

05.Nov.2021

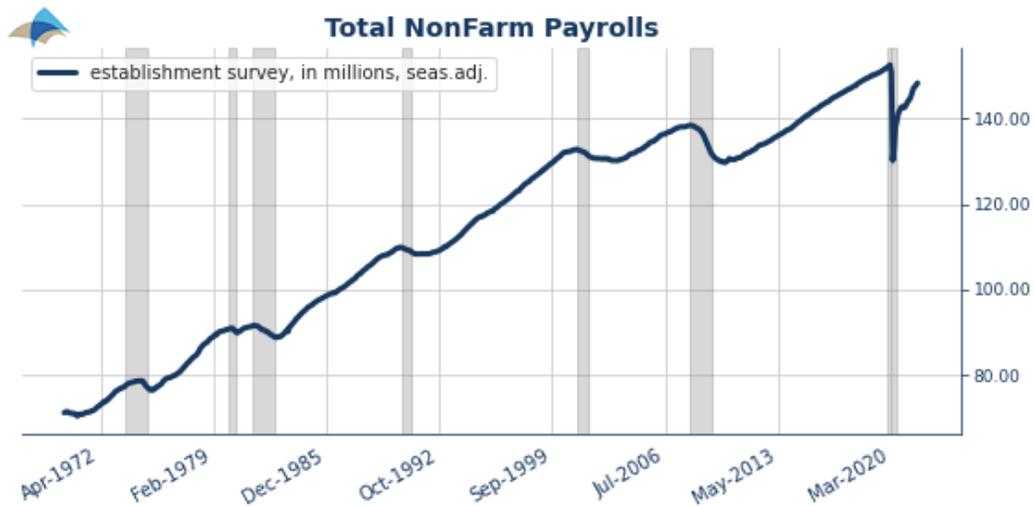
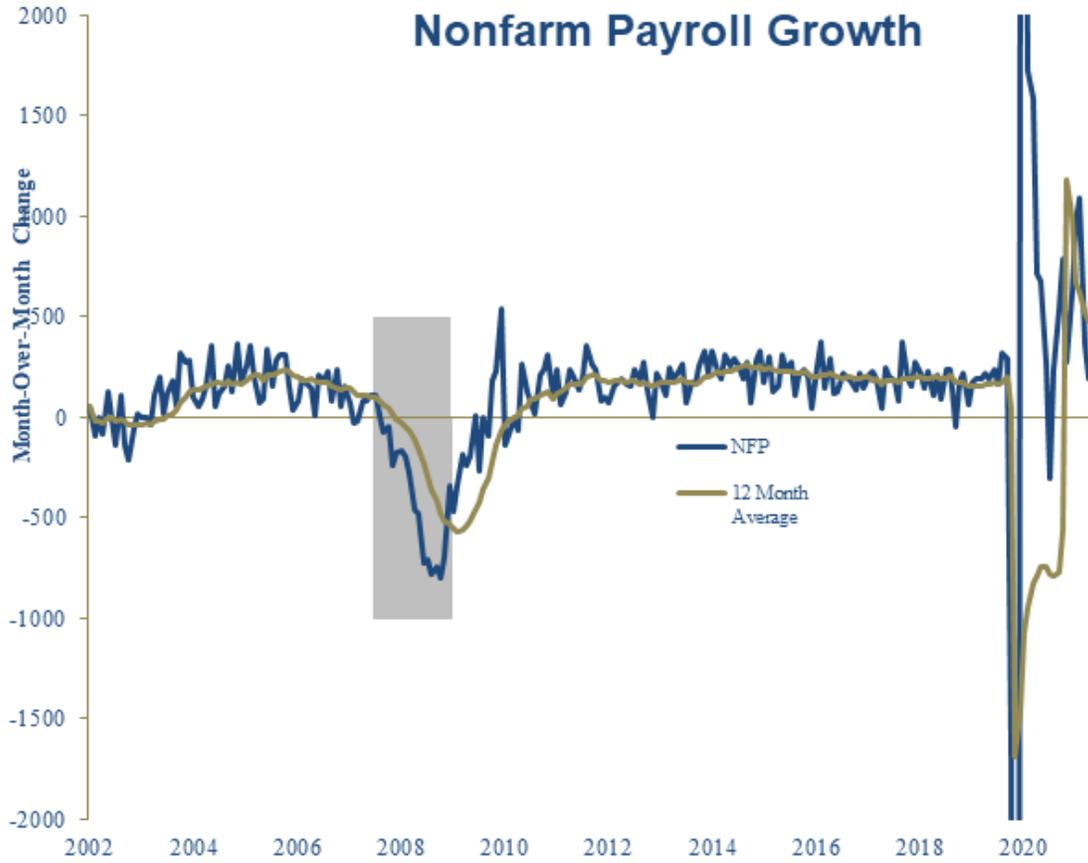
### **Employment: Solid Gains, Details and Revisions Even Better**

**Bottom Line:** Payroll employment in October rose more than expected, up 531k, and there were positive revisions of more than 230k to August and September's disappointing readings. Confirming reports from other leading indicators, construction and manufacturing job growth was strong. And services sector hiring was broad, led by leisure and hospitality jobs. Moreover, seasonal adjustments in October appear to have skewed the reported job gains in the education sector lower again, without which October would have looked even more robust.

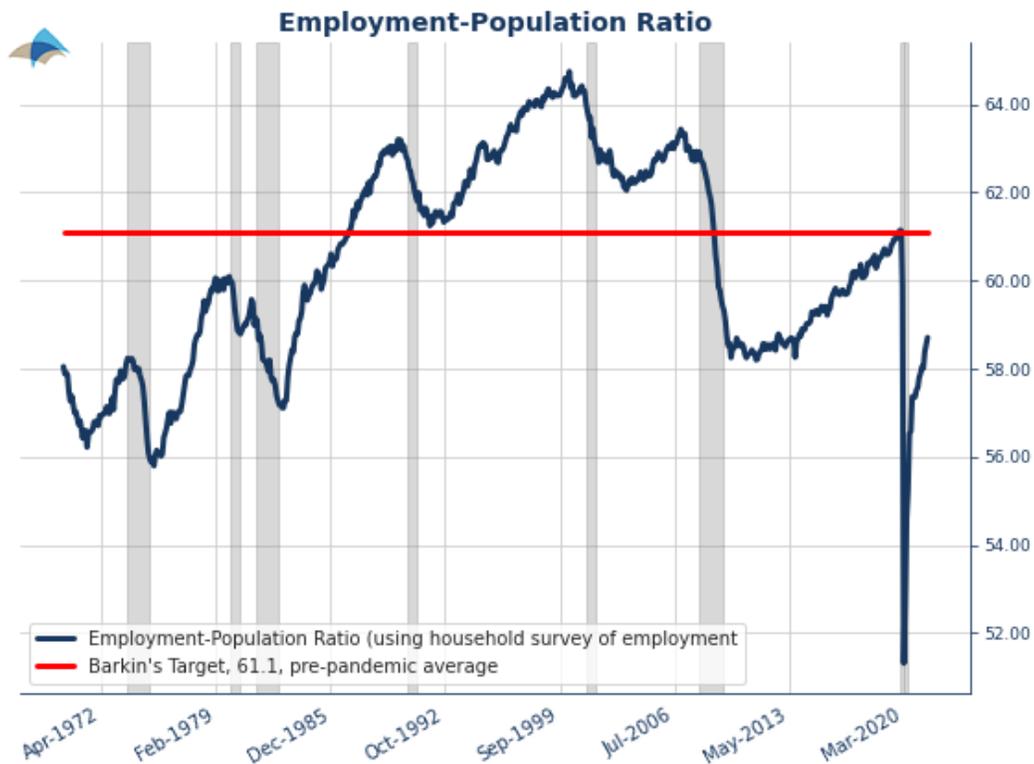
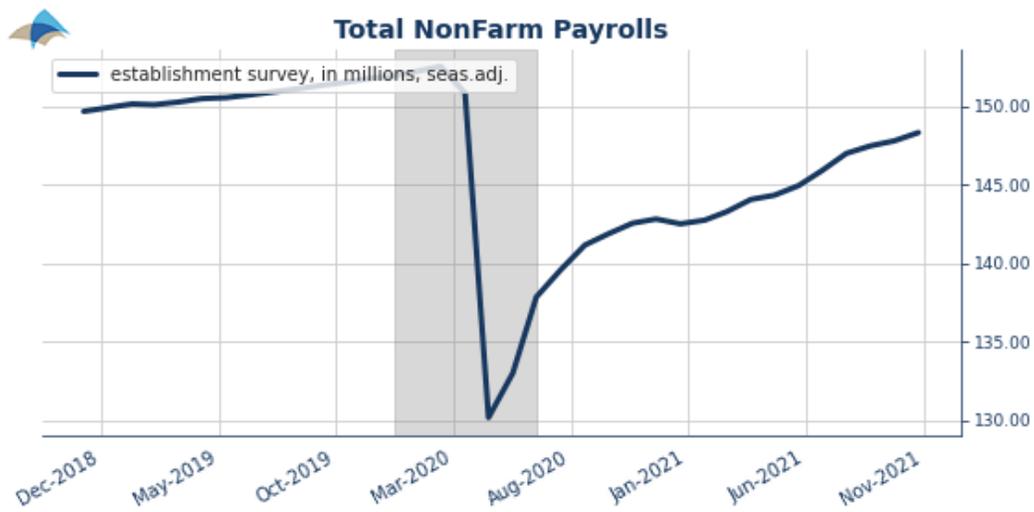
The unemployment rate fell two-tenths to 4.6% as labor force participation fell slightly. The only hint of concern in this report was that the participation rate remains low. That said, the employment-to-population ratio ticked higher and continued to trend in the right direction. Average hourly earnings were up 0.4%, and while slower than in September, it might be even more impressive given how broad the hiring was. Hours worked fell slightly, but that should be expected as overall hiring grows.

Overall, this was a solid report and could have been even stronger if it weren't for the seasonal adjustments for school hiring. Moreover, the revisions to the previous reports, which were surprisingly weak, were a good sign. Looking through the volatility and seasonal adjustments, the three-month trend of 442k jobs appears likely to accelerate to the 5-600k range after this period of complex seasonal adjustments, in line with the trend that Fed Chair Powell mentioned in the Fed press conference.

	Cons.	Actual	Prior
<b>Non Farm Payroll</b>	<b>450k</b>	<b>531k</b>	<b>312k</b>
<b>U-rate</b>	<b>4.7%</b>	<b>4.6%</b>	<b>4.8%</b>
<b>Hourly Earnings</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.6%</b>



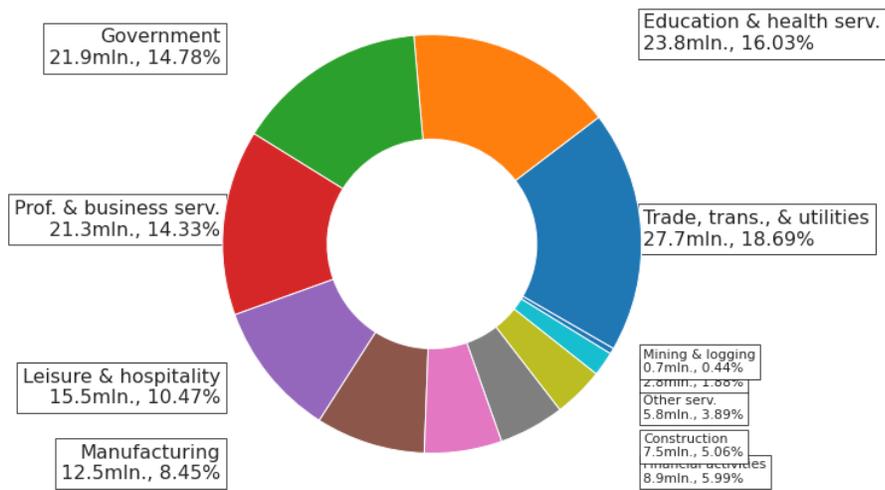
- looking at just the last two years:

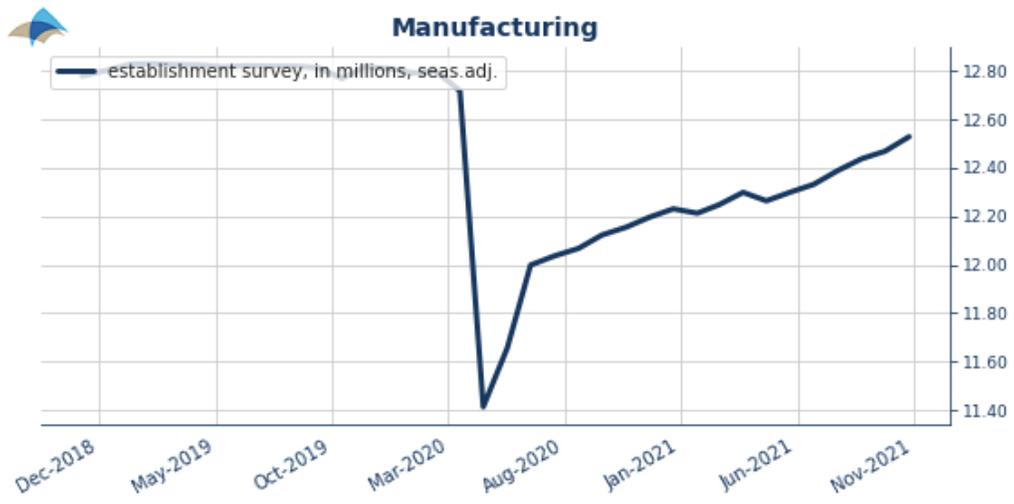


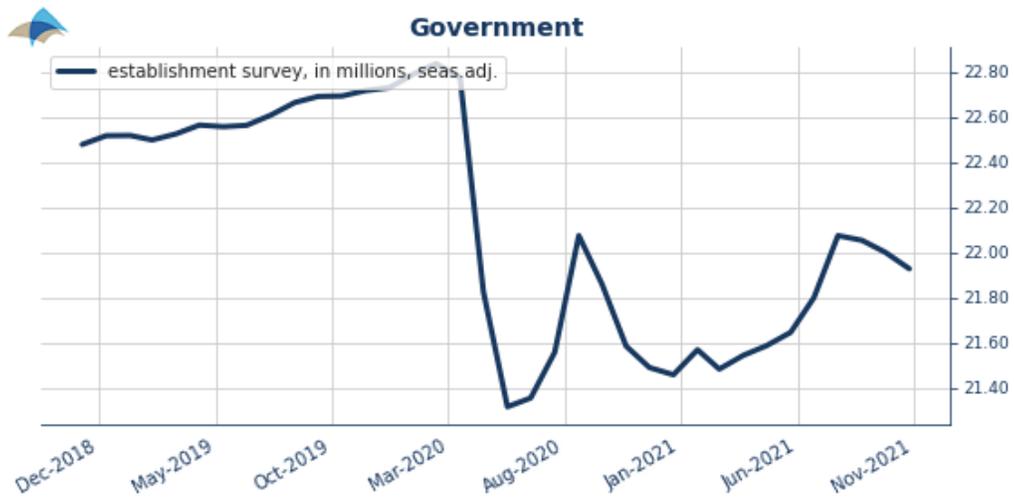
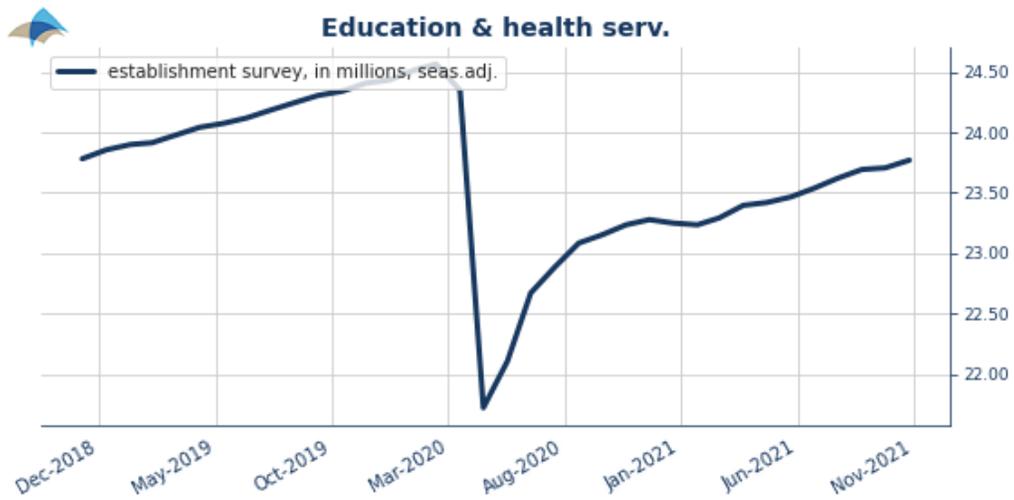
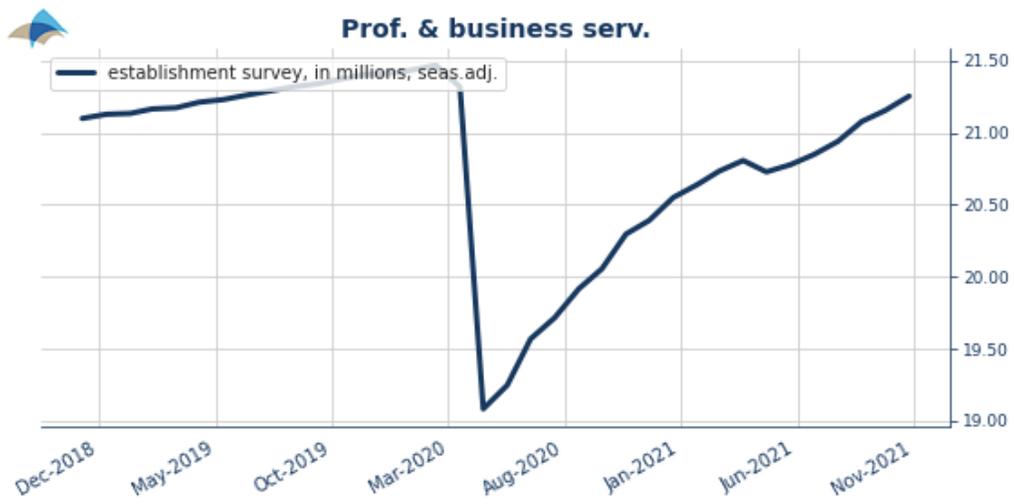
Jobs were shed in Government (-73k).



### US Employment By Major Sector Latest Data

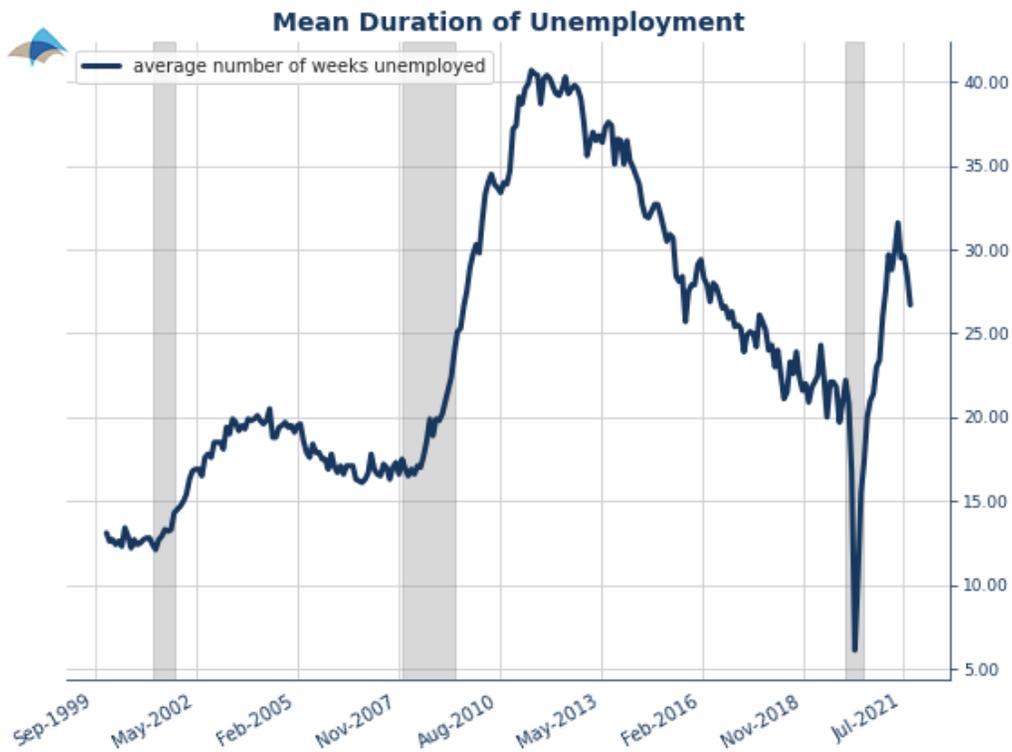












	Average for										
	Oct-21	Sep-21	Aug-21	Jul-21	Three Months	Six Months	Twelve Months	2020	2019	Five Years	Ten Years
<b>Unemployment Rate</b>	<b>4.6%</b>	<b>4.8%</b>	<b>5.2%</b>	<b>5.4%</b>	<b>4.9%</b>	<b>5.3%</b>	<b>5.8%</b>	<b>8.1%</b>	<b>3.7%</b>	<b>5.0%</b>	<b>6.1%</b>
Civilian Labor Force (mln.)	161.5	161.4	161.5	161.3	161.4	161.3	160.9	164.6	163.1		
Change (thousands)	104	-183	190	261	37	78	62	121	215	137	96
Household Employment (mln.)	154.0	153.7	153.2	152.6	153.6	152.8	151.6	149.8	158.7		
Change (thousands)	359	526	509	1,043	465	477	364	166	236	185	173
Unemployed (mln.)	7.4	7.7	8.4	8.7	7.8	8.5	9.3	10.7	5.8	7.4	9.0
Change (thousands)	-255	-710	-318	-782	-428	-399	-303	-45	-21	-48	-77
Not in the Labor Force (mln.)	100.5	100.4	100.1	100.1	100.3	100.3	100.4	100.7	95.6	96.5	93.6
Currently wants a job (mln.)	6.0	6.0	5.7	6.5	5.9	6.2	6.6	7.3	4.9	5.7	6.0
Adjusted Unemployment Rate	8.0%	8.2%	8.4%	9.1%	8.2%	8.8%	9.5%	10.8%	6.3%	7.9%	9.1%
Not at work due to weather ('01	27.0	94.0	47.0	58.0	56.0	47.3	140.8	111.0	112.0	137.8	144.6
<b>Mean Duration (in weeks)</b>	<b>26.7</b>	<b>28.4</b>	<b>29.6</b>	<b>29.5</b>	<b>28.2</b>	<b>29.3</b>	<b>27.9</b>	<b>23.4</b>	<b>20.8</b>	<b>23.3</b>	<b>29.2</b>
<b>Long-Term Unemployed (000's)</b>	<b>2,326</b>	2,683	3,179	3,425	2,729	3,225	3,651	3,956	1,177	1,960	2,894
<b>Part-Time for Economic Reason (000's)</b>	<b>4,328</b>	4,406	4,414	4,351	4,383	4,546	5,228	6,082	4,119	5,035	6,149

Source: Bureau of Labor Statistics, Department of Labor via Bloomberg. Our calculations.

**The Index of Aggregate Hours** ROSE by 0.2%, combining the moderate gain in private payroll employment and the shorter workweek.

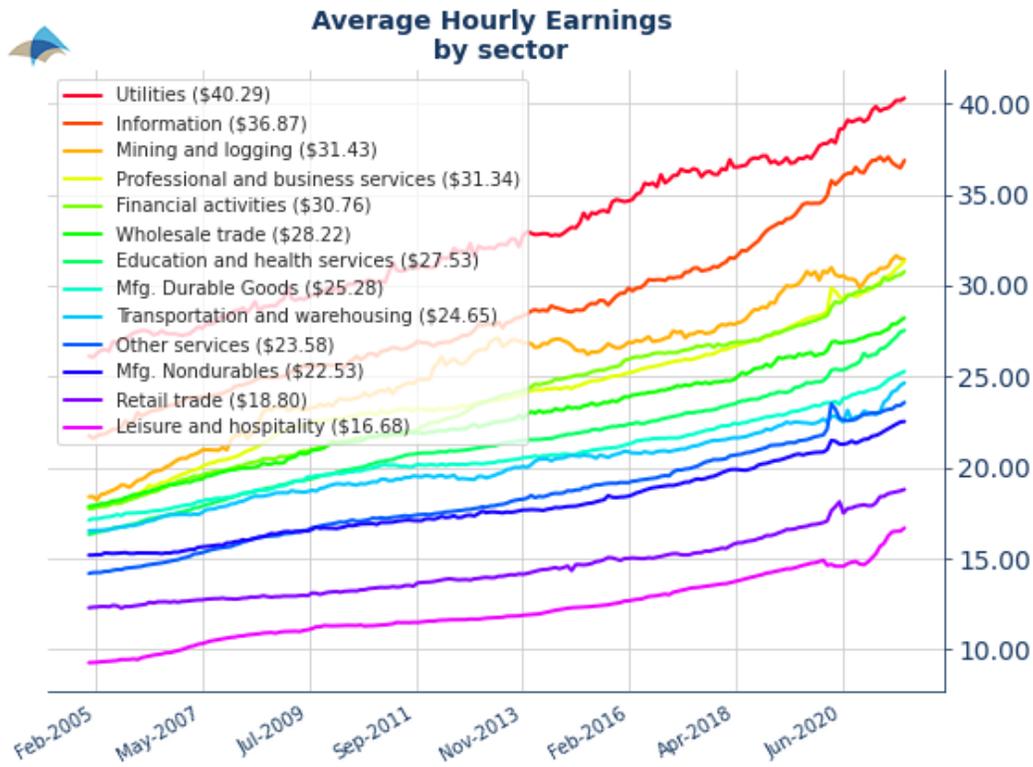
**Hourly Earnings** ROSE by 0.4% in October, below market expectations of 0.4%. Hourly earnings are now 4.9% ABOVE their year-ago level.

**Weekly Earnings** also ROSE by 0.1%, the result of the change in hourly earnings and a shorter workweek. Weekly earnings are now 4.6% ABOVE their year-ago level.

**The Average Workweek** FELL by 0.1 to 34.7 hours, in line with the market consensus at 34.7 hours.

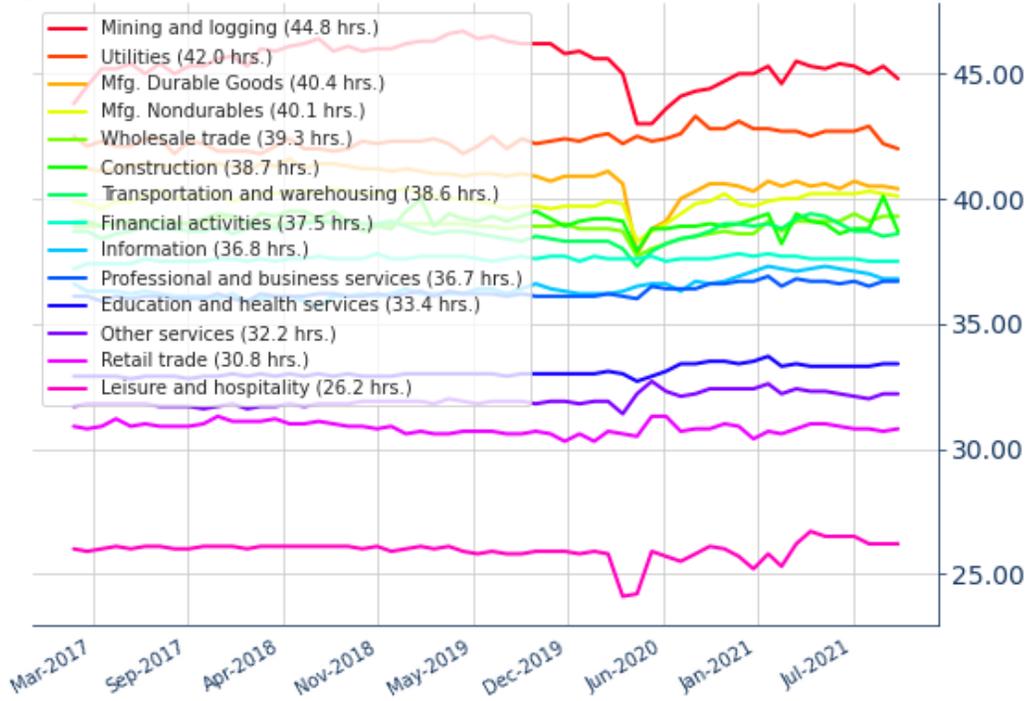
	Annualized Averages for										
	Three	Six	Twelve	Five	Ten						
	Sep-21	Aug-21	Jul-21	Jun-21	Months	Months	Months	2020	2019	Years	Years
<b>Average Hourly Earnings</b> <i>Prior Estimate</i>	0.62%	0.4%	0.4%	0.4%	5.5%	6.0%	4.6%	2.9%	3.4%	3.4%	2.5%
<b>Average Weekly Earnings</b>	1.20%	0.1%	0.4%	0.1%	6.7%	5.4%	4.6%	2.3%	3.4%	3.7%	2.7%
<b>Average Weekly Hours</b> <i>Prior Estimate</i>	34.8	34.6	34.7	34.7	34.7	34.8	34.8	34.2	33.5	33.7	33.7
Goods Producing	40.4	40.0	40.0	39.9	40.1	40.1	40.0	39.9	40.1	40.3	40.3
Manufacturing	40.4	40.4	40.5	40.3	40.4	40.4	40.4	40.0	40.4	40.6	40.7
Overtime	3.3	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.3	3.3
Service Producing	33.6	33.6	33.7	33.7	33.6	33.7	33.7	33.6	33.2	33.3	33.3
<b>Index of Aggregate Weekly Hours</b> <i>Prior Estimate</i>	0.8%	0.0%	0.6%	0.4%	6.1%	4.5%	4.7%	0.8%	1.8%	0.1%	1.0%
Goods Producing	1.2%	0.2%	0.6%	-0.3%	8.5%	2.8%	3.8%	-0.8%	3.6%	0.3%	1.0%
Manufacturing	0.2%	0.0%	1.0%	0.0%	5.0%	2.0%	3.0%	-1.2%	2.4%	-0.5%	0.2%
Service Producing	0.3%	0.0%	0.7%	0.4%	4.0%	4.4%	4.7%	1.3%	1.5%	0.0%	0.9%

Source: Bureau of Labor Statistics, Department of Labor via Bloomberg. Our calculations.

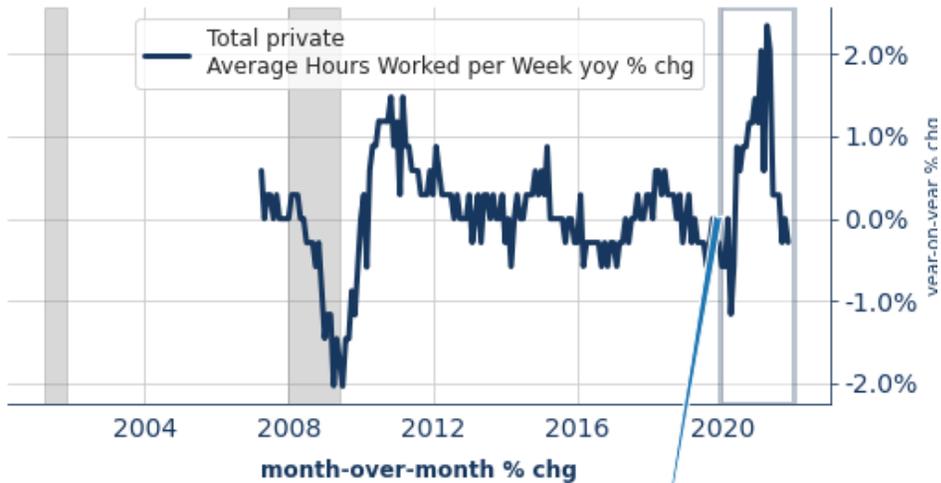




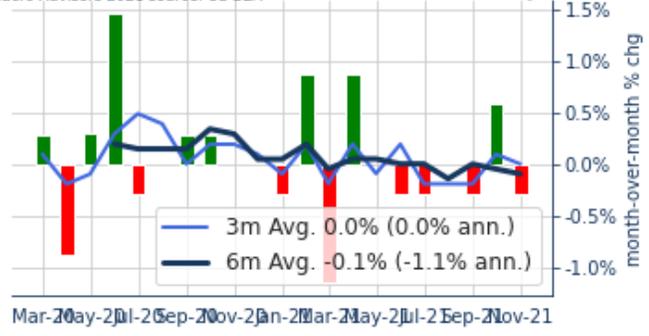
### Average Hours Worked by sector per week



### Total private Average Hours Worked per Week



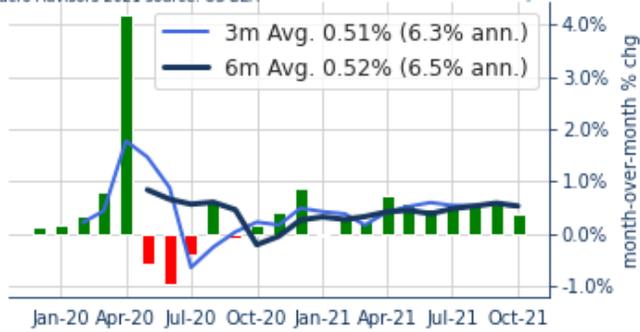
Contingent Macro Advisors 2021 source: US BEA



## Total private Average Hourly Earnings



Contingent Macro Advisors 2021 source: US BEA



## Leisure and hospitality Average Hours Worked per Week



Contingent Macro Advisors 2021 source: US BEA



# Leisure and hospitality Average Hourly Earnings



Contingent Macro Advisors 2021 source: US BEA

