	11.60
Information (3.1Mil.)	6.00	-10.00	-9.00	-3.30	6.20	12.25	4.40
Mining & logging (0.6Mil.)	3.00	0.00	2.30	3.70	3.80	4.08	-1.30

Month-over-month % change for most recent months, followed by annualized % changes for periods noted. 5- and 10-year are simple averages of annual % changes.



The Unemployment Rate FELL by 0.1 percentage points in March to 3.5%, compared with market expectations for a no change to 3.6%. **Household employment** rose by 577k while the labor force increased by 480k, resulting in a decrease in the number of unemployed of 97k.

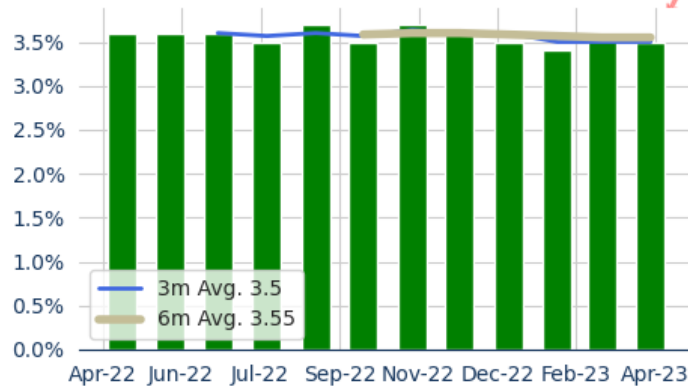
The Labor Force Participation Rate ROSE by 0.1 percentage points to 62.6%. **The Employment-Population Ratio** ROSE by 0.2 percentage points to 60.4%. **The number of people Working Part-Time for Economic Reasons** ROSE by 73k to 4,037k. while **Long-Term Unemployment** ROSE by 47k to 1,104k (accounting for 18.9% of the unemployed), while **the Mean Duration of Unemployment** ROSE by 0.2 weeks to 19.5 weeks. There are now 5.8 million people officially unemployed. In addition, there are another 4,925k people who say they want a job but are not currently looking for one. Finally, another 4,037k people are working part-time because of slack economic conditions.

US Unemployment Rate

March: +3.5%, consensus: +3.6%

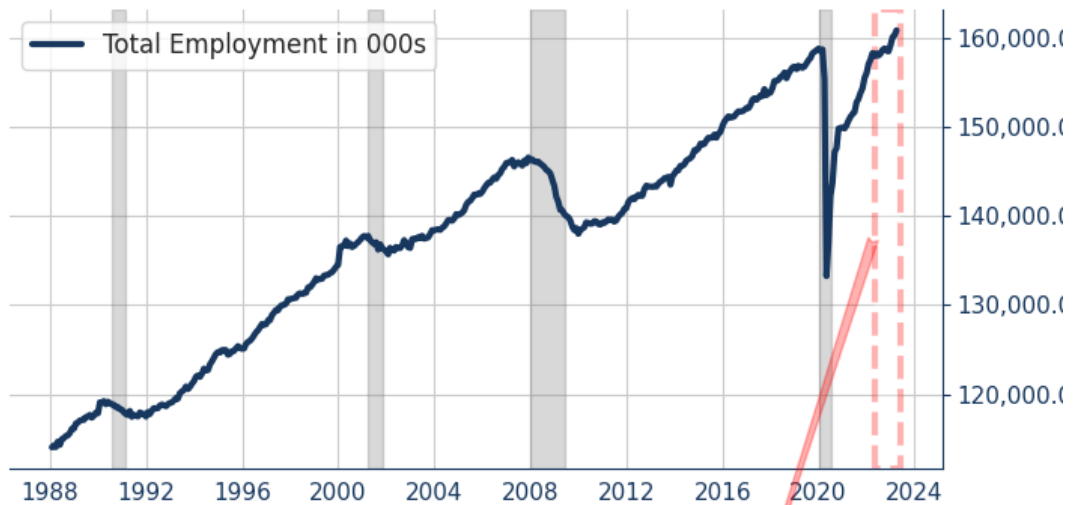


zooming in on last 12 months

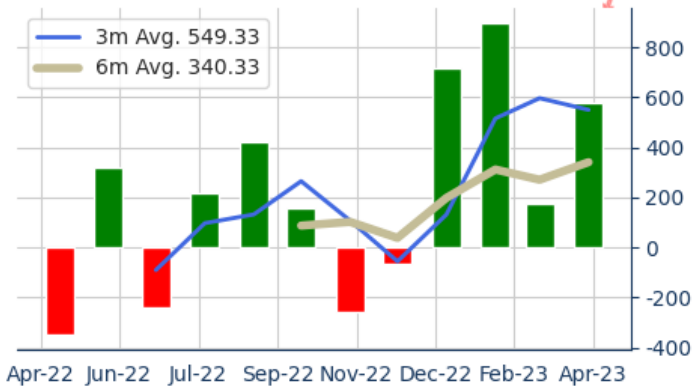


Contingent Macro Advisors 2023 source: US BLS

Household Survey Total Employment

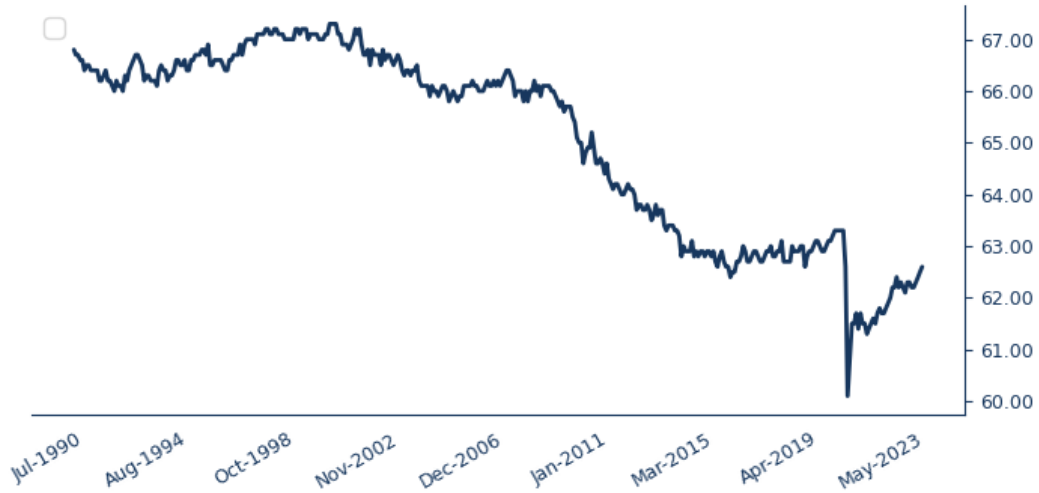


monthly change in 000s (Mar: 577k)

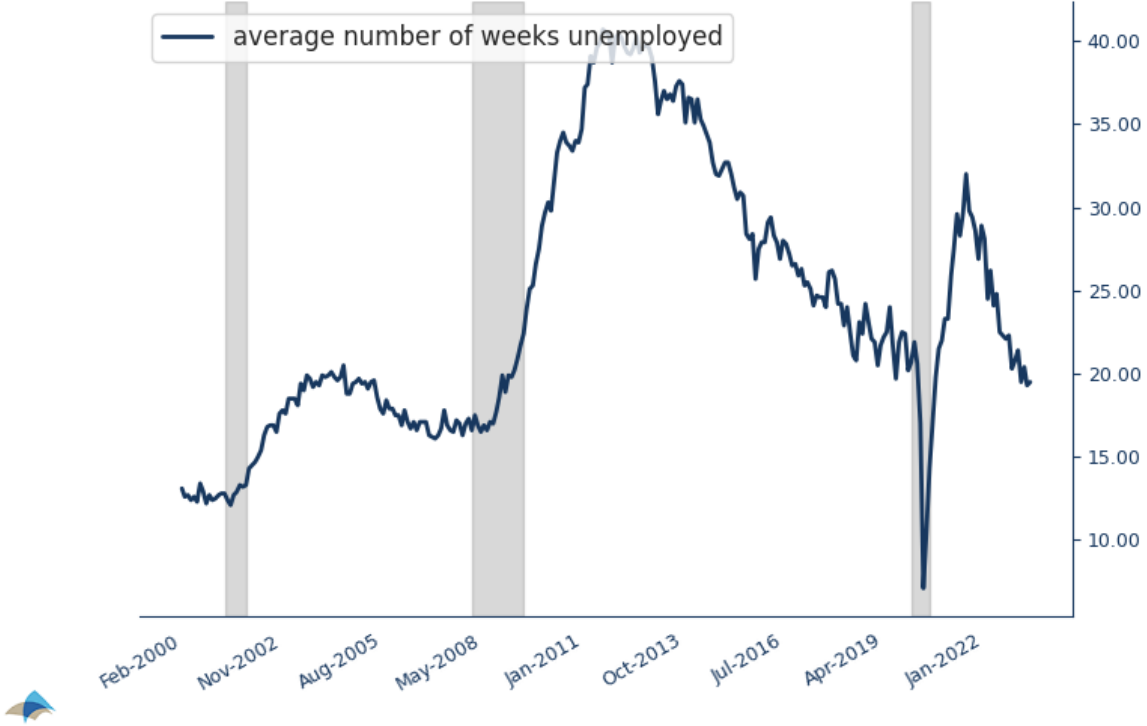


Contingent Macro Advisors 2023 source: US BLS

US Labor Force Participation Rate



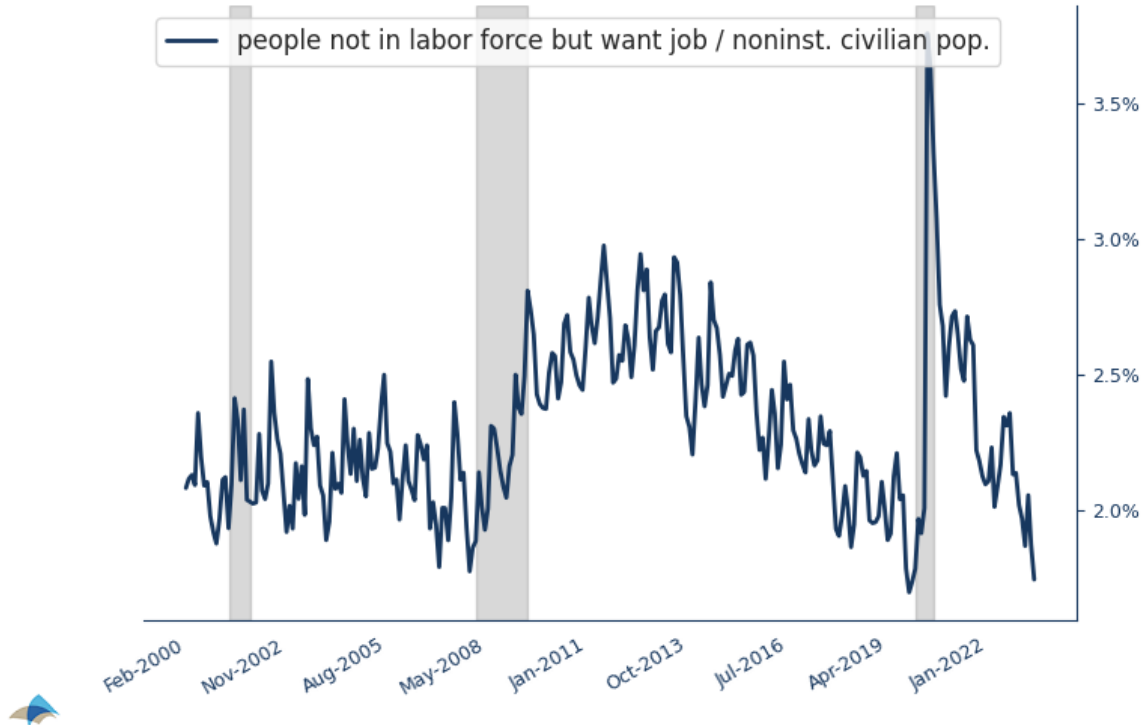
Mean Duration of Unemployment



Working Part-Time for Economic Reasons



% Population Not in Labor Force but Want a Job



Unemployment	Mar-23	Feb-23	3m. avg.	6m. avg.	12m. avg.	2022	5y
US Unemployment Rate	3.50	3.60	3.50	3.60	3.60	3.64	4.90
Chg in Household Survey Employment (in 000s)	577.00	177.00	549.30	340.30	213.70	263.58	94.60
Chg in Labor Force (in 000s)	480.00	419.00	588.30	352.00	202.50	213.00	84.10
Participation Rate	62.60	62.50	62.50	62.40	62.30	62.24	62.30
U6 Unemployment Rate	6.70	6.80	6.70	6.70	6.80	6.87	8.90
Mean Duration of Unemployment	19.50	19.30	19.70	20.20	21.30	22.57	22.60
Total Employment (Household Survey in mill)	160.89	160.31	160.40	159.60	159.00	158.30	154.70
US Population (civilian noninst. over 16 in mill.)	266.27	266.11	266.10	265.40	264.70	263.97	261.00
Working Part-Time for Economic Reasons (in mill)	4.10	4.07	4.10	3.90	3.90	3.93	5.00
Not in Labor Force - Want a Job (in mill)	4.65	4.99	5.00	5.10	5.50	5.64	5.90
Labor Force (in mill)	166.73	166.25	166.30	165.50	164.90	164.29	162.60

Month-over-month % change for most recent months, followed by annualized % changes for periods noted. 5- and 10-year are simple averages of annual % changes.

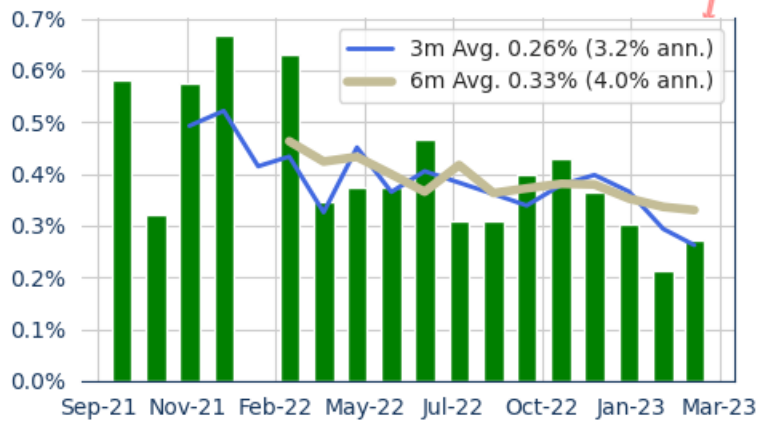
The Index of Aggregate Hours FELL by 0.1%, combining the moderate gain in private payroll employment and the shorter workweek.

Hourly Earnings ROSE by 0.3% in March, below market expectations of 0.3%. Hourly earnings are now 4.2% ABOVE their year-ago level. **Weekly Earnings** FELL by 0.0%, the result of the change in hourly earnings and a shorter workweek. Weekly earnings are now 3.3% ABOVE their year-ago level. **The Average Workweek** FELL by 0.1 to 34.4 hours, BELOW the market consensus at 34.5 hours.

US Private Average Hourly Earnings March: +4.24%, consensus: +4.3%



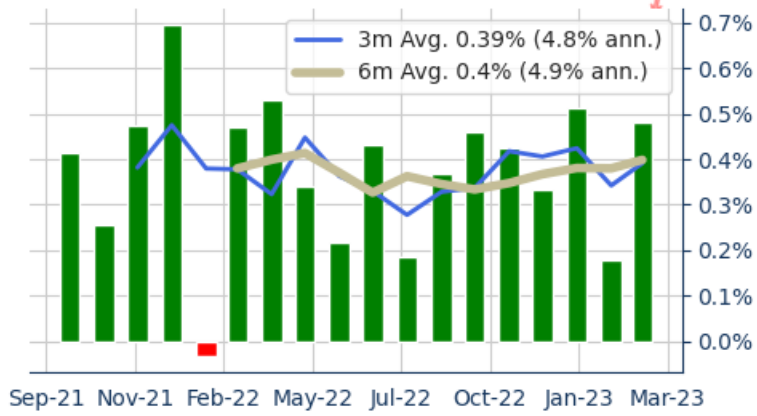
March: +0.27%, consensus: +0.3% (mom %)



Avg Hrly Earnings - Goods-producing



mom % change (Mar mom: 0.48%)

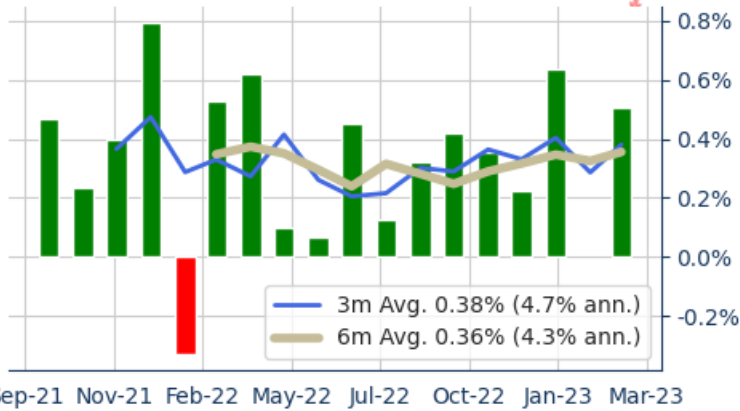


Contingent Macro Advisors 2023 source: US BLS via FRED

Avg Hrly Earnings - Manufacturing

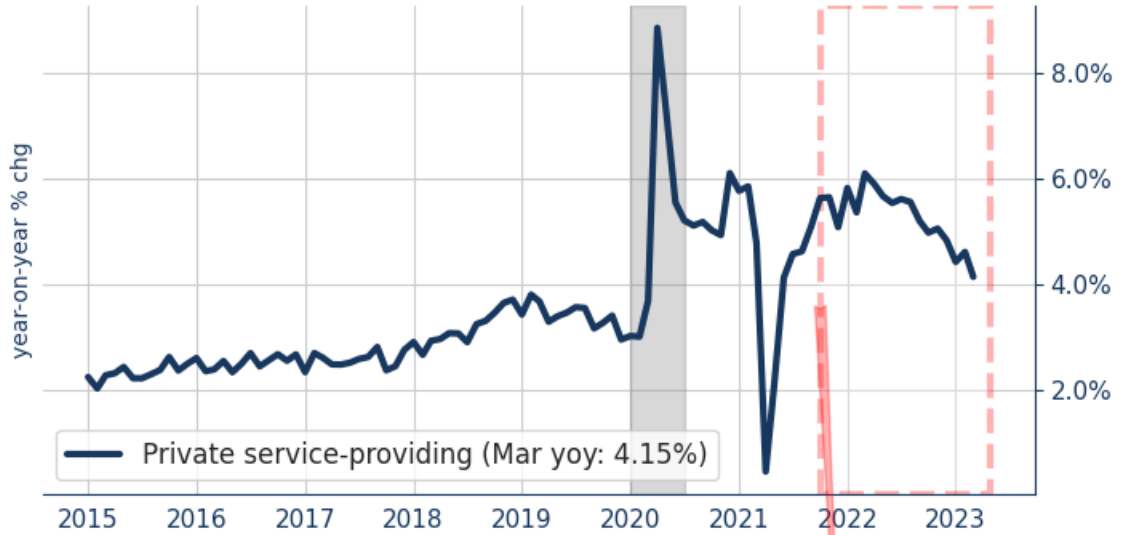


mom % change (Mar mom: 0.51%)

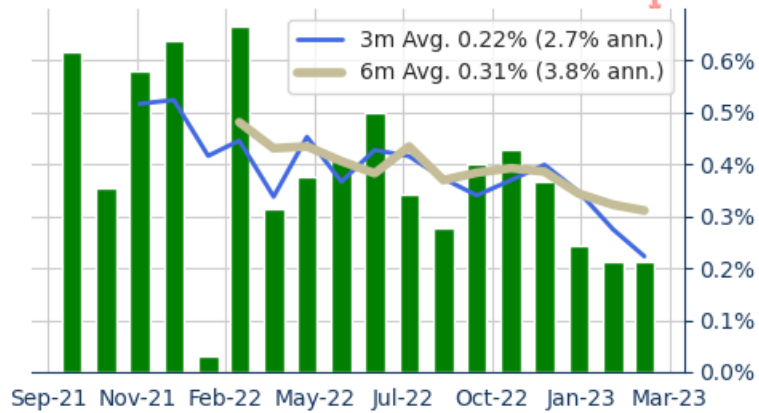


Contingent Macro Advisors 2023 source: US BLS via FRED

Avg Hrly Earnings - Private service-providing

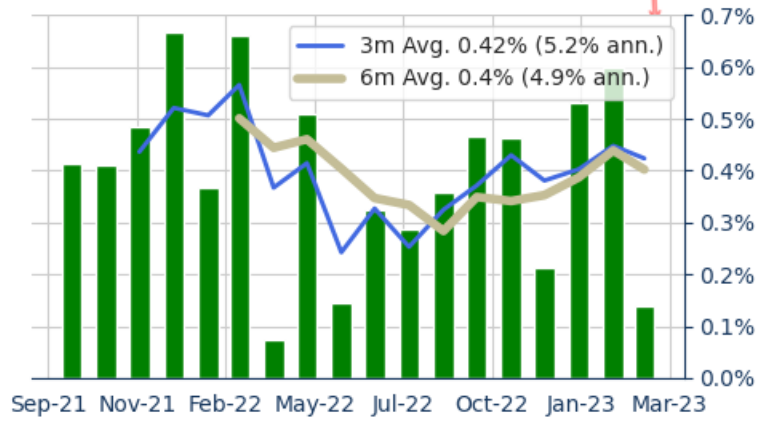
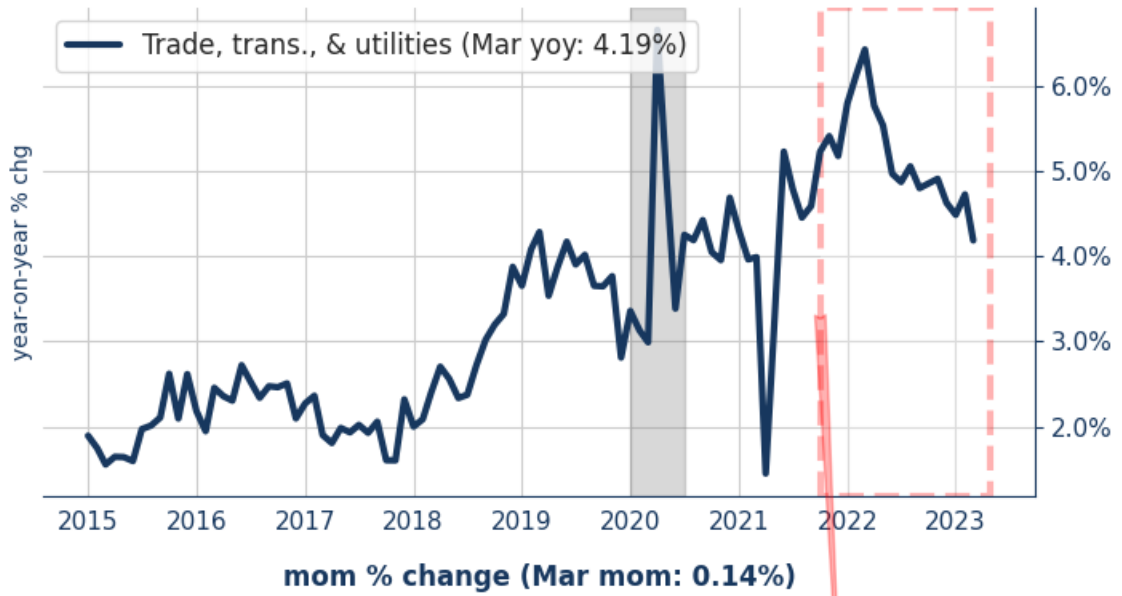


mom % change (Mar mom: 0.21%)



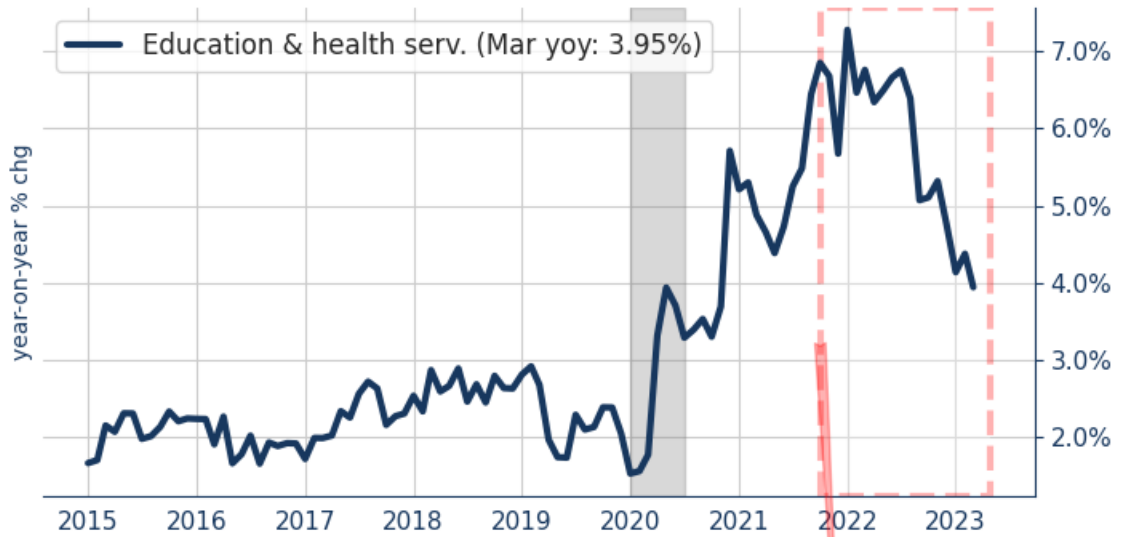
Contingent Macro Advisors 2023 source: US BLS via FRED

Avg Hrly Earnings - Trade, trans., & utilities

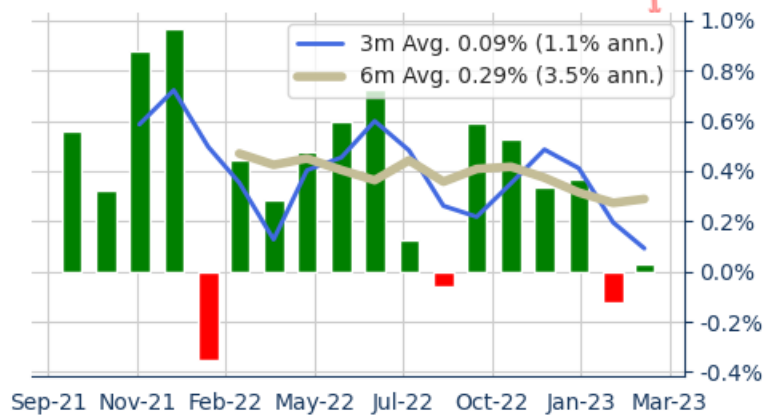


Contingent Macro Advisors 2023 source: US BLS via FRED

Avg Hrly Earnings - Education & health serv.



mom % change (Mar mom: 0.03%)

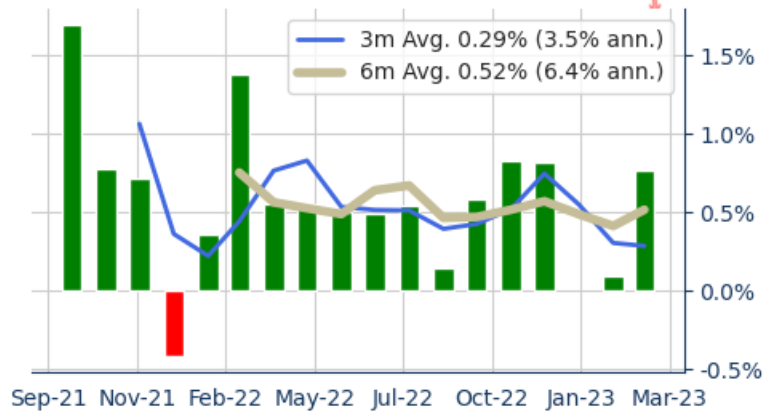


Contingent Macro Advisors 2023 source: US BLS via FRED

Avg Hrly Earnings - Leisure & hospitality



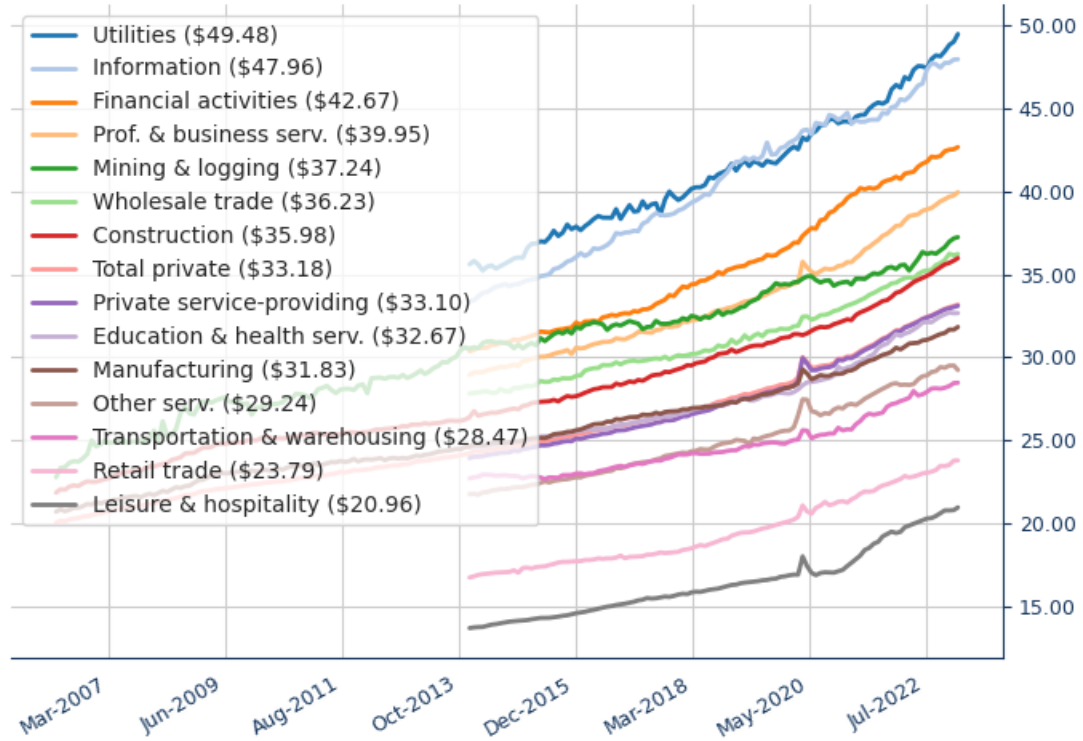
mom % change (Mar mom: 0.77%)



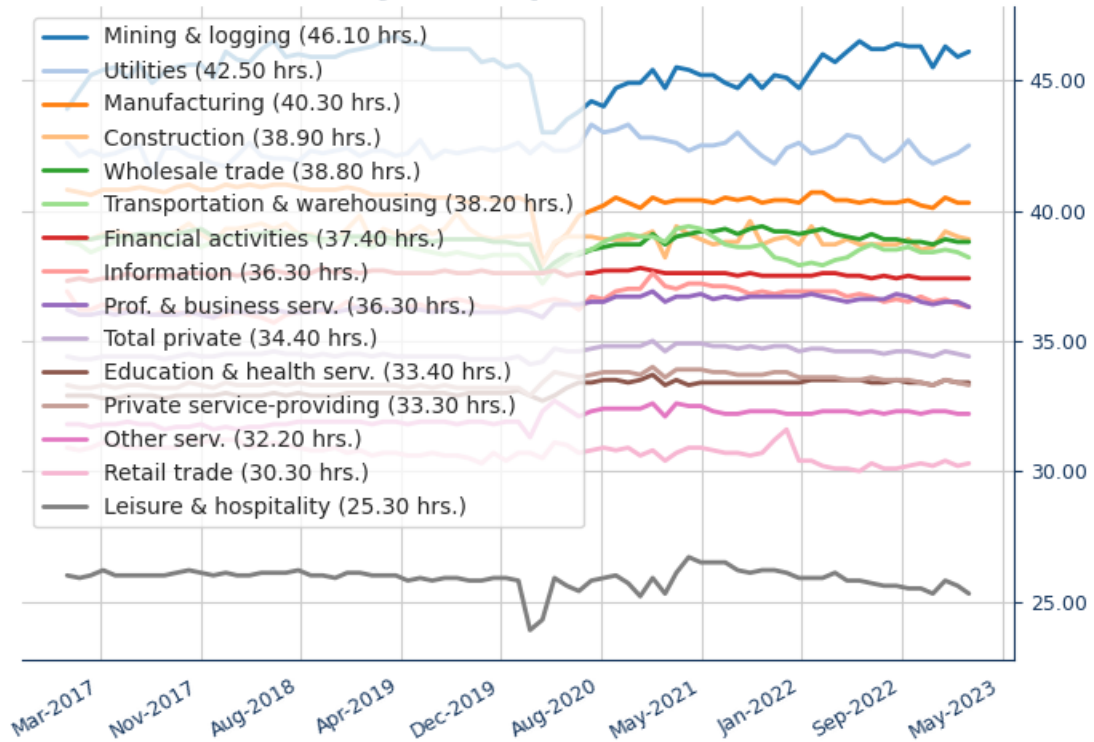
Contingent Macro Advisors 2023 source: US BLS via FRED



Average Hourly Earnings by sector



Average Hours Worked by sector per week



Earnings	Mar-23	Feb-23	Jan-23	% chg	% chg	chg	2022	2021	5y
Total private (\$33.18)	0.27%	0.21%	0.30%	3.20%	4.04%	4.24%	4.77%	5.01%	4.08%
Mining & logging (\$37.24)	0.19%	0.54%	0.90%	6.71%	5.19%	4.67%	3.36%	2.90%	2.76%
Construction (\$35.98)	0.42%	0.39%	0.25%	4.34%	5.38%	5.39%	5.83%	4.86%	3.62%
Manufacturing (\$31.83)	0.51%	0.00%	0.64%	4.65%	4.35%	3.88%	3.72%	4.62%	3.31%
Private service-providing (\$33.10)	0.21%	0.21%	0.24%	2.70%	3.79%	4.15%	4.85%	5.09%	4.24%
Wholesale trade (\$36.23)	0.22%	-0.25%	1.03%	4.08%	5.52%	4.23%	4.09%	4.90%	3.33%
Retail trade (\$23.79)	0.04%	1.11%	0.30%	5.93%	5.97%	4.11%	4.45%	5.40%	4.72%
Transportation & warehousing (\$28.47)	0.07%	0.64%	0.35%	4.33%	2.50%	3.72%	3.64%	5.51%	3.34%
Utilities (\$49.48)	0.94%	0.41%	0.78%	8.87%	6.39%	5.55%	4.98%	4.63%	3.75%
Information (\$47.96)	0.04%	0.40%	0.02%	1.86%	0.97%	5.45%	5.92%	1.74%	3.09%
Financial activities (\$42.67)	0.31%	0.07%	0.21%	2.38%	2.77%	3.92%	4.15%	4.17%	4.15%
Prof. & business serv. (\$39.95)	0.48%	0.20%	0.38%	4.32%	4.93%	4.44%	4.94%	6.11%	4.20%
Education & health serv. (\$32.67)	0.03%	-0.12%	0.37%	1.11%	3.52%	3.95%	4.76%	5.67%	3.95%
Leisure & hospitality (\$20.96)	0.77%	0.10%	0.00%	3.51%	6.40%	6.07%	6.56%	13.97%	5.73%
Other serv. (\$29.24)	-0.91%	0.03%	0.44%	-1.76%	0.83%	3.10%	3.45%	5.23%	3.49%

Source: BLS via FRED

Avg Hours Worked % Chg.	Mar-23	Feb-23	Jan-23	3m ann % chg	6m ann % chg	YoY % chg	2022	2021	5y
Total private (34.40 hrs.)	-0.29%	-0.29%	0.58%	0.00%	-1.15%	-0.86%	-1.15%	0.00%	-0.06%

Mining & logging (46.10 hrs.)	0.44%	-0.86%	1.76%	5.38%	-1.29%	0.22%	0.89%	0.45%	0.00%
Construction (38.90 hrs.)	-0.26%	-0.51%	1.55%	3.15%	1.04%	0.52%	-1.03%	0.00%	-0.20%
Manufacturing (40.30 hrs.)	0.00%	-0.49%	1.00%	2.01%	0.00%	-0.98%	-0.74%	0.75%	-0.29%
Private service-providing (33.30 hrs.)	-0.30%	-0.30%	0.60%	0.00%	-1.19%	-0.89%	-1.48%	0.30%	0.00%
Wholesale trade (38.80 hrs.)	0.00%	-0.26%	0.52%	1.04%	-0.51%	-1.27%	-1.28%	1.29%	-0.10%
Retail trade (30.30 hrs.)	0.33%	-0.66%	0.66%	1.33%	1.33%	0.33%	-4.43%	3.27%	-0.26%
Transportation & warehousing (38.20 hrs.)	-0.52%	-0.26%	0.26%	-2.07%	-1.55%	0.79%	0.79%	-2.31%	-0.36%
Utilities (42.50 hrs.)	0.71%	0.48%	0.48%	6.87%	1.43%	0.47%	-1.42%	-0.93%	0.05%
Information (36.30 hrs.)	-0.27%	-0.55%	0.27%	-2.17%	-1.63%	-1.63%	-1.08%	-0.27%	-0.11%
Financial activities (37.40 hrs.)	0.00%	0.00%	0.00%	0.00%	0.00%	-0.53%	-0.27%	-0.79%	-0.16%
Prof. & business serv. (36.30 hrs.)	-0.55%	0.00%	0.27%	-1.09%	-2.70%	-1.09%	-0.82%	0.00%	0.06%
Education & health serv. (33.40 hrs.)	0.00%	-0.30%	0.60%	1.21%	-0.60%	-0.30%	-0.30%	-0.30%	0.24%
Leisure & hospitality (25.30 hrs.)	-1.17%	-0.78%	1.98%	0.00%	-2.33%	-2.32%	-3.07%	3.57%	-0.61%
Other serv. (32.20 hrs.)	0.00%	-0.31%	0.00%	-1.23%	-0.62%	-0.31%	0.31%	-0.62%	0.19%

Source: BLS via FRED