



**1** Employment growth in February came in stronger than expected. The US economy added 275,000 jobs overall, with 223,000 jobs added in private employment; however, the details of the jobs report were mixed.

Revisions to December and January lowered net employment gains by a total of 167,000 jobs over the two months. This brings employment gains from stellar back to just strong.

At the industry level, employment gains were broad. Construction, retail, transportation, healthcare, and leisure and hospitality services all saw strong job gains.

Drivers of Premium	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Net Employment Change (Thous.)	210	246	165	182	290	229	275
Net Private Employment Change (Thous.)	150	196	98	152	214	177	223
Average Hourly Earnings (y/y %)	4.5	4.5	4.3	4.3	4.3	4.4	4.3
Average Hours Worked (Hours)	34.4	34.4	34.3	34.4	34.4	34.2	34.3
Payroll (Calculated)* Growth (y/y %)	6.3	5.9	5.2	5.7	6.1	4.8	5.3

**1**

**2**

**Averages**

	1-Year	3-Year	5-Year	2015-19
Net Employment Change (Thous.)	229	399	129	190
Net Private Employment Change (Thous.)	177	360	118	177
Average Hourly Earnings (y/y %)	4.5	4.7	4.5	2.7
Average Hours Worked (Hours)	34.4	34.6	34.5	34.4
Payroll (Calculated)* Growth (y/y %)	5.9	8.6	5.6	4.6

**2** Average hourly earnings growth remained in line with the recent trend as average hours worked ticked up, providing a bit of a boost to average weekly earnings growth. Strong wage growth and strong employment growth in February helped boost payroll growth over the past 12 months back above 5%.

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

Drivers of Frequency	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Unemployment Rate (%)	3.8	3.8	3.8	3.7	3.7	3.7	3.9
Labor Force Participation Rate (%)	62.8	62.8	62.7	62.8	62.5	62.5	62.5
Prime Age Participation Rate (25-54, %)	83.5	83.5	83.3	83.3	83.2	83.3	83.5
Job Openings (Thous.)	9,358	9,307	8,685	8,931	8,889	8,863	-
Hires Rate (%)	3.8	3.7	3.7	3.5	3.7	3.6	-
Quits Rate (%)	2.3	2.3	2.3	2.2	2.2	2.1	-
Layoffs Rate (%)	1.1	1.0	1.1	1.0	1.0	1.0	-

**3**

**Averages**

	1-Year	3-Year	5-Year	2015-19
Unemployment Rate (%)	3.7	4.1	4.9	4.4
Labor Force Participation Rate (%)	62.6	62.2	62.3	62.9
Prime Age Participation Rate (25-54, %)	83.4	82.6	82.3	81.7
Job Openings (Thous.)	9,221	10,221	8,829	6,360
Hires Rate (%)	3.8	4.1	4.1	3.8
Quits Rate (%)	2.3	2.6	2.4	2.2
Layoffs Rate (%)	1.1	1.0	1.3	1.2

**3** The unemployment rate moved higher while labor force participation was unchanged. Despite strong employment gains reported from the establishment survey, the household survey has started to diverge, instead reporting a small loss of employment.

The two employment surveys have diverged twice over the past few years. Both times, the establishment survey was proven to be more accurate. While not concerning yet, this trend is worth keeping a close eye on.

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