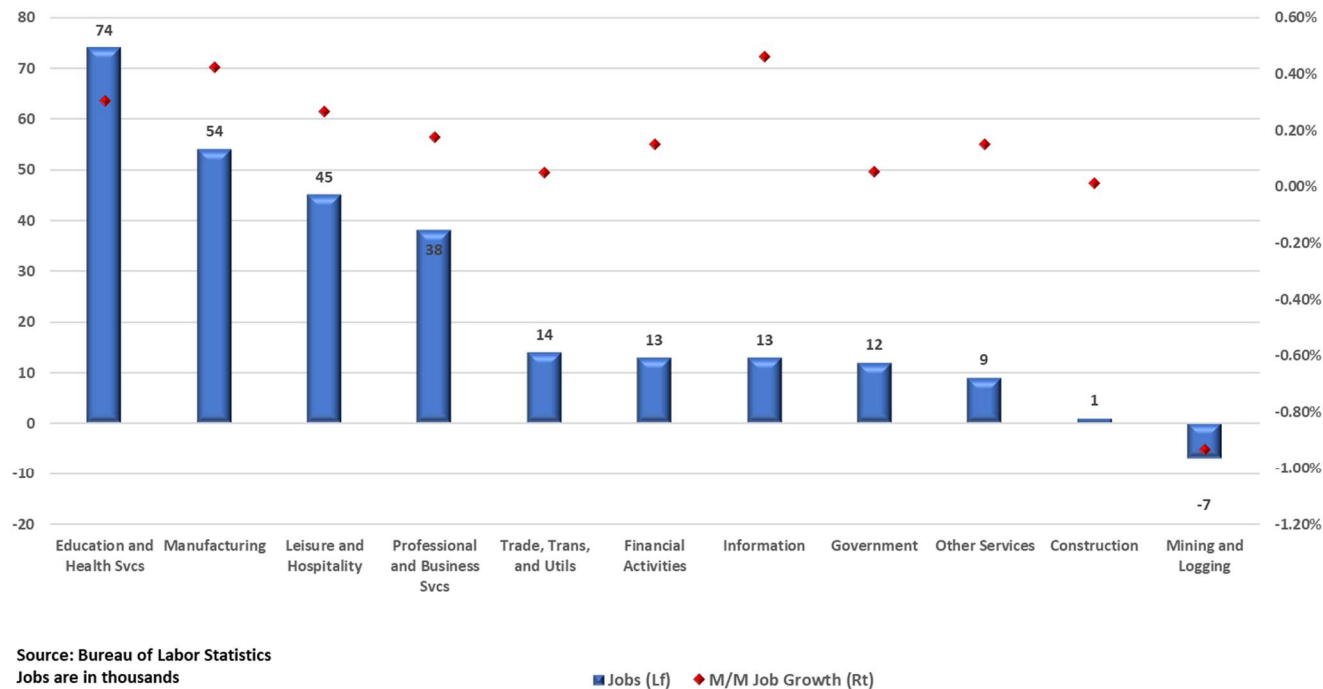


National Employment Growth by Sector (November 2019)



The national economy surged past consensus expectations (180,000 jobs), adding 266,000 jobs in November. Moreover, the October figure was revised upward by 28,000 jobs. Growth was broad-based with only mining and logging employment falling in November. Education and health services (74,000 jobs) was the leading employment sector in the recent release. Manufacturing recorded an increase of 54,000 jobs, which is a rebound from the previous month's GM strike. The PMI fell by 20 bps and remained below the 50% threshold for the fourth consecutive month, registering at 48.1% in November. Trade, transportation and utilities employment rose by 14,000 jobs in the recent release. While the transportation and warehousing component rose by 16,000 positions, retail employment rose by 2,000 positions in November. The US economy averaged employment growth of 223,000 jobs per month in 2018 and is currently averaging 180,000 jobs per month through November. The economy is in the mature stage of the business cycle and will see more headwinds in the coming months. We expect employment growth to moderate in 2020, with gains around 120,000 jobs per month.

US Labor Market Snapshot (November 2019)											
Variable	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 Avg.	Difference from 2007
Population (Civilian, Non-Inst.)	237,829	239,618	243,284	245,679	247,947	250,801	253,538	255,079	257,791	259,084	11.7%
Total Employment	130,354	131,939	134,174	136,374	138,941	141,826	144,348	146,611	149,064	151,317	9.7%
Full-Time Employment	111,712	112,567	114,821	116,322	118,725	121,496	123,761	125,965	128,568	130,455	7.7%
Part-Time Employment	27,349	27,314	27,661	27,620	27,593	27,341	27,678	27,372	27,185	26,929	7.9%
Unemployment Rate	9.6%	8.9%	8.1%	7.4%	6.2%	5.3%	4.9%	4.4%	3.9%	3.7%	-90 bps
Underutilization Rate	16.7%	15.9%	14.7%	13.8%	12.0%	10.5%	9.6%	8.5%	7.7%	7.2%	-110 bps
Employment/Population Ratio	58.5%	58.4%	58.6%	58.6%	59.0%	59.3%	59.7%	60.1%	60.4%	60.8%	-220 bps
Labor Force Participation Rate	64.7%	64.1%	63.7%	63.3%	62.9%	62.7%	62.8%	62.9%	62.9%	63.1%	-290 bps
Not in Labor Force	83,945	85,994	88,311	90,282	92,026	93,661	94,341	94,766	95,721	95,670	21.5%

Source: US Bureau of Labor Statistics

Note: Population, employment, and "Not in Labor Force" data are in thousands.

The US labor market showed mostly positive signs in the recent release. The unemployment rate dipped to 3.5% in November. In fact, 2019 has produced a monthly unemployment rate of 3.5% twice. This feat has not been done since 1969. Total employment is now 9.7% above the trough from the last recession. Moreover, full-time employment grew in November, though part-time employment retreated. The underutilization rate fell slightly to 6.9% in November. The employment-to-population ratio is now averaging 60.8% in 2019. This is the highest rate since 2008. Finally, the labor force participation rate has averaged 63.1% in 2019. This is the highest rate since 2013.