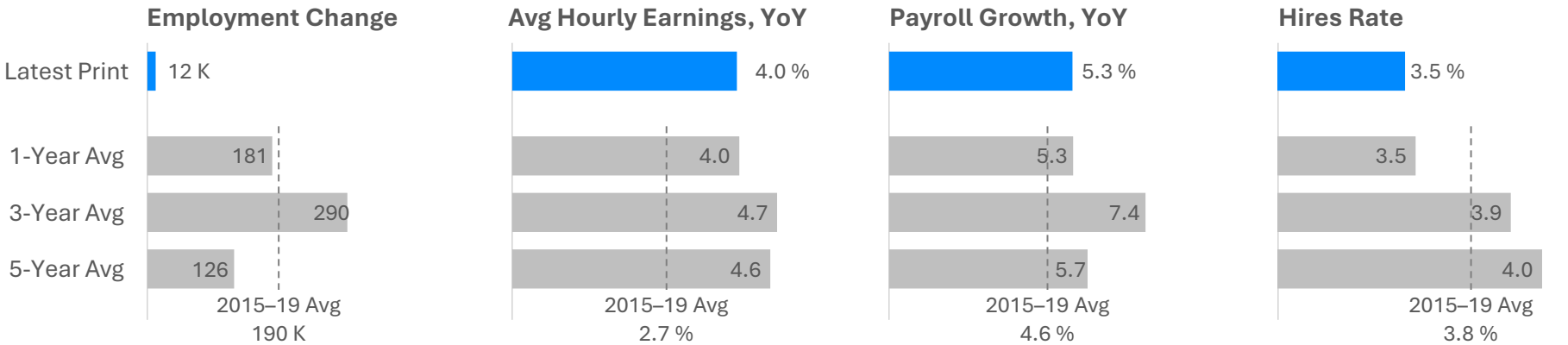




1 October employment was heavily influenced by external factors, leaving little indication as to the direction of the labor market after September's strong employment gains.

The Bureau of Labor Statistics (BLS) quantified a reduction of 44,000 jobs in transportation manufacturing due to strikes, which accounted for more than the overall decline in private sector employment.

While the BLS was not able to quantify the impact from major hurricanes, October saw 512,000 people who were employed but not at work due to weather and 1.4 million workers who usually work full-time but could only work part-time due to weather.

The response rate for the establishment survey was the lowest since 1991 at 47.4%, compared to 62.2% in September. The BLS noted that the household survey, the source for unemployment data, was conducted largely according to standard practices.

2 The unemployment rate in October remained unchanged from September at 4.1%. While the survey wasn't impacted, the rate held steady due to a drop in participation, which could have been weather related.

Big picture: The October employment report looks weak, however, the data was significantly impacted by temporary factors. We caution drawing conclusions based on this data and will look to next month's report for clarification on current employment trends.

Drivers of Premium	Apr	May	Jun	Jul	Aug	Sep	Oct
Net Employment Change (Thous.)	108	216	118	144	78	223	12
Net Private Employment Change (Thous.)	108	206	97	99	37	192	-28
Average Hourly Earnings (y/y %)	3.9	4.0	3.8	3.6	3.9	3.9	4.0
Average Hours Worked (Hours)	34.3	34.3	34.3	34.2	34.3	34.3	34.3
Payroll (Calculated)* Growth (y/y %)	5.6	5.3	5.1	4.8	5.0	5.0	5.3

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

1

Averages			
1-Year	3-Year	5-Year	2015-19
181	290	126	190
141	251	113	177
4.0	4.7	4.6	2.7
34.3	34.5	34.5	34.4
5.3	7.4	5.7	4.6

Drivers of Frequency	Apr	May	Jun	Jul	Aug	Sep	Oct
Unemployment Rate (%)	3.9	4.0	4.1	4.3	4.2	4.1	4.1
Labor Force Participation Rate (%)	62.7	62.5	62.6	62.7	62.7	62.7	62.6
Prime Age Participation Rate (25-54, %)	83.5	83.6	83.7	84.0	83.9	83.8	83.5
Job Openings (Thous.)	7,919	8,230	7,910	7,711	7,861	7,443	-
Hires Rate (%)	3.5	3.6	3.3	3.4	3.4	3.5	-
Quits Rate (%)	2.2	2.1	2.0	2.0	2.0	1.9	-
Layoffs Rate (%)	1.0	1.1	1.0	1.1	1.0	1.2	-

2

Averages			
1-Year	3-Year	5-Year	2015-19
4.0	3.8	4.9	4.4
62.6	62.5	62.2	62.9
83.6	83.0	82.4	81.7
8,291	9,819	8,940	6,360
3.5	3.9	4.0	3.8
2.1	2.5	2.4	2.2
1.1	1.0	1.3	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