



Source: US Bureau of Labor Statistics
Note: Data is in thousands

The national economy came in well below consensus expectations (180,000 jobs), adding only 75,000 jobs in May. Professional and business services (33,000 jobs) was the leading employment sector in the recent release. Education and health services continued its expansion, adding 27,000 positions. Manufacturing employment growth has struggled in 2019 and added only 3,000 workers in May. The May PMI (52.1%) is the lowest PMI recorded in the last 12 months. Information and government employment collectively lost 20,000 workers in May. The US economy averaged employment growth of 223,000 jobs per month in 2018 and is currently averaging 164,000 jobs per month through May. The economy is in the mature stage of the business cycle but there still seems to be room to run. We expect employment growth to moderate in the coming year, with gains around 170,000 jobs per month.

US Labor Market Snapshot (May 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	258,544	11.5%
Total Employment	130,354	131,939	134,174	136,374	138,941	141,826	144,348	146,611	149,064	150,828	9.3%
Full-Time Employment	111,712	112,567	114,821	116,322	118,725	121,496	123,761	125,965	128,568	129,888	7.3%
Part-Time Employment	27,349	27,314	27,661	27,620	27,593	27,341	27,678	27,372	27,185	26,893	7.8%
Unemployment Rate	9.6%	8.9%	8.1%	7.4%	6.2%	5.3%	4.9%	4.4%	3.9%	3.8%	-80 bps
Underutilization Rate	16.7%	15.9%	14.7%	13.8%	12.0%	10.5%	9.6%	8.5%	7.7%	7.4%	-90 bps
Employment/Population Ratio	58.5%	58.4%	58.6%	58.6%	59.0%	59.3%	59.7%	60.1%	60.4%	60.6%	-240 bps
Labor Force Participation Rate	64.7%	64.1%	63.7%	63.3%	62.9%	62.7%	62.8%	62.9%	62.9%	63.0%	-300 bps
Not in Labor Force	83,945	85,994	88,311	90,282	92,026	93,661	94,341	94,766	95,721	95,647	21.5%

Source: US Bureau of Labor Statistics

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

The US labor market weakened in the recent release. The May unemployment rate remained at 3.6% in May. Total employment is now 9.3% above the trough from the last recession. However, full-time employment decreased for a third consecutive month in May. This dynamic raises concerns about the availability of full-time jobs that match the qualifications of prospective full-time workers. If full-time employment continues to fall, expect part-time employment to surge. The labor force participation rate remains well below the 2007 annual average. Expect the gap between this year's labor force participation rate and the 2007 annual value to reach more than 300 bps as the labor market becomes less robust.