

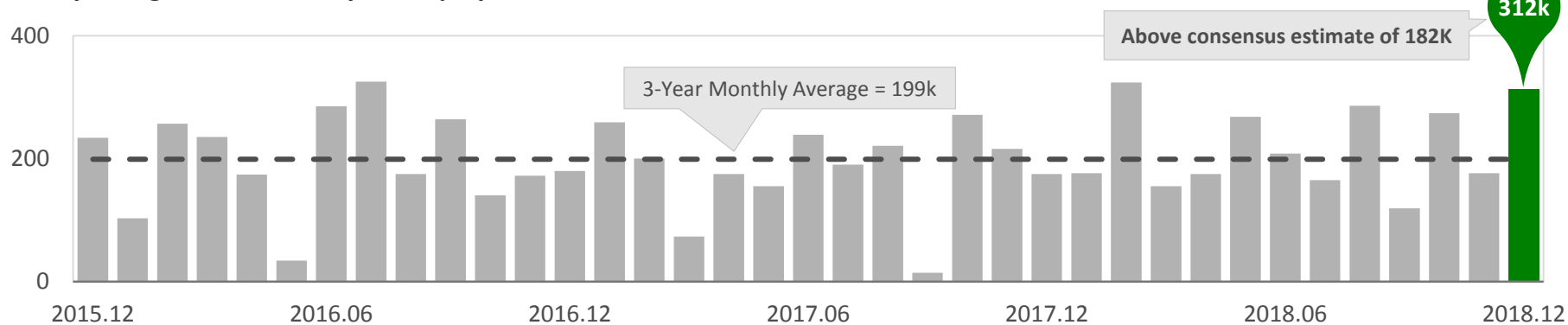
THE TOP LINE: U.S. EMPLOYMENT REPORT

December 2018 (Released 01.04.19)



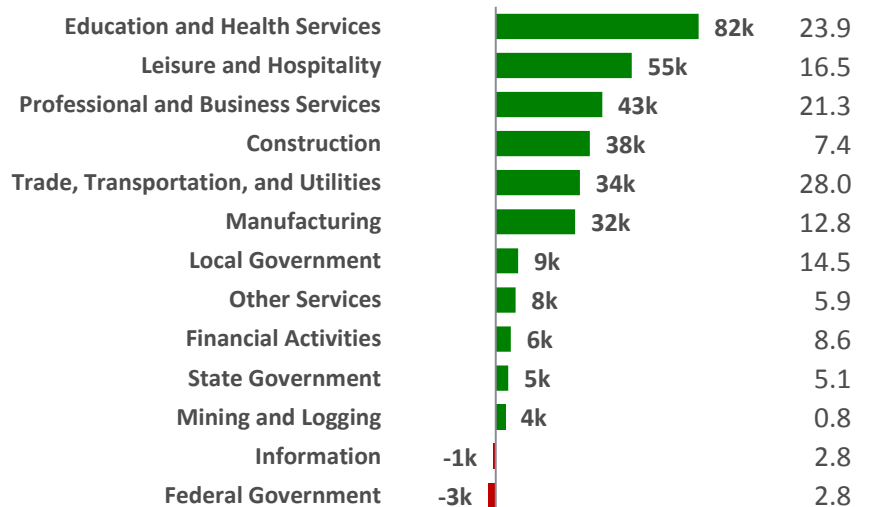
JOB GROWTH

Monthly Change in Nonfarm Payroll Employment, Thousands



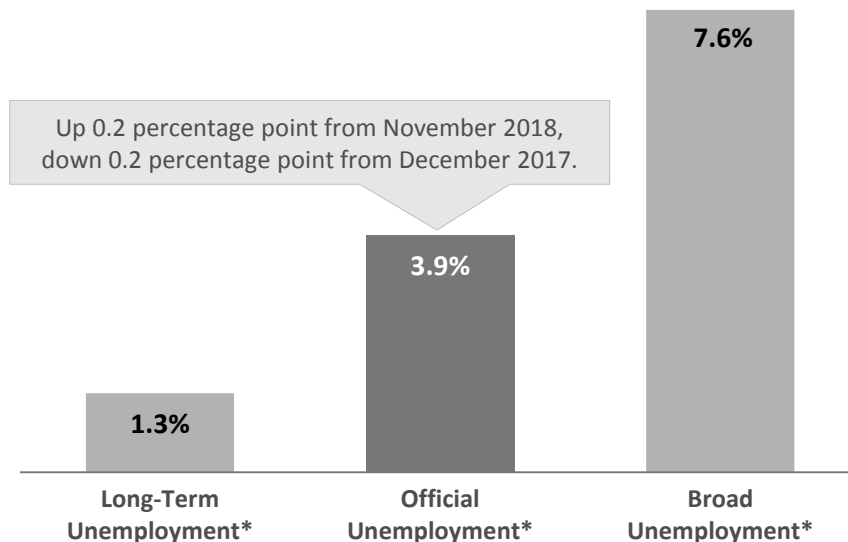
JOB GROWTH BY SECTOR

Monthly Change in Payroll Employment, Thousands



UNEMPLOYMENT RATES

Percentage



* Long-term unemployment accounts for those that have been unemployed for 15 weeks or more (U1); Official unemployment accounts for all those unemployed (U3); Broad unemployment accounts for all those unemployed plus all persons marginally attached to the labor force and those employed part-time for economic reasons (U6).

THE TOP LINE: U.S. EMPLOYMENT REPORT

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Top Line

The U.S. economy added 312K jobs in December, well above consensus estimates. Unemployment rose to 3.9%, while the labor force participation rate increased to 63.1%. Annual wage growth improved to 3.2%, tied for the fastest growth since 2009. Will the recent improvement in wage growth draw more sidelined workers into the labor force in 2019?

312K

Change in Payroll Employment

The economy added 312k jobs in December, well above expectations. Growth was concentrated in education and health services; leisure and hospitality; and professional & business services. Despite unemployment remaining near multi-decade lows, average job gains accelerated to 220k per month in 2018, compared to 182k per month in 2017.

3.9%

Unemployment Rate

The unemployment rate rose to 3.9% in December, but remains below 4.0% for the sixth consecutive month. The increase is mostly due to an improvement in the labor force participation rate, which rose to 63.1%. Meanwhile, broad unemployment — which includes discouraged workers and those working part time who would prefer to work full time — remained at 7.6%.

0.1 hr

Change in Average Workweek

The average workweek for all private nonfarm employees edged up 0.1 hour to 34.5 hours in December after decreasing by the same amount in November.

0.4%

Change in Average Hourly Earnings

Average hourly earnings rose 11 cents to \$27.48, up 0.4% from last month. On an annual basis, average wage growth improved to 3.2% in December, tied for the fastest rate since 2009. Stronger wage growth suggests that employers are increasingly willing to pay higher wages to attract scarce workers.