



Drivers of Premium	Feb	Mar	Apr	May	Jun	Jul	Aug
Net Employment Change (Thous.)	236	310	108	216	118	89	142
Net Private Employment Change (Thous.)	181	232	108	206	97	74	118
Average Hourly Earnings (y/y %)	4.3	4.1	3.9	4.0	3.8	3.6	3.8
Average Hours Worked (Hours)	34.3	34.4	34.3	34.3	34.3	34.2	34.3
Payroll (Calculated)* Growth (y/y %)	5.3	5.9	5.6	5.3	5.1	4.8	5.0

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

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Averages

	1-Year	3-Year	5-Year	2015-19
Net Employment Change (Thous.)	197	321	127	190
Net Private Employment Change (Thous.)	156	286	115	177
Average Hourly Earnings (y/y %)	4.1	4.8	4.6	2.7
Average Hours Worked (Hours)	34.3	34.5	34.5	34.4
Payroll (Calculated)* Growth (y/y %)	5.4	7.7	5.7	4.6

Drivers of Frequency	Feb	Mar	Apr	May	Jun	Jul	Aug
Unemployment Rate (%)	3.9	3.8	3.9	4.0	4.1	4.3	4.2
Labor Force Participation Rate (%)	62.5	62.7	62.7	62.5	62.6	62.7	62.7
Prime Age Participation Rate (25-54, %)	83.5	83.4	83.5	83.6	83.7	84.0	83.9
Job Openings (Thous.)	8,813	8,355	7,919	8,230	7,910	7,673	-
Hires Rate (%)	3.7	3.6	3.5	3.6	3.3	3.5	-
Quits Rate (%)	2.2	2.2	2.2	2.1	2.0	2.1	-
Layoffs Rate (%)	1.1	1.0	1.0	1.1	1.0	1.1	-

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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	82.9	82.4	81.7
Job Openings (Thous.)	8,568	9,998	8,923	6,360
Hires Rate (%)	3.6	4.0	4.1	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

1 Employment gains rebounded in August after a weak July, but they remained lower than the pace seen earlier in the year.

At the industry level, construction, health care, and leisure and hospitality services continued to be key areas of growth. Manufacturing saw a modest decline in August while other industry groups saw little change in employment.

Hourly earnings growth and hours worked both ticked up, helping to support overall payroll growth. Despite the slowing trend in employment growth, payroll growth remained above the pre-pandemic average.

2 As we alluded to last month, the number of workers on temporary layoff declined by 190,000 in August, reversing most of the rise last month and helping to lower the overall unemployment rate.

With the decline in job openings, the number of job openings per unemployed worker, a key measure of labor market tightness, dropped further below its pre-pandemic level.

Big picture: With the evolution of the data over the past several months, the labor market has slowed materially from earlier in the year.

While the data does not currently appear to show recessionary characteristics, a third consecutive month of modest employment growth supports a more cautious outlook.

It's anticipated that future employment growth could be closer to the recent average, and we will be watching wage growth and its associated impact on payroll growth.