

05.May.2023

Employment: Job Trend Cooling, Wages Still Hot

Bottom Line: Nonfarm payrolls rose more than expected in April, but there were negative revisions to prior months that more than offset the better headline reading. The three-month average of payroll gains fell from 345k to 222k as the trend rate of job growth continued to slow. Education and health services, one of the tightest sectors, led job creation in April, while gains in leisure and hospitality were slower and trending decidedly lower. Trade, transportation, and utilities, the largest labor market sector, saw a rebound in job creation after March was revised to show declines, but the trend remained mixed to lower.

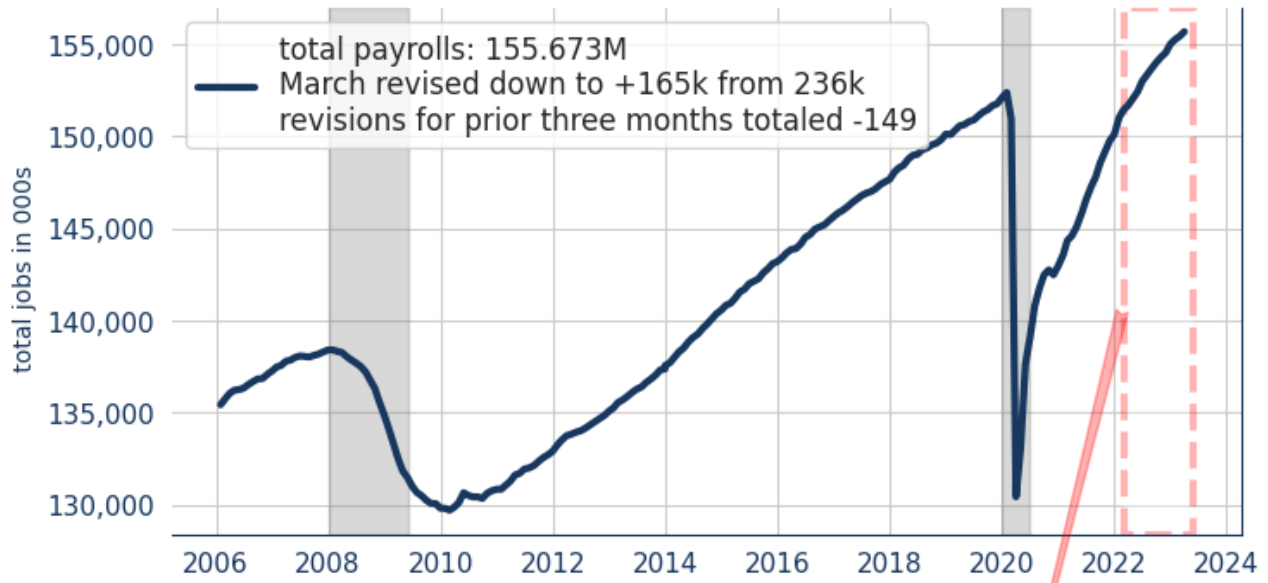
Average hourly earnings were stronger, led by gains in trade/transportation/utilities and education/health. The trend rate of hourly wage gains across all sectors was running around 4.25%, a historically robust rate.

Finally, the household survey showed slower job gains and the labor force declined, pushing the unemployment rate down a tenth, well below expectations for an increase of a tenth.

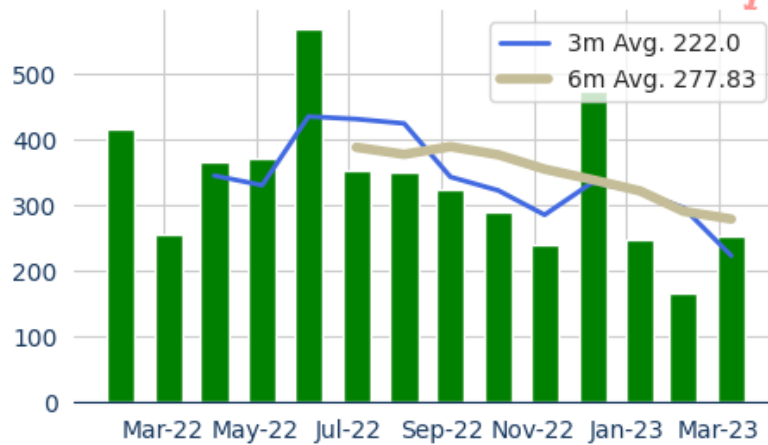
Looking through the volatility, the trend rate of job creation continued to slow in April, but wage pressures, especially for the largest sectors, remained significant. Overall, the labor market remained tight, with only hints of cooling.

Total Nonfarm Payrolls

April: +253.0k, consensus: +185k

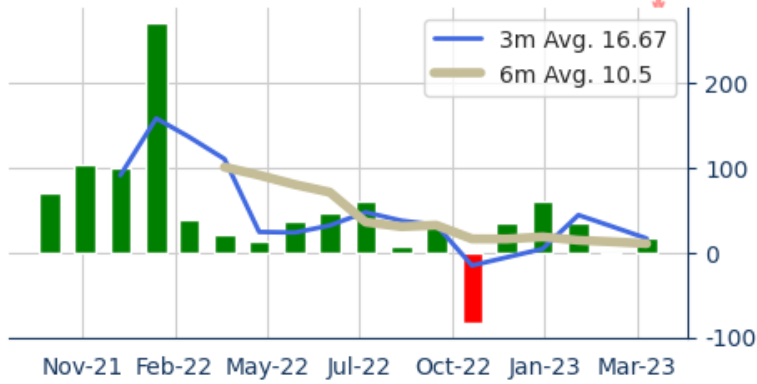
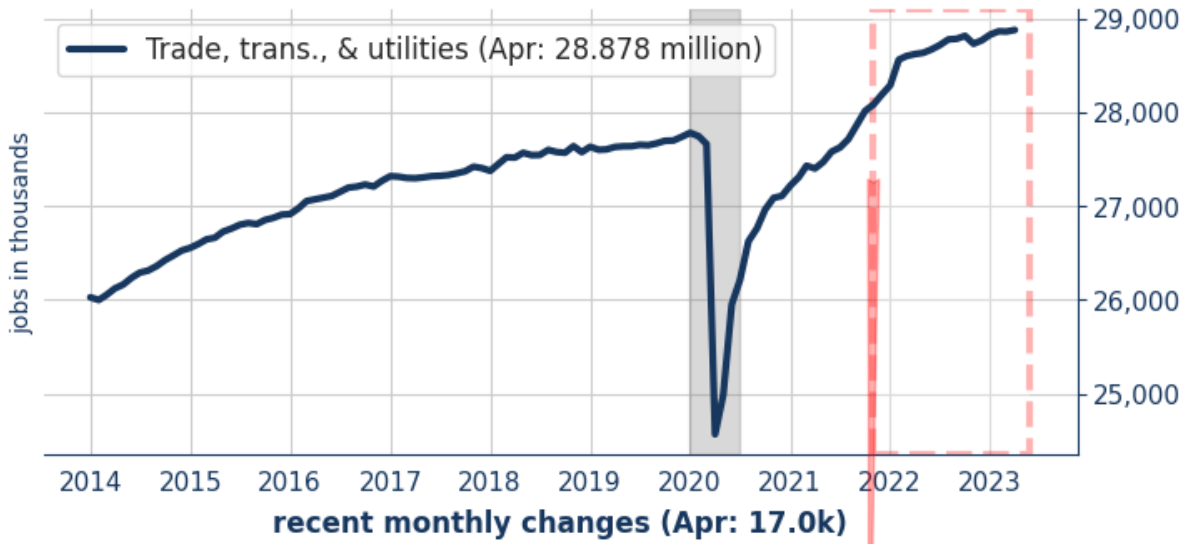


monthly change

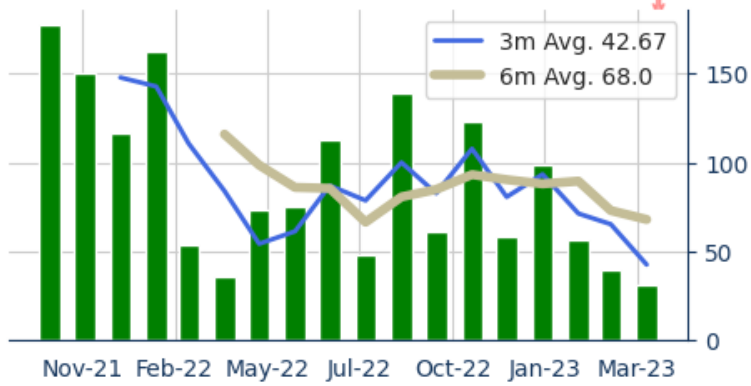
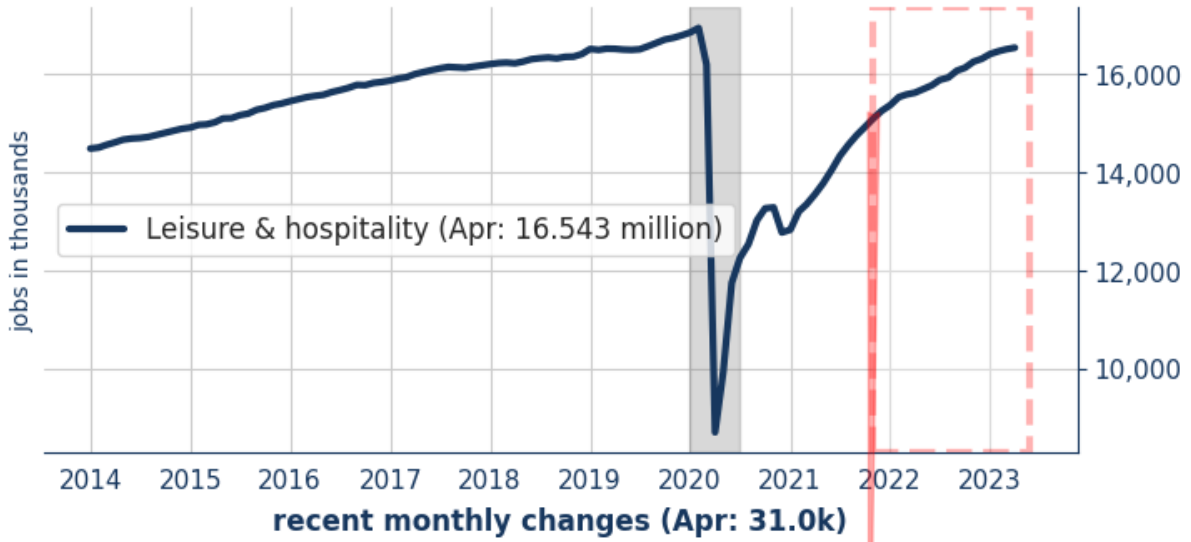


Contingent Macro Advisors 2023 source: BLS via FRED

Trade, trans., & utilities

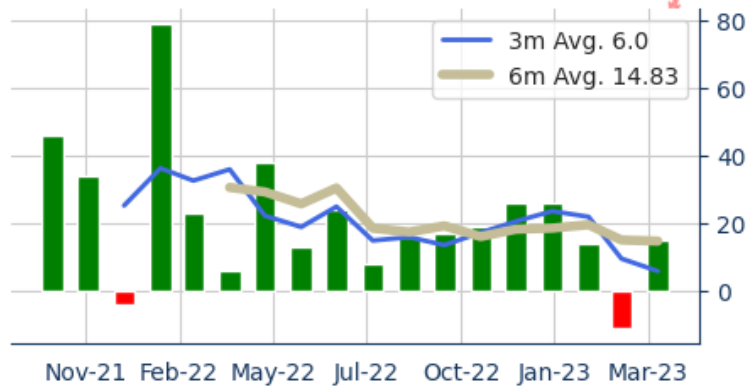
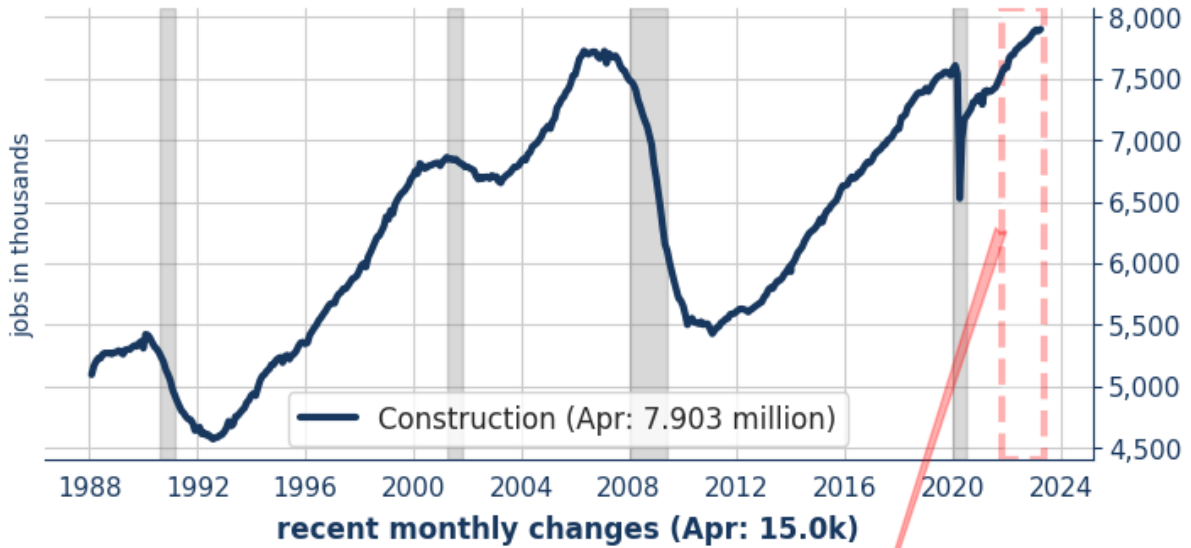


Leisure & hospitality



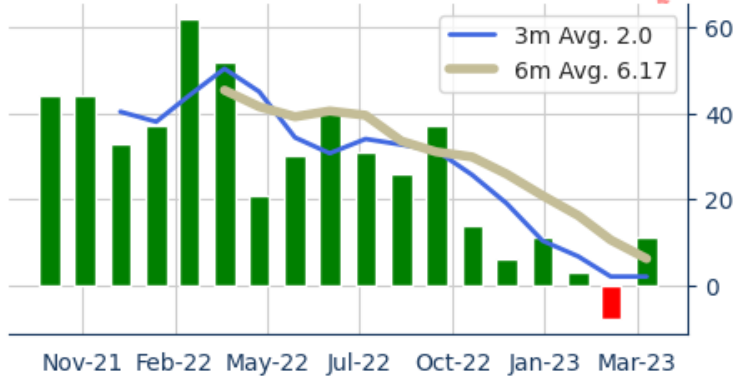
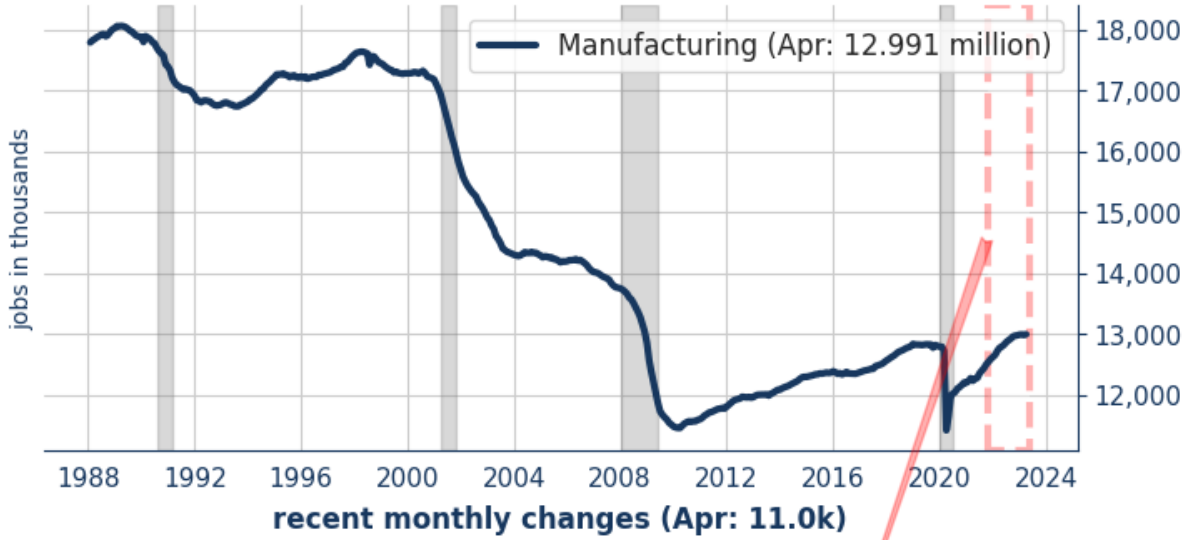
Contingent Macro Advisors 2023 source: US BLS

Construction



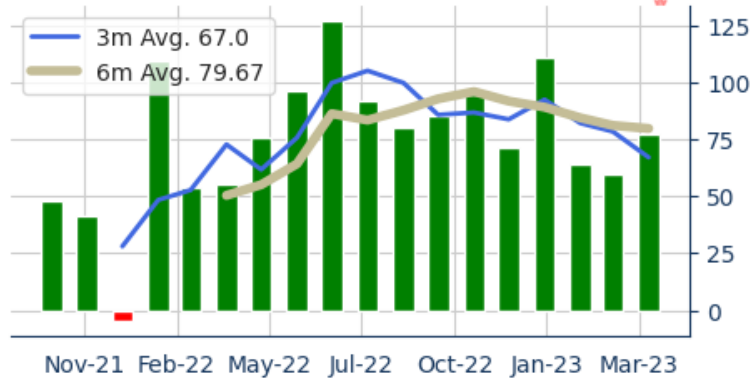
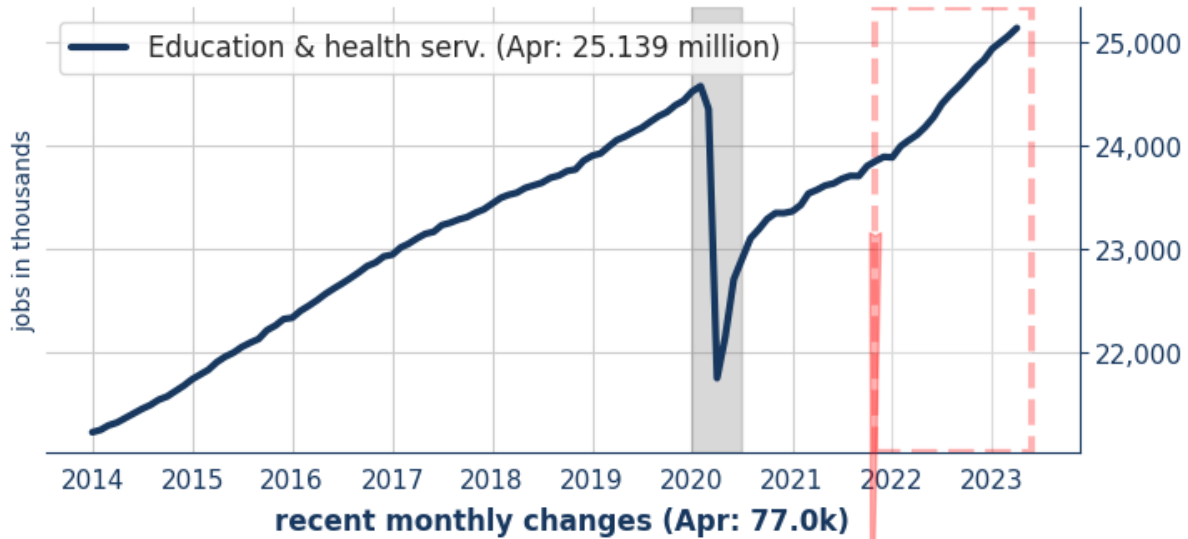
Contingent Macro Advisors 2023 source: US BLS

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	Apr-23	Mar-23	3m. avg.	6m. avg.	12m. avg.	2022	5y
Total nonfarm (155.7Mil. jobs)	253.00	165.00	222.00	277.80	332.90	399.42	120.80
Trade, trans., & utilities (28.9Mil.)	17.00	-3.00	16.70	10.50	21.40	48.17	22.70
Education & health serv. (25.1Mil.)	77.00	60.00	67.00	79.70	86.20	77.92	26.60
Prof. & business serv. (22.9Mil.)	43.00	23.00	29.00	25.70	43.70	62.08	33.80
Government (22.6Mil.)	23.00	42.00	40.00	51.30	39.10	22.92	2.10
Leisure & hospitality (16.5Mil.)	31.00	40.00	42.70	68.00	76.40	88.17	5.30
Manufacturing (13.0Mil.)	11.00	-8.00	2.00	6.20	18.60	32.50	6.00

Financial activities (9.1Mil.)	23.00	-1.00	7.30	6.00	7.30	13.83	9.60
Construction (7.9Mil.)	15.00	-11.00	6.00	14.80	17.10	22.08	11.50
Information (3.1Mil.)	1.00	6.00	-0.30	-3.30	5.10	12.25	4.30
Mining & logging (0.6Mil.)	7.00	2.00	3.30	4.30	3.70	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 April to 3.4%, compared with market expectations for a small increase to 3.6%.

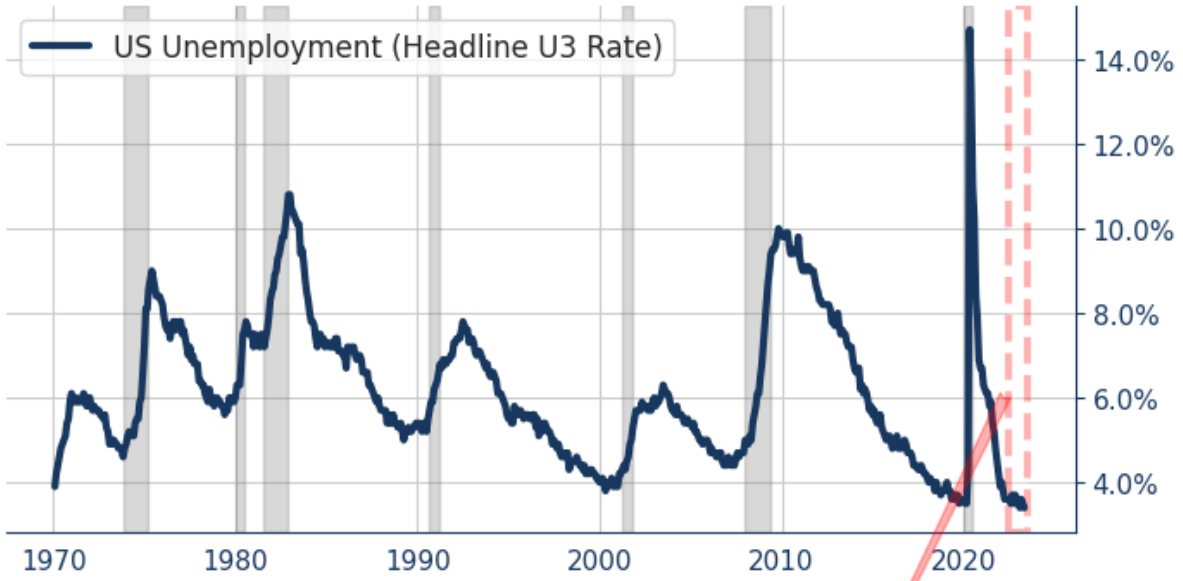
Household employment rose by 139k while the labor force declined by 43k, resulting in a decrease in the number of unemployed of 182k.

The Labor Force Participation Rate was UNCHANGED at 62.6%.

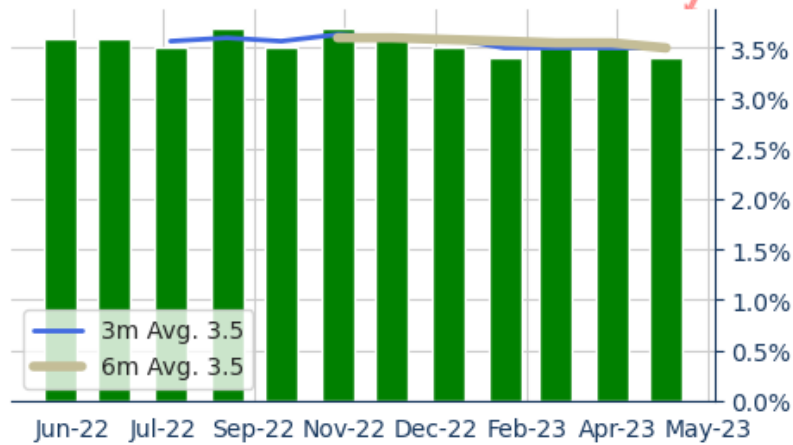
The Employment-Population Ratio was UNCHANGED at 60.4%. The number of people Working Part-Time for Economic Reasons FELL by 196k to 3,841k. while Long-Term Unemployment ROSE by 52k to 1,156k (accounting for 20.4% of the unemployed), while the Mean Duration of Unemployment ROSE by 1.4 weeks to 20.9 weeks. There are now 5.7 million people officially unemployed. In addition, there are another 5,271k people who say they want a job but are not currently looking for one. Finally, another 3,841k people are working part-time because of slack economic conditions.

US Unemployment Rate

April: +3.4%, consensus: +3.6%

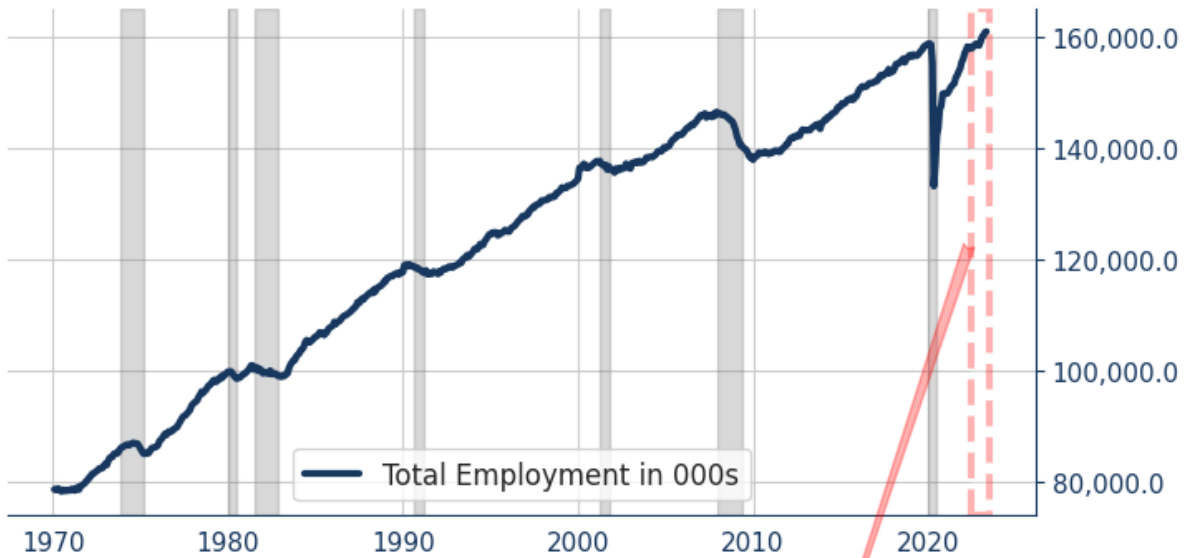


zooming in on last 12 months

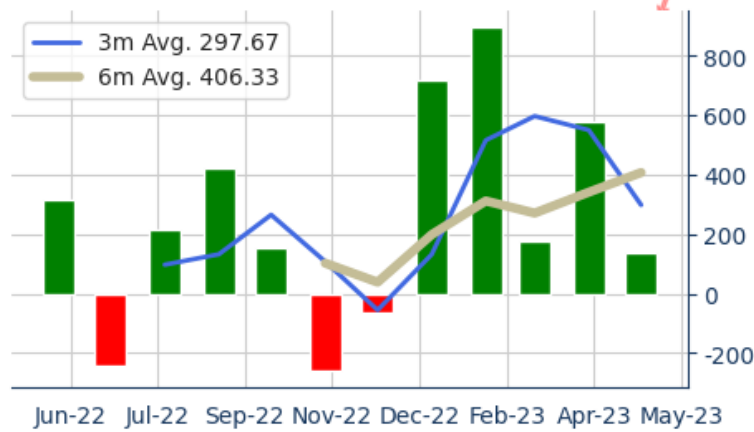


Contingent Macro Advisors 2023 source: US BLS

Household Survey Total Employment



monthly change in 000s (Apr: 139k)

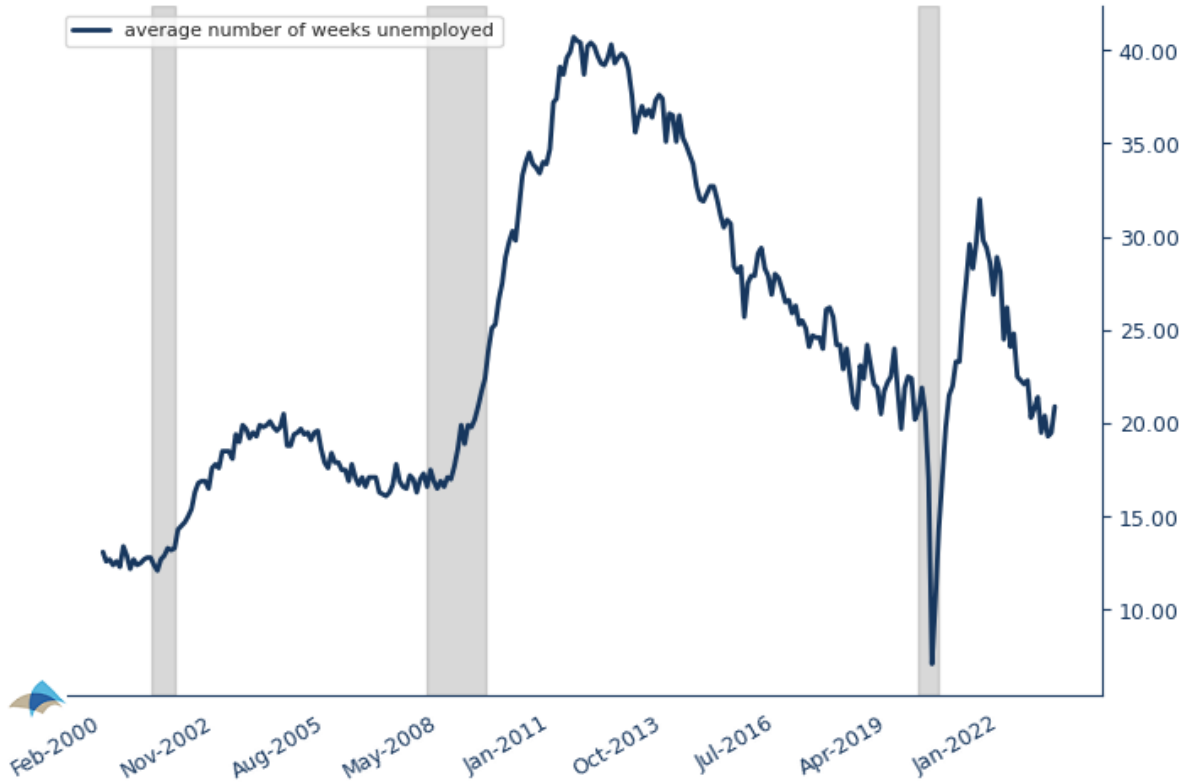


Contingent Macro Advisors 2023 source: US BLS

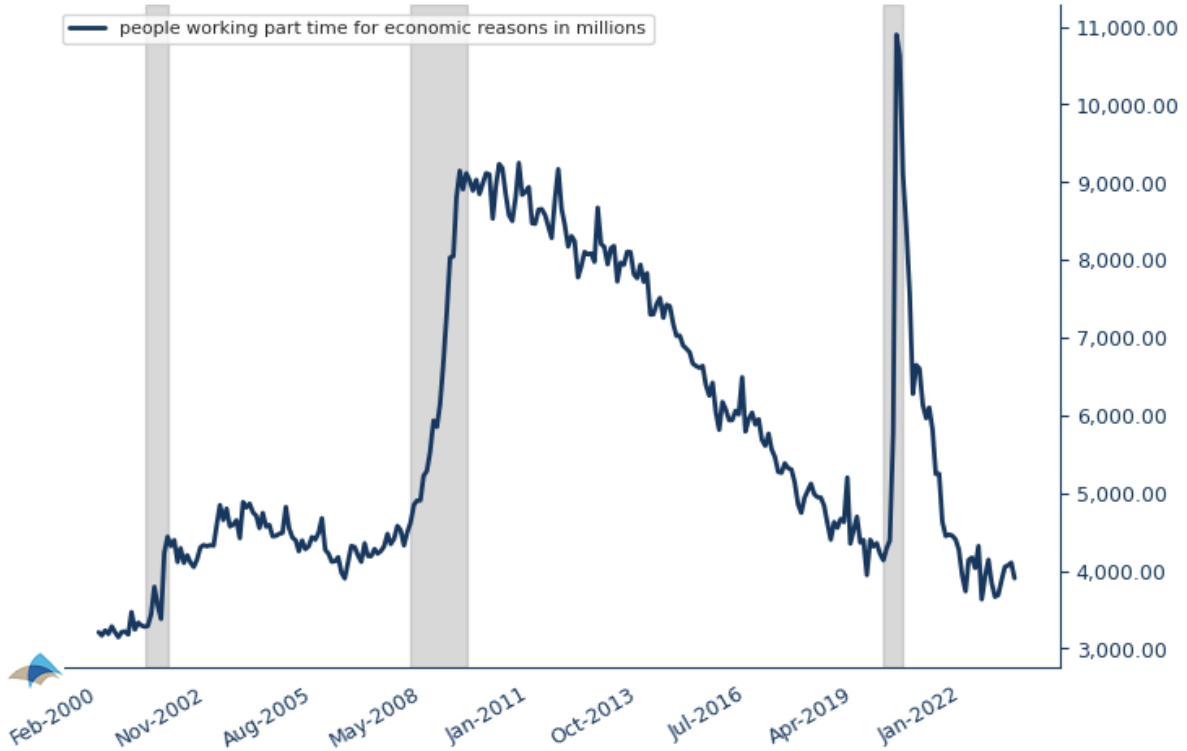
US Labor Force Participation Rate



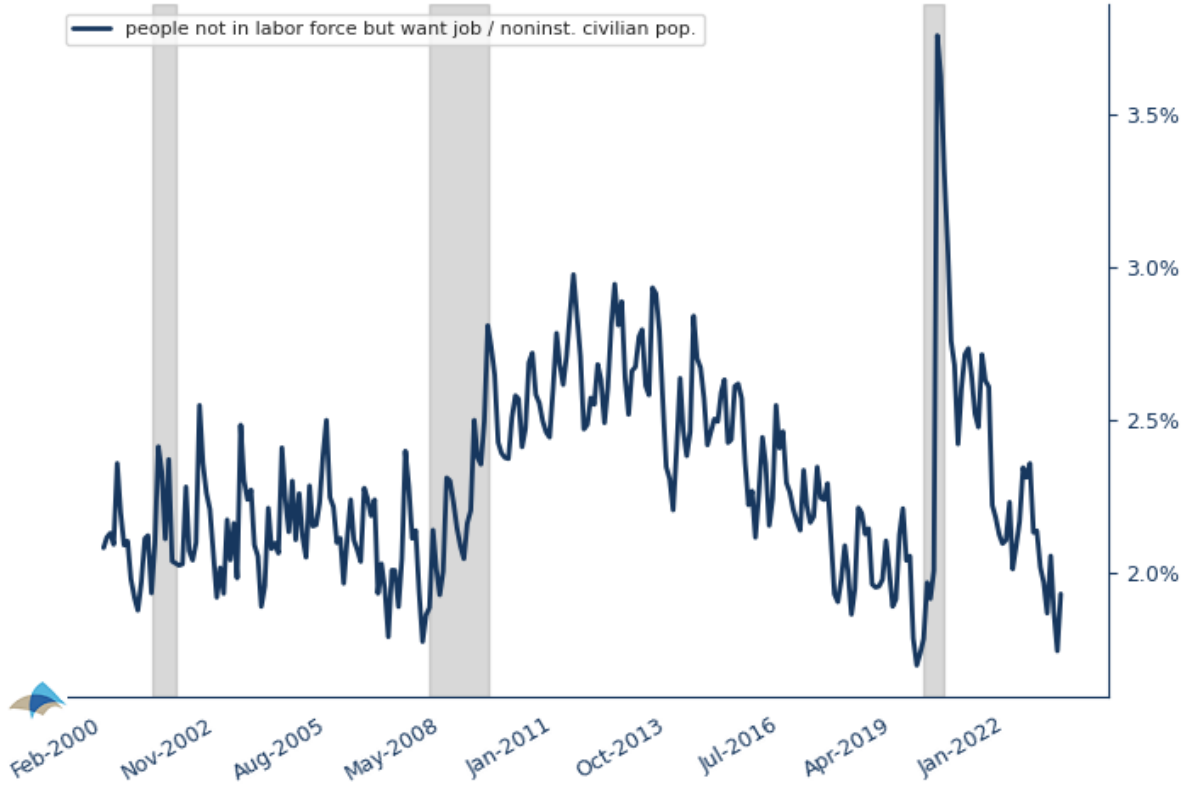
Mean Duration of Unemployment



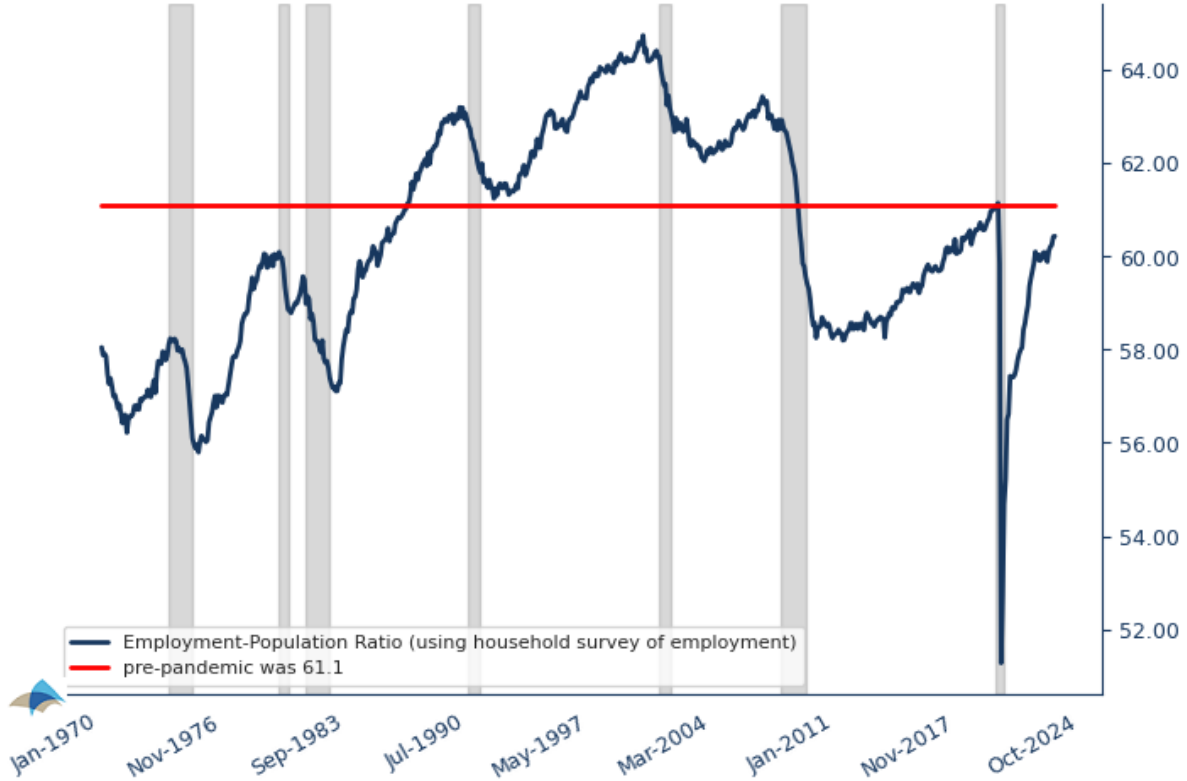
Working Part-Time for Economic Reasons



% Population Not in Labor Force but Want a Job



Employment-Population Ratio



Unemployment	Apr-23	Mar-23	3m. avg.	6m. avg.	12m. avg.	2022	5y
US Unemployment Rate	3.40	3.50	3.50	3.50	3.60	3.64	4.90
Chg in Household Survey	139.00	577.00	297.70	406.30	254.10	263.58	95.30

Employment (in 000s)							
Chg in Labor Force (in 000s)	-43.00	480.00	285.30	340.30	228.20	213.00	82.00
Participation Rate	62.60	62.60	62.60	62.40	62.30	62.24	62.30
U6 Unemployment Rate	6.60	6.70	6.70	6.60	6.70	6.87	8.90
Mean Duration of Unemployment	20.90	19.50	19.90	20.20	20.90	22.57	22.50
Total Employment (Household Survey in mill)	161.03	160.89	160.70	160.00	159.20	158.30	154.80
US Population (civilian noninst. over 16 in mill.)	266.44	266.27	266.30	265.70	264.90	263.97	261.20
Working Part-Time for Economic Reasons (in mill)	3.90	4.10	4.00	3.90	3.90	3.93	5.00
Not in Labor Force - Want a Job (in mill)	5.14	4.65	4.90	5.10	5.50	5.64	5.90
Labor Force (in mill)	166.69	166.73	166.60	165.80	165.10	164.29	162.70

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 ROSE by 0.2%, combining the moderate gain in private payroll employment and the steady workweek.

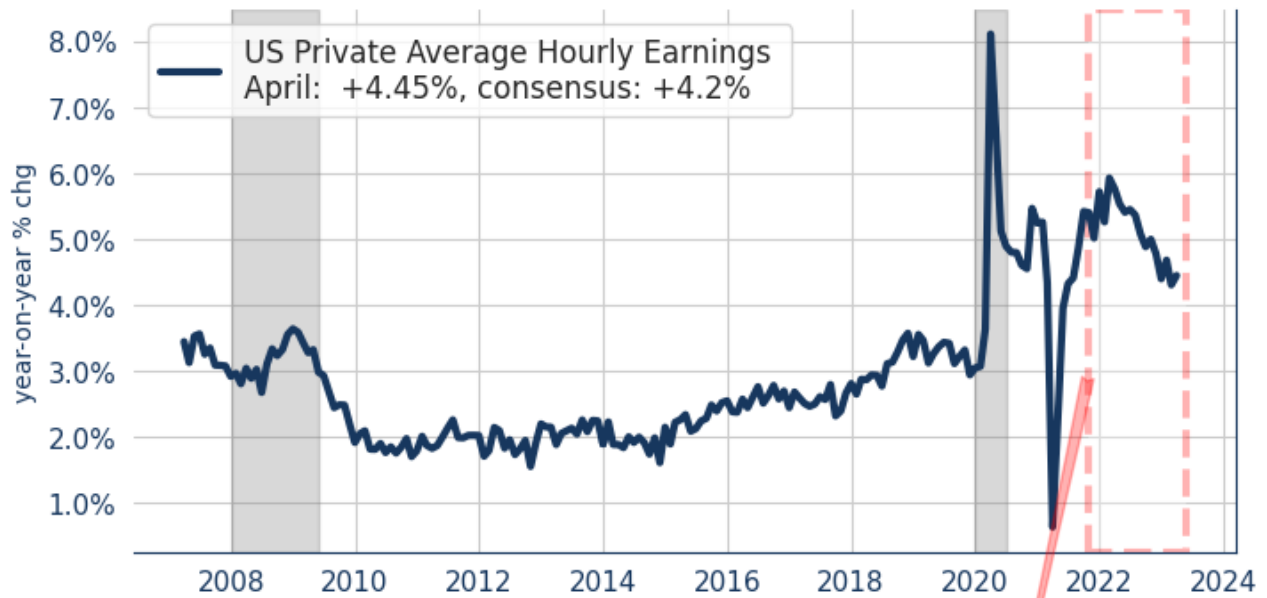
Hourly Earnings ROSE by 0.5% in April, above market expectations of 0.3%. Hourly earnings are now 4.4% ABOVE their year-ago level.

Weekly Earnings also ROSE by 0.5%, the result of the change in hourly earnings and a steady workweek. Weekly earnings are now 3.8% ABOVE their year-ago level.

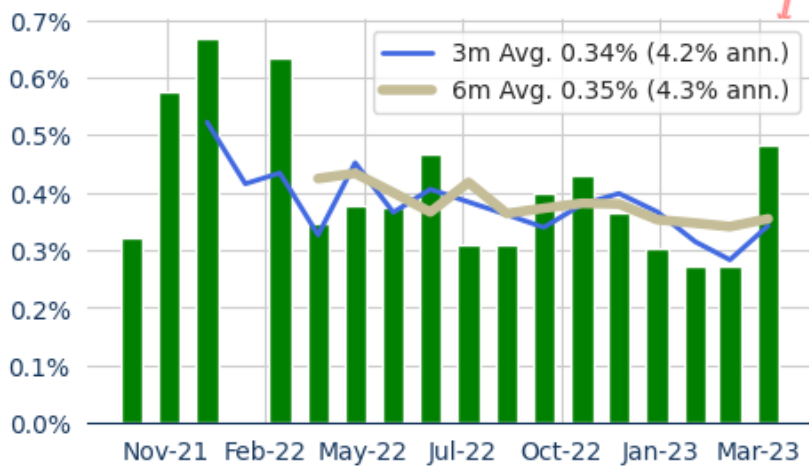
The Average Workweek was UNCHANGED at 34.4 hours.

US Private Average Hourly Earnings

April: +4.45%, consensus: +4.2%



April: +0.48%, consensus: +0.3% (mom %)

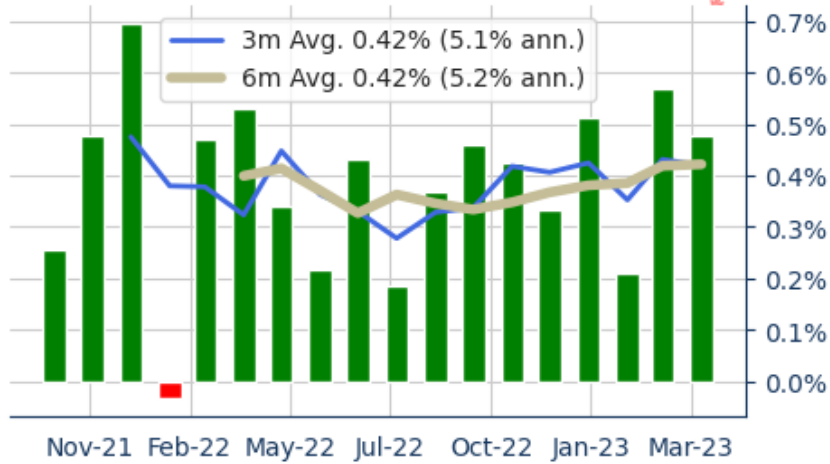


Contingent Macro Advisors 2023 source: US BLS via FRED

Avg Hrly Earnings - Goods-producing



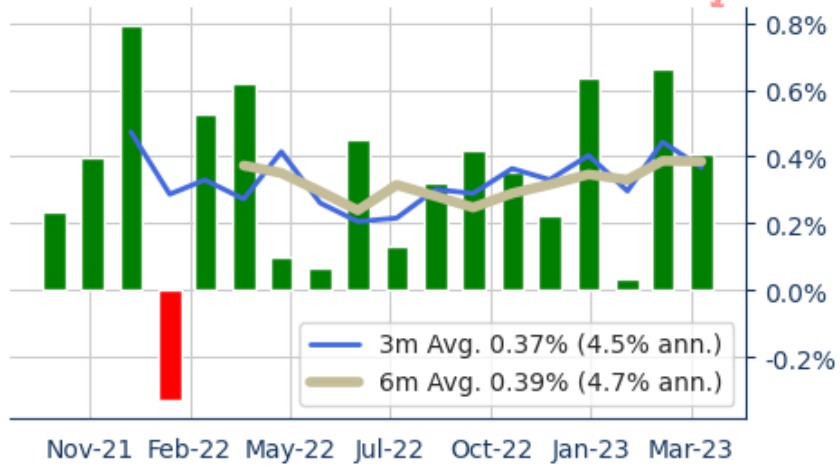
mom % change (Apr mom: 0.48%)



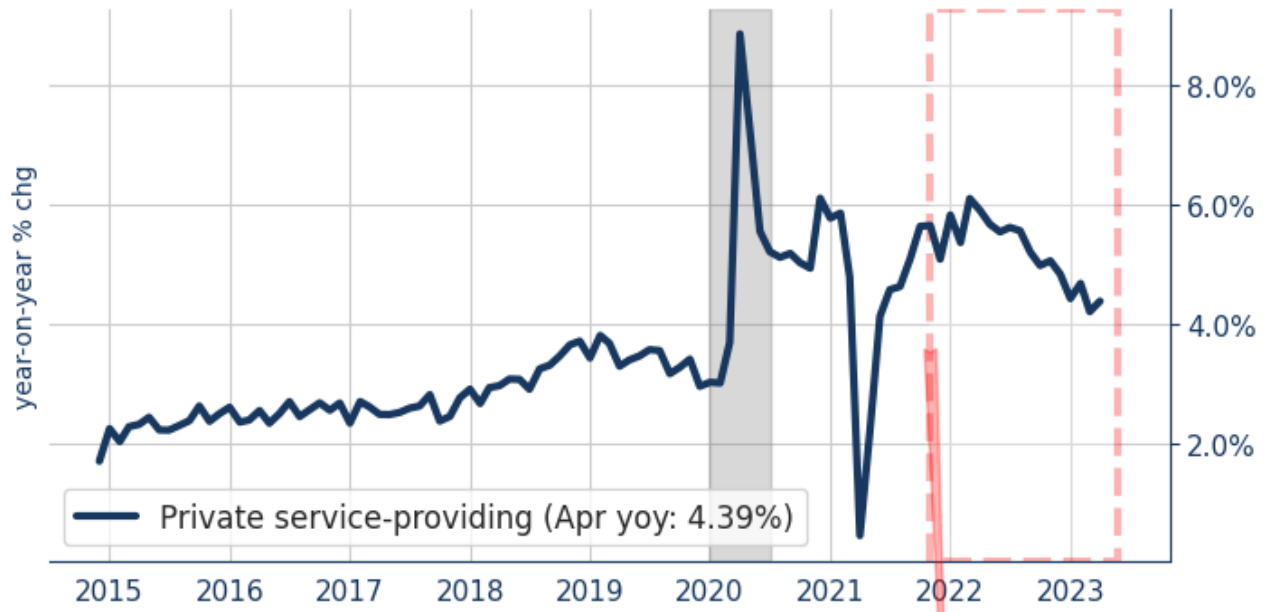
Avg Hrly Earnings - Manufacturing



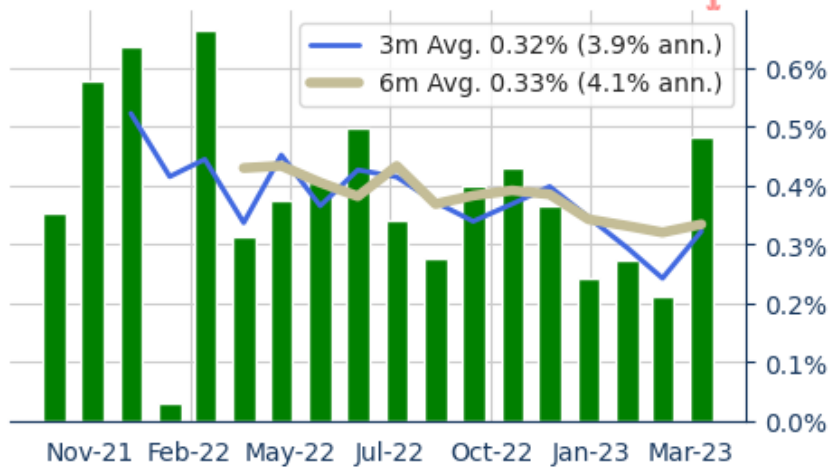
mom % change (Apr mom: 0.41%)



Avg Hrly Earnings - Private service-providing

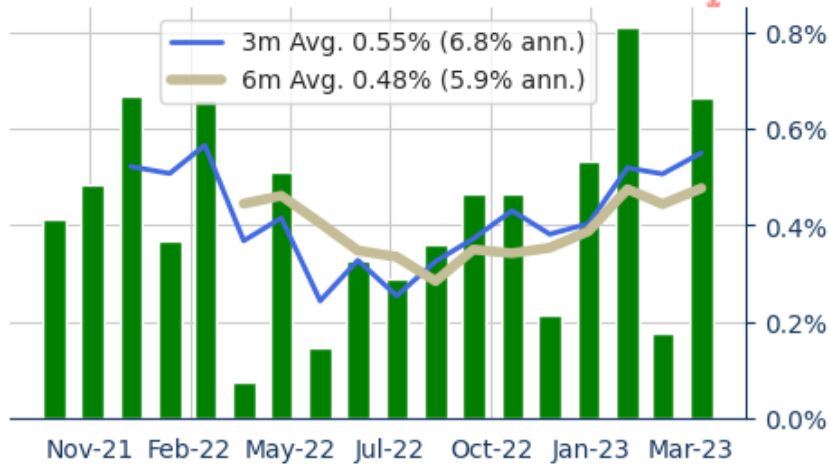
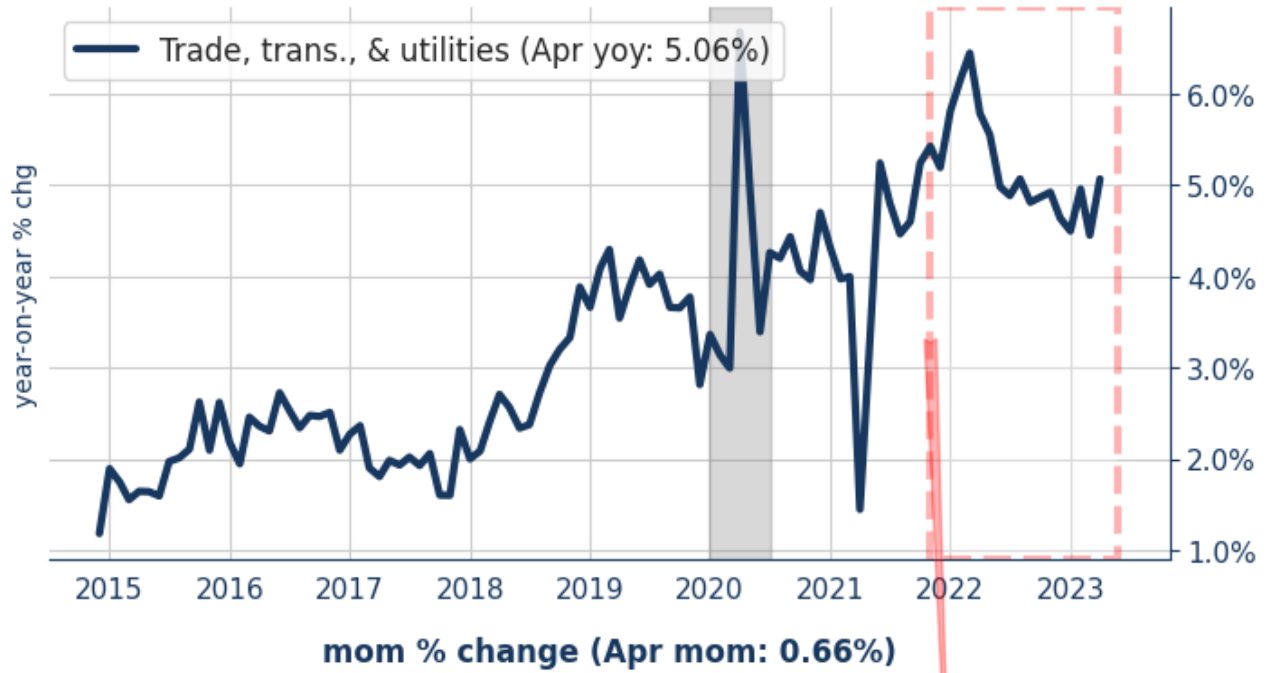


mom % change (Apr mom: 0.48%)



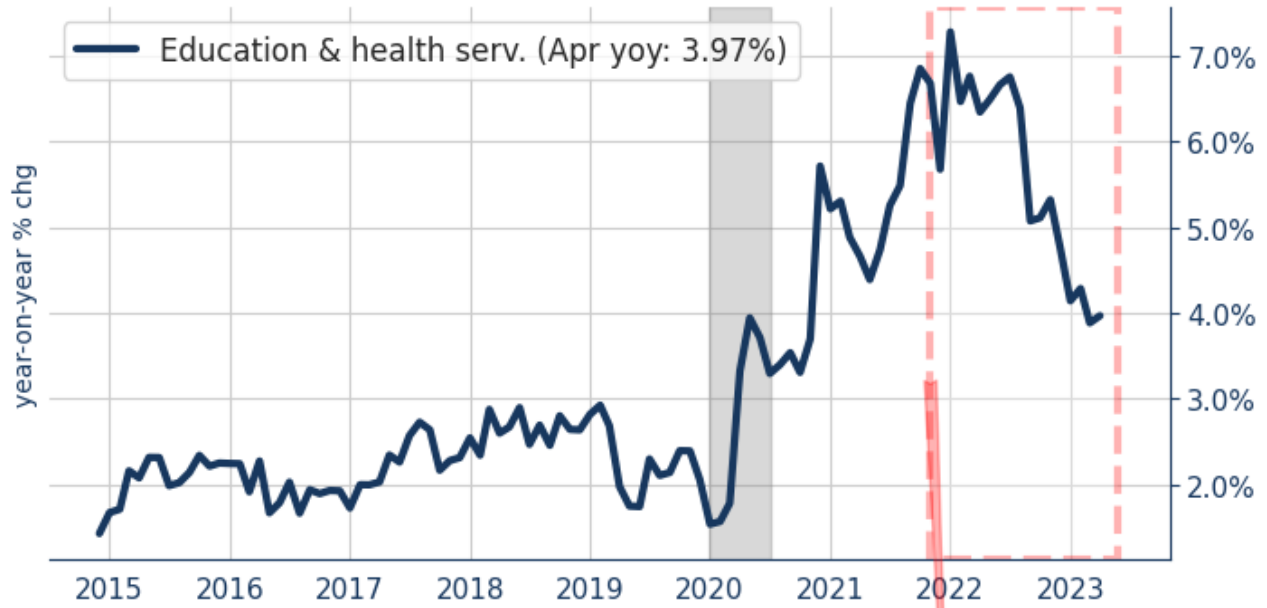
Contingent Macro Advisors 2023 source: US BLS via FRED

Avg Hrly Earnings - Trade, trans., & utilities

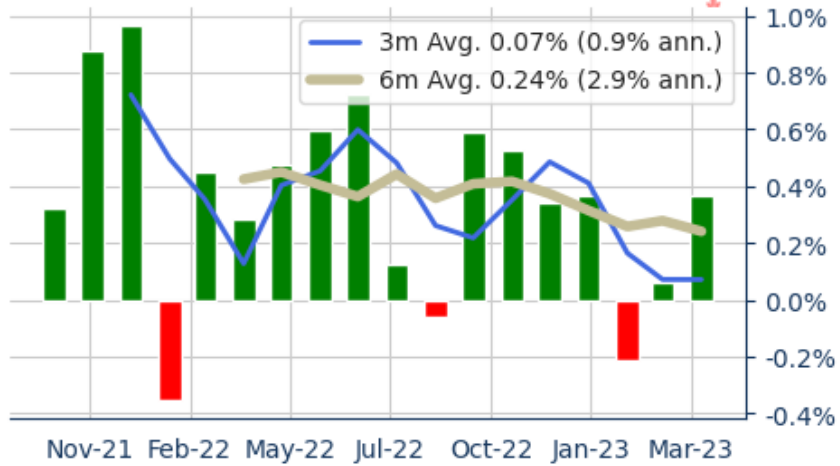


Contingent Macro Advisors 2023 source: US BLS via FRED

Avg Hrly Earnings - Education & health serv.



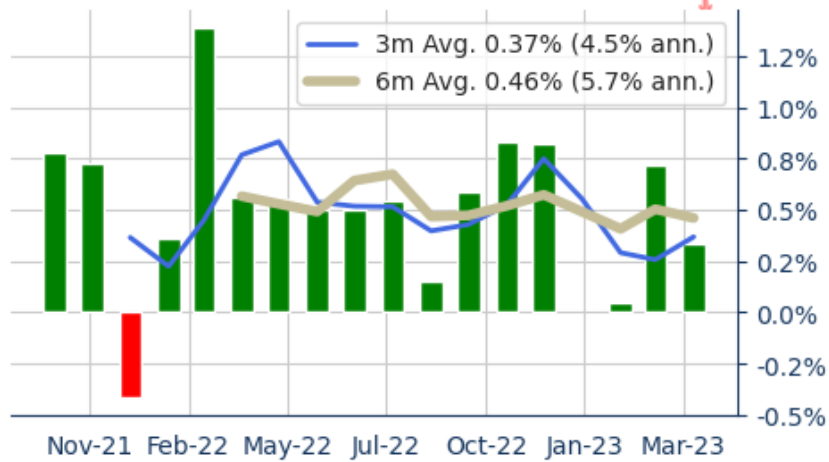
mom % change (Apr mom: 0.37%)



Avg Hrly Earnings - Leisure & hospitality

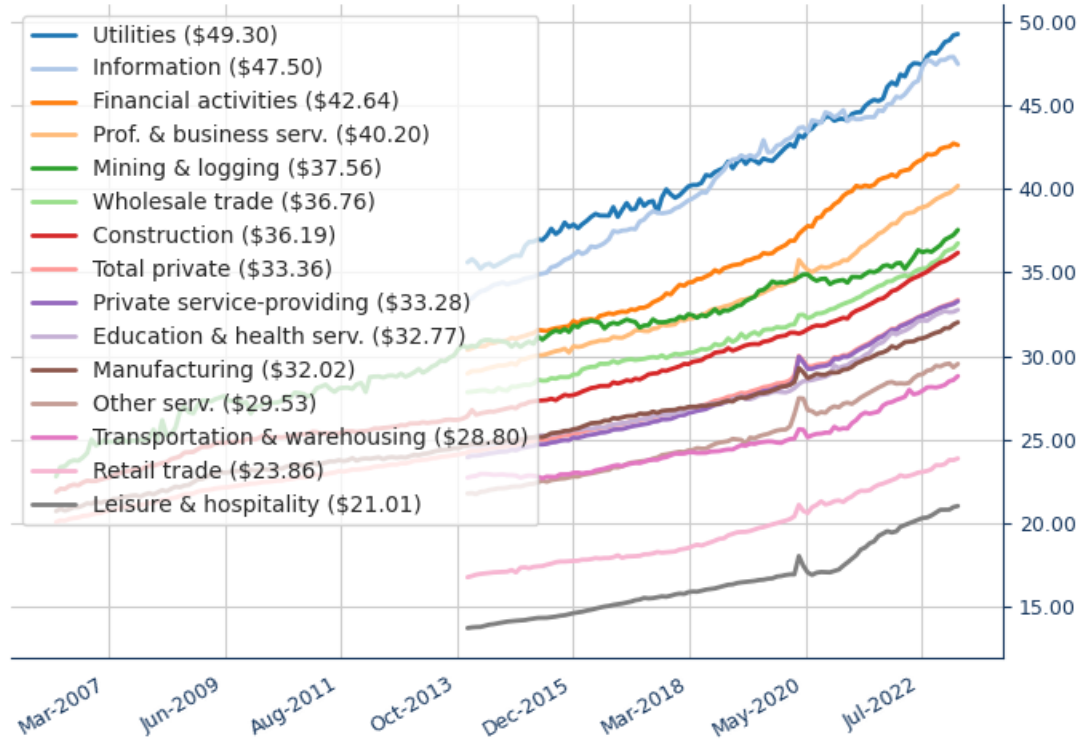


mom % change (Apr mom: 0.33%)

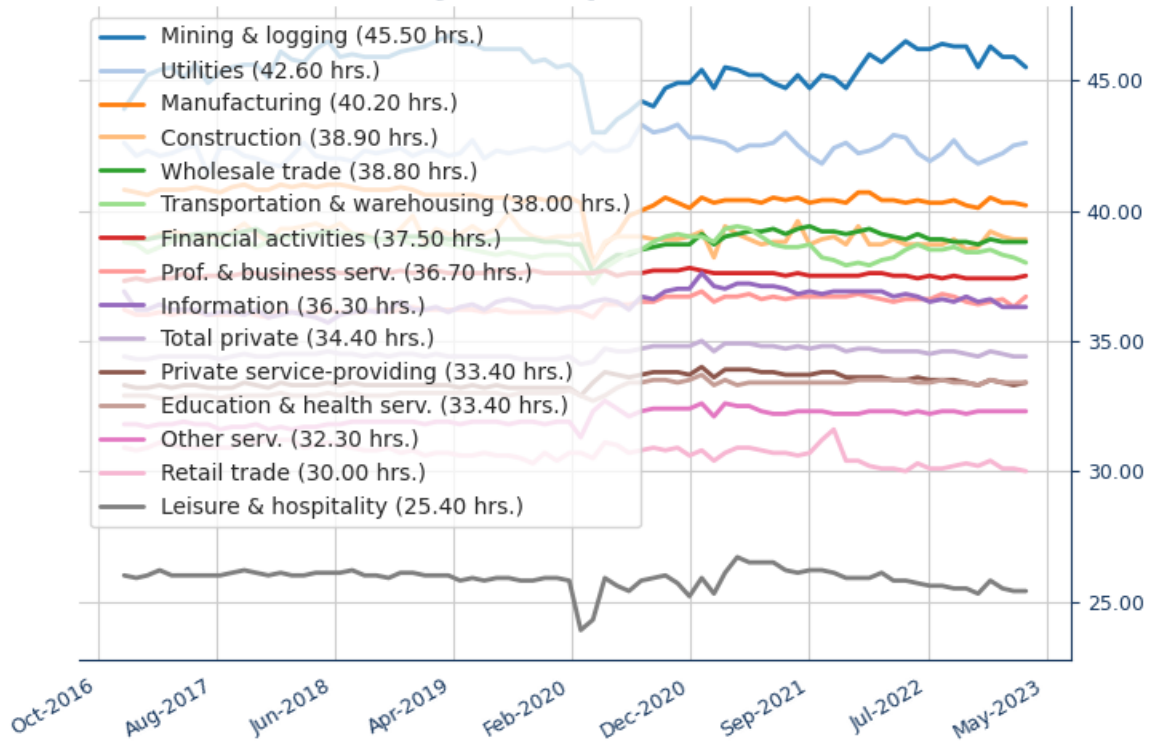




Average Hourly Earnings by sector



Average Hours Worked by sector per week



Earnings	Apr-23	Mar-23	Feb-23	% chg	% chg	chg	2022	2021	5y
Total private (\$33.36)	0.48%	0.27%	0.27%	4.18%	4.33%	4.45%	4.77%	5.01%	4.21%
Mining & logging (\$37.56)	0.83%	0.38%	0.38%	6.54%	7.42%	6.61%	3.36%	2.90%	2.96%
Construction (\$36.19)	0.53%	0.45%	0.42%	5.72%	5.40%	5.42%	5.83%	4.86%	3.75%
Manufacturing (\$32.02)	0.41%	0.66%	0.03%	4.49%	4.72%	3.86%	3.72%	4.62%	3.45%
Private service-providing (\$33.28)	0.48%	0.21%	0.27%	3.94%	4.09%	4.39%	4.85%	5.09%	4.37%
Wholesale trade (\$36.76)	0.85%	0.22%	0.36%	5.86%	6.86%	5.54%	4.09%	4.90%	3.67%
Retail trade (\$23.86)	0.42%	-0.04%	1.06%	5.91%	5.68%	4.79%	4.45%	5.40%	4.79%
Transportation & warehousing (\$28.80)	0.84%	0.25%	0.78%	7.71%	4.75%	4.50%	3.64%	5.51%	3.61%
Utilities (\$49.30)	0.14%	0.63%	0.20%	3.99%	4.66%	5.45%	4.98%	4.63%	3.67%
Information (\$47.50)	-0.90%	0.04%	0.34%	-2.08%	-0.67%	3.96%	5.92%	1.74%	2.87%
Financial activities (\$42.64)	-0.23%	0.45%	0.09%	1.23%	2.78%	3.67%	4.15%	4.17%	4.13%
Prof. & business serv. (\$40.20)	0.60%	0.48%	0.23%	5.35%	5.22%	4.39%	4.94%	6.11%	4.35%
Education & health serv. (\$32.77)	0.37%	0.06%	-0.21%	0.86%	2.93%	3.97%	4.76%	5.67%	4.02%
Leisure & hospitality (\$21.01)	0.33%	0.72%	0.05%	4.50%	5.66%	5.74%	6.56%	13.97%	5.79%
Other serv. (\$29.53)	0.72%	-0.78%	0.17%	0.41%	2.48%	4.20%	3.45%	5.23%	3.72%

Source: BLS via FRED

Avg Hours Worked % Chg.	Apr-23	Mar-23	Feb-23	3m ann % chg	6m ann % chg	YoY % chg	2022	2021	5y
Total private (34.40 hrs.)	0.00%	-0.29%	-0.29%	-2.29%	-1.15%	-0.58%	-1.15%	0.00%	-0.06%

Mining & logging (45.50 hrs.)	-0.87%	0.00%	-0.86%	-6.73%	-3.43%	-0.44%	0.89%	0.45%	-0.26%
Construction (38.90 hrs.)	0.00%	-0.26%	-0.51%	-3.03%	0.00%	0.52%	-1.03%	0.00%	-0.20%
Manufacturing (40.20 hrs.)	-0.25%	0.00%	-0.49%	-2.93%	-0.99%	-0.50%	-0.74%	0.75%	-0.34%
Private service-providing (33.40 hrs.)	0.30%	-0.30%	-0.30%	-1.19%	-0.60%	-0.60%	-1.48%	0.30%	0.06%
Wholesale trade (38.80 hrs.)	0.00%	0.00%	-0.26%	-1.02%	0.00%	-0.77%	-1.28%	1.29%	-0.10%
Retail trade (30.00 hrs.)	-0.33%	0.00%	-0.99%	-5.16%	-1.32%	-0.33%	-4.43%	3.27%	-0.46%
Transportation & warehousing (38.00 hrs.)	-0.52%	-0.26%	-0.52%	-5.09%	-3.08%	-0.26%	0.79%	-2.31%	-0.46%
Utilities (42.60 hrs.)	0.24%	0.71%	0.48%	5.84%	-0.47%	0.24%	-1.42%	-0.93%	0.09%
Information (36.30 hrs.)	0.00%	0.00%	-0.82%	-3.24%	-1.09%	-1.63%	-1.08%	-0.27%	-0.11%
Financial activities (37.50 hrs.)	0.27%	0.00%	0.00%	1.07%	0.00%	-0.27%	-0.27%	-0.79%	-0.11%
Prof. & business serv. (36.70 hrs.)	1.10%	-0.82%	0.27%	2.21%	0.00%	0.27%	-0.82%	0.00%	0.28%
Education & health serv. (33.40 hrs.)	0.00%	0.00%	-0.30%	-1.19%	0.00%	-0.30%	-0.30%	-0.30%	0.24%
Leisure & hospitality (25.40 hrs.)	0.00%	-0.39%	-1.16%	-6.06%	-0.78%	-2.68%	-3.07%	3.57%	-0.54%
Other serv. (32.30 hrs.)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.31%	-0.62%	0.25%

Source: BLS via FRED