



1 The economy added a robust 172,000 jobs in May, and upward revisions added 93,000 jobs to the previous two months. The three-month average of employment growth stood at 188,000 jobs added per month—the highest rate since early 2024 and close to the pre-pandemic average.

At the sector level, the breadth of employment growth widened somewhat as construction, leisure and hospitality, and local government saw strong gains and health care continued to grow. The financial activities sector, which includes the insurance industry, saw continued declines in employment, while other sectors were little changed.

Drivers of Premium	Nov	Dec	Jan	Feb	Mar	Apr	May
Net Employment Change (Thous.)	41	-17	160	-156	214	179	172
Net Private Employment Change (Thous.)	72	-7	180	-148	202	177	120
Average Hourly Earnings (y/y %)	3.9	3.7	3.7	3.7	3.4	3.6	3.4
Average Hours Worked (Hours)	34.3	34.2	34.3	34.3	34.2	34.3	34.3
Payroll (Calculated)* Growth (y/y %)	4.3	3.7	4.7	4.3	3.8	4.0	4.3

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

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Averages

	1-Year	3-Year	5-Year	2015-19
Employment Change	42	93	232	191
Average Hourly Earnings	3.8	4.0	4.4	2.7
Payroll Growth	4.2	4.6	6.5	4.6

2 Robust growth in new employees has likely put downward pressure on average hourly earnings; however, wage growth remains solid. When combined with strong employment gains, this has kept payroll growth elevated. If recent employment and wage trends continue, payroll growth would be expected to accelerate through the end of the year.

Drivers of Frequency	Nov	Dec	Jan	Feb	Mar	Apr	May
Unemployment Rate (%)	4.5	4.4	4.3	4.4	4.3	4.3	4.3
Labor Force Participation Rate (%)	62.5	62.4	62.1	62.0	61.9	61.8	61.8
Prime Age Participation Rate (25-54, %)	83.8	83.8	84.0	83.9	83.8	83.8	83.9
Job Openings (Thous.)	6,846	6,550	7,240	6,922	6,887	7,618	-
Hires Rate (%)	3.2	3.3	3.4	3.1	3.5	3.2	-
Quits Rate (%)	2.0	2.0	2.0	1.9	2.0	1.9	-
Layoffs Rate (%)	1.0	1.1	1.0	1.1	1.2	1.1	-

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Averages

	1-Year	3-Year	5-Year	2015-19
Unemployment Rate	4.3	4.1	4.0	4.4
Labor Force Participation Rate	62.2	62.5	62.3	62.9
Prime Age Participation Rate	83.8	83.6	83.1	81.7
Job Openings	7,077	7,693	8,967	6,360
Hires Rate	3.3	3.4	3.8	3.8
Quits Rate	2.0	2.1	2.3	2.2
Layoffs Rate	1.1	1.1	1.0	1.2

3 Job openings unexpectedly surged in April to their highest level since early 2024. While this is just one data point, a rise in labor demand could continue to support robust job growth and will be worth watching closely.

Big Picture: The key labor market question in 2025 was whether the data showed stabilization or deterioration. In early 2026, the question appears to be shifting to whether the data shows stabilization or acceleration.

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.