



**1** Job growth vastly exceeded market expectations in May. The economy added 272,000 new jobs, with 229,000 in the private sector against expectations for a similar gain as April.

Job gains were broad based, with 12 out of 14 industry groups adding jobs in May. Information services saw employment levels unchanged from April while Mining and Logging saw a small decline in employment.

Payroll growth remained solid in May, near the average over the past year and solidly above the pre-pandemic average.

**2** Despite strong job growth in May, the details include more signals that the labor market is moving towards a more balanced state compared to the overheated levels of a few years ago.

The latest JOLTS report showed little change to turnover trends in April. Job openings have fallen over the past few months.

Comparing the number of unemployed workers in May with the number of job openings in April, there are roughly 1.2 job openings per worker searching for a job. This is down from the peak of over 2.0 in 2022 and has returned to the pre-pandemic average, indicating more normalized levels of supply and demand in the labor market.

Pressures on frequency trends could abate as the labor market returns to balance.

Drivers of Premium	Nov	Dec	Jan	Feb	Mar	Apr	May
Net Employment Change (Thous.)	182	290	256	236	310	165	272
Net Private Employment Change (Thous.)	152	214	196	181	232	158	229
Average Hourly Earnings (y/y %)	4.3	4.3	4.4	4.3	4.1	4.0	4.1
Average Hours Worked (Hours)	34.4	34.4	34.2	34.3	34.4	34.3	34.3
Payroll (Calculated)* Growth (y/y %)	5.7	6.1	4.8	5.3	5.9	5.7	5.5

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

**1**

Averages	1-Year	3-Year	5-Year	2015-19
Net Employment Change (Thous.)	230	375	132	190
Net Private Employment Change (Thous.)	178	336	119	177
Average Hourly Earnings (y/y %)	4.3	4.8	4.5	2.7
Average Hours Worked (Hours)	34.3	34.5	34.5	34.4
Payroll (Calculated)* Growth (y/y %)	5.7	8.2	5.7	4.6

Drivers of Frequency	Nov	Dec	Jan	Feb	Mar	Apr	May
Unemployment Rate (%)	3.7	3.7	3.7	3.9	3.8	3.9	4.0
Labor Force Participation Rate (%)	62.8	62.5	62.5	62.5	62.7	62.7	62.5
Prime Age Participation Rate (25-54, %)	83.3	83.2	83.3	83.5	83.4	83.5	83.6
Job Openings (Thous.)	8,931	8,889	8,748	8,813	8,355	8,059	-
Hires Rate (%)	3.5	3.7	3.6	3.7	3.6	3.6	-
Quits Rate (%)	2.2	2.2	2.2	2.2	2.2	2.2	-
Layoffs Rate (%)	1.0	1.0	1.0	1.1	1.0	1.0	-

**2**

Averages	1-Year	3-Year	5-Year	2015-19
Unemployment Rate (%)	3.8	3.9	4.9	4.4
Labor Force Participation Rate (%)	62.6	62.3	62.2	62.9
Prime Age Participation Rate (25-54, %)	83.4	82.7	82.3	81.7
Job Openings (Thous.)	8,866	10,207	8,887	6,360
Hires Rate (%)	3.7	4.1	4.1	3.8
Quits Rate (%)	2.3	2.6	2.4	2.2
Layoffs Rate (%)	1.0	1.0	1.3	1.2

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