



**1** After several months of reports on the weaker side, September saw blockbuster job gains and included significant upward revisions to previous months. September’s headline gains of 254,000 jobs were joined by an increase of 72,000 jobs over the previous two months, washing away much of the weakness we reported on in the previous two **Labor Market Insights**.

Industry trends remained similar to the rest of the year with health care, leisure and hospitality services, and construction accounting for the bulk of private sector employment gains in September.

The rebound in employment growth combined with still-firm wage growth has kept payroll growth steady over the past several months.

**2** The details of the employment situation have improved as well. The unemployment rate has declined for a second consecutive month while job openings increased in August after several months of decline.

Should the September reversals of job openings and unemployment turn into a sustained trend, the labor market may be reaccelerating after the summer slowdown. We will be watching future data closely to assess how trends are developing.

**Big picture:** The September employment report was a welcome change after several months of weaker data; however, we caution overreacting to any single data print. More information will be needed to assure us that this was not a one-off report and that trends are indeed changing sustainably.

Drivers of Premium	Mar	Apr	May	Jun	Jul	Aug	Sep
Net Employment Change (Thous.)	310	108	216	118	144	159	254
Net Private Employment Change (Thous.)	232	108	206	97	99	114	223
Average Hourly Earnings (y/y %)	4.1	3.9	4.0	3.8	3.6	3.9	4.0
Average Hours Worked (Hours)	34.4	34.3	34.3	34.3	34.2	34.3	34.2
Payroll (Calculated)* Growth (y/y %)	5.9	5.6	5.3	5.1	4.8	5.1	4.8

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

**Averages**

	1-Year	3-Year	5-Year	2015-19
Net Employment Change (Thous.)	203	317	129	190
Net Private Employment Change (Thous.)	160	279	116	177
Average Hourly Earnings (y/y %)	4.1	4.7	4.6	2.7
Average Hours Worked (Hours)	34.3	34.5	34.5	34.4
Payroll (Calculated)* Growth (y/y %)	5.3	7.5	5.7	4.6

Drivers of Frequency	Mar	Apr	May	Jun	Jul	Aug	Sep
Unemployment Rate (%)	3.8	3.9	4.0	4.1	4.3	4.2	4.1
Labor Force Participation Rate (%)	62.7	62.7	62.5	62.6	62.7	62.7	62.7
Prime Age Participation Rate (25-54, %)	83.4	83.5	83.6	83.7	84.0	83.9	83.8
Job Openings (Thous.)	8,355	7,919	8,230	7,910	7,711	8,040	-
Hires Rate (%)	3.6	3.5	3.6	3.3	3.4	3.3	-
Quits Rate (%)	2.2	2.2	2.1	2.0	2.0	1.9	-
Layoffs Rate (%)	1.0	1.0	1.1	1.0	1.1	1.0	-

**Averages**

	1-Year	3-Year	5-Year	2015-19
Unemployment Rate (%)	3.9	3.8	4.9	4.4
Labor Force Participation Rate (%)	62.6	62.4	62.2	62.9
Prime Age Participation Rate (25-54, %)	83.5	83.0	82.4	81.7
Job Openings (Thous.)	8,462	9,920	8,938	6,360
Hires Rate (%)	3.6	3.9	4.0	3.8
Quits Rate (%)	2.2	2.5	2.4	2.2
Layoffs Rate (%)	1.0	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