



**1** Job growth moderated in June after a robust start to the year. The economy added 57,000 jobs overall and 49,000 jobs in the private sector. The headline number was dragged down by a seasonally adjusted decline of 61,000 jobs in leisure and hospitality services. Higher gas prices may have led to lower consumer activity in travel and leisure during the month.

Construction, professional services, and health care saw solid employment growth while most other industries were little changed.

**2** Wage growth remained elevated, with solid hourly earnings growth and a steady work week. This has supported an accelerating trend in year-over-year payroll growth over the past three months.

**3** The unemployment rate ticked down slightly in June as the number of job seekers dropped by 213,000. However, labor force participation also dropped sharply: the number of people not in the labor force increased by 832,000, suggesting that the lower unemployment rate was driven, in part, by fewer people participating in the job market rather than by employment gains alone.

Additionally, those not in the labor force who currently want a job decreased by 142,000, implying there are fewer sidelined workers available to enter the labor force. We will be watching closely to see if this is a one-off or the start of a new trend.

**Big Picture:** While June saw weaker employment growth, the economy added an average of 92,000 jobs per month in the first half of 2026, a strong acceleration from the average of 10,000 jobs per month seen in 2025.

Drivers of Premium	Dec	Jan	Feb	Mar	Apr	May	Jun
Net Employment Change (Thous.)	-17	160	-156	214	148	129	57
Net Private Employment Change (Thous.)	-7	180	-148	202	150	97	49
Average Hourly Earnings (y/y %)	3.7	3.7	3.7	3.4	3.6	3.4	3.5
Average Hours Worked (Hours)	34.2	34.3	34.3	34.2	34.3	34.3	34.3
Payroll (Calculated)* Growth (y/y %)	3.7	4.7	4.3	3.8	4.0	4.2	4.4

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

**1**  
**2**

**Averages**

	1-Year	3-Year	5-Year	2015-19
Employment Change	42	86	219	191
Net Private Employment Change	60	70	197	178
Average Hourly Earnings	3.7	4.0	4.4	2.7
Average Hours Worked	34.3	34.3	34.4	34.4
Payroll Growth	4.2	4.6	6.4	4.6

Drivers of Frequency	Dec	Jan	Feb	Mar	Apr	May	Jun
Unemployment Rate (%)	4.4	4.3	4.4	4.3	4.3	4.3	4.2
Labor Force Participation Rate (%)	62.4	62.1	62.0	61.9	61.8	61.8	61.5
Prime Age Participation Rate (25-54, %)	83.8	84.0	83.9	83.8	83.8	83.9	83.3
Job Openings (Thous.)	6,550	7,240	6,922	6,887	7,585	7,594	-
Hires Rate (%)	3.3	3.4	3.1	3.5	3.3	3.3	-
Quits Rate (%)	2.0	2.0	1.9	2.0	1.9	1.9	-
Layoffs Rate (%)	1.1	1.0	1.1	1.2	1.0	1.1	-

**3**

**Averages**

	1-Year	3-Year	5-Year	2015-19
Unemployment Rate	4.3	4.1	4.0	4.4
Labor Force Participation Rate	62.1	62.4	62.3	62.9
Prime Age Participation Rate	83.7	83.6	83.1	81.7
Job Openings	7,098	7,643	8,927	6,360
Hires Rate	3.3	3.4	3.7	3.8
Quits Rate	2.0	2.1	2.3	2.2
Layoffs Rate	1.1	1.1	1.0	1.2

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.

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