



**1** The economy added a lower-than-expected 73,000 jobs in July; however, the main story centered on significant downward revisions to job growth in both May and June.

May saw employment gains revised from 144,000 to just 19,000, while June saw a change from 147,000 to just 14,000. The revisions resulted in a two-month net loss of 258,000 jobs and brought the three-month average of employment growth to just 35,000 jobs.

Over the past three months, job growth in education and health services averaged 67,000 while all other industry groups averaged a loss of 32,000 jobs.

Drivers of Premium	Jan	Feb	Mar	Apr	May	Jun	Jul
Net Employment Change (Thous.)	111	102	120	158	19	14	73
Net Private Employment Change (Thous.)	79	107	114	133	69	3	83
Average Hourly Earnings (y/y %)	3.9	3.9	3.9	3.8	3.8	3.8	3.9
Average Hours Worked (Hours)	34.1	34.2	34.3	34.3	34.3	34.2	34.3
Payroll (Calculated)* Growth (y/y %)	4.9	4.8	4.7	5.3	4.9	4.5	5.3

**1**

**2**

\*Calculated Payroll = Total Private Employment x Average Hourly Earnings x Average Hours Worked

**Averages**

	1-Year	3-Year	5-Year	2015-19
Net Employment Change (Thous.)	128	180	338	191
Net Private Employment Change (Thous.)	113	145	304	178
Average Hourly Earnings (y/y %)	3.9	4.3	4.5	2.7
Average Hours Worked (Hours)	34.3	34.3	34.5	34.4
Payroll (Calculated)* Growth (y/y %)	4.9	5.8	6.4	4.6

Drivers of Frequency	Jan	Feb	Mar	Apr	May	Jun	Jul
Unemployment Rate (%)	4.0	4.1	4.2	4.2	4.2	4.1	4.2
Labor Force Participation Rate (%)	62.6	62.4	62.5	62.6	62.4	62.3	62.2
Prime Age Participation Rate (25-54, %)	83.5	83.5	83.3	83.6	83.4	83.5	83.4
Job Openings (Thous.)	7,762	7,480	7,200	7,395	7,712	7,437	-
Hires Rate (%)	3.4	3.4	3.4	3.5	3.4	3.3	-
Quits Rate (%)	2.0	2.0	2.1	2.0	2.0	2.0	-
Layoffs Rate (%)	1.1	1.1	1.0	1.1	1.0	1.0	-

**Averages**

	1-Year	3-Year	5-Year	2015-19
Unemployment Rate (%)	4.1	3.9	4.4	4.4
Labor Force Participation Rate (%)	62.5	62.5	62.2	62.9
Prime Age Participation Rate (25-54, %)	83.5	83.3	82.7	81.7
Job Openings (Thous.)	7,533	8,727	9,057	6,360
Hires Rate (%)	3.4	3.6	3.9	3.8
Quits Rate (%)	2.0	2.3	2.4	2.2
Layoffs Rate (%)	1.1	1.1	1.0	1.2

**2** A positive note from the report was the tick up in wage growth and hours worked. Despite the slowdown in employment growth, payroll growth was back above 5% in July.

We continue to watch wages closely as a potential indicator of the durability of this trend as the labor market slows.

**Big Picture:** The revised data for the past three months is showing signs that the labor market appears materially weaker than previous data suggested. Against the backdrop of economic and policy uncertainty, it is difficult to predict how hiring may be impacted over the next few months.

Source: US Bureau of Labor Statistics; 1-, 3-, and 5-year averages are rolling 12-, 36-, and 60-month averages from the latest data point