

02.Dec.2022

Employment: Continued Job and Wage Gains

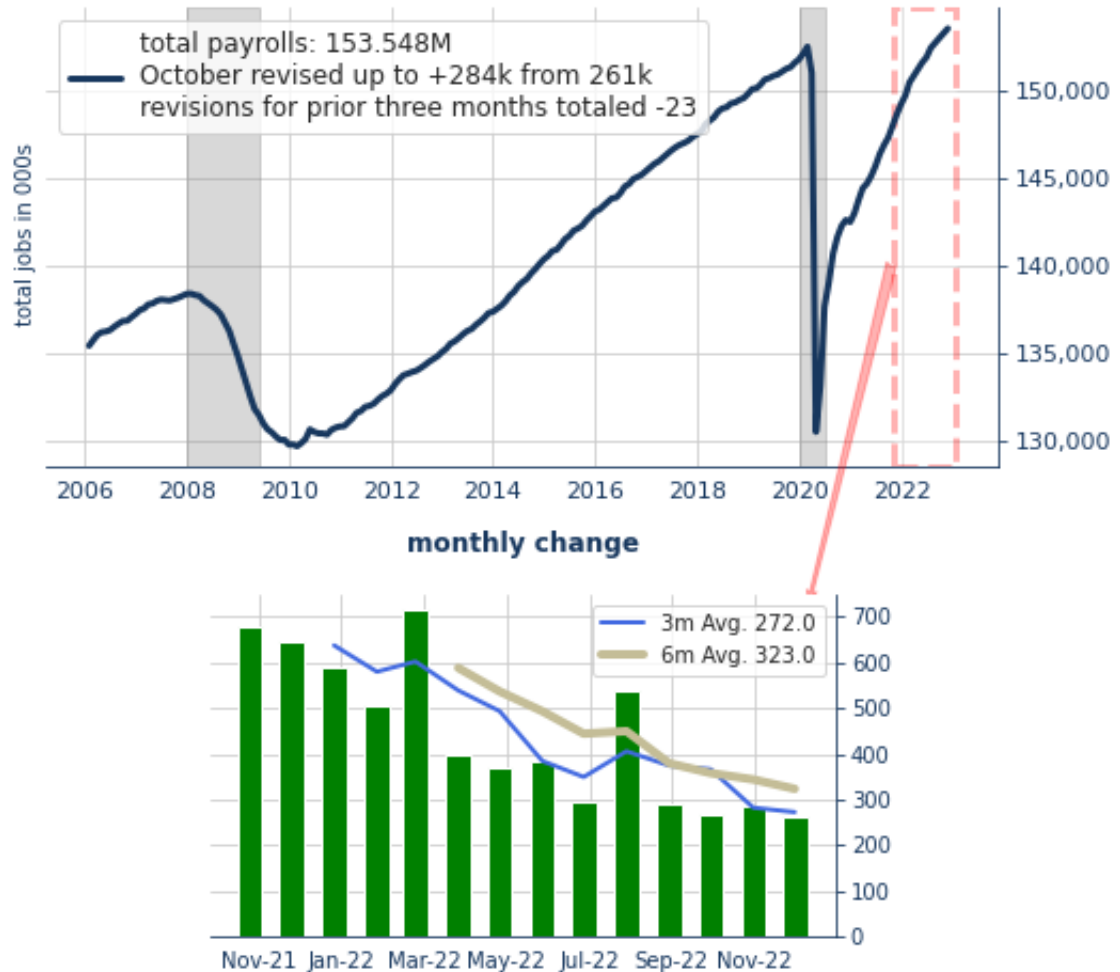
Bottom Line: Job gains in November were nearly as strong as in October, coming in better than expected. Average hourly earnings rose 0.6%, double expectations with positive revisions to previously reported data. Wage gains in transportation and warehousing, within the broader "trade, transportation, and utilities" sector drove the increase, up 2.5% on the month. Also within the same category, we saw a sharp drop in retail trade jobs, partially a symptom of less hiring at brick-and-mortar establishments but also a result of difficult seasonal adjustments since the pandemic. Among the higher-paying sectors, the healthcare sector saw continued solid job and wage gains.

Countering the robust establishment survey data, the household survey showed a decline for the second consecutive month, keeping the unemployment rate at 3.7% as the labor force participation inched lower.

Overall, this was another solid labor report, as the trend rate of job growth is decelerating only very slightly. Given the Fed's focus on the strength of the labor market as a critical factor behind sustained inflation, this report will likely be fodder for the hawks that they need to continue to hike rates.

Total Nonfarm Payrolls

November: +263.0k, consensus: +200k



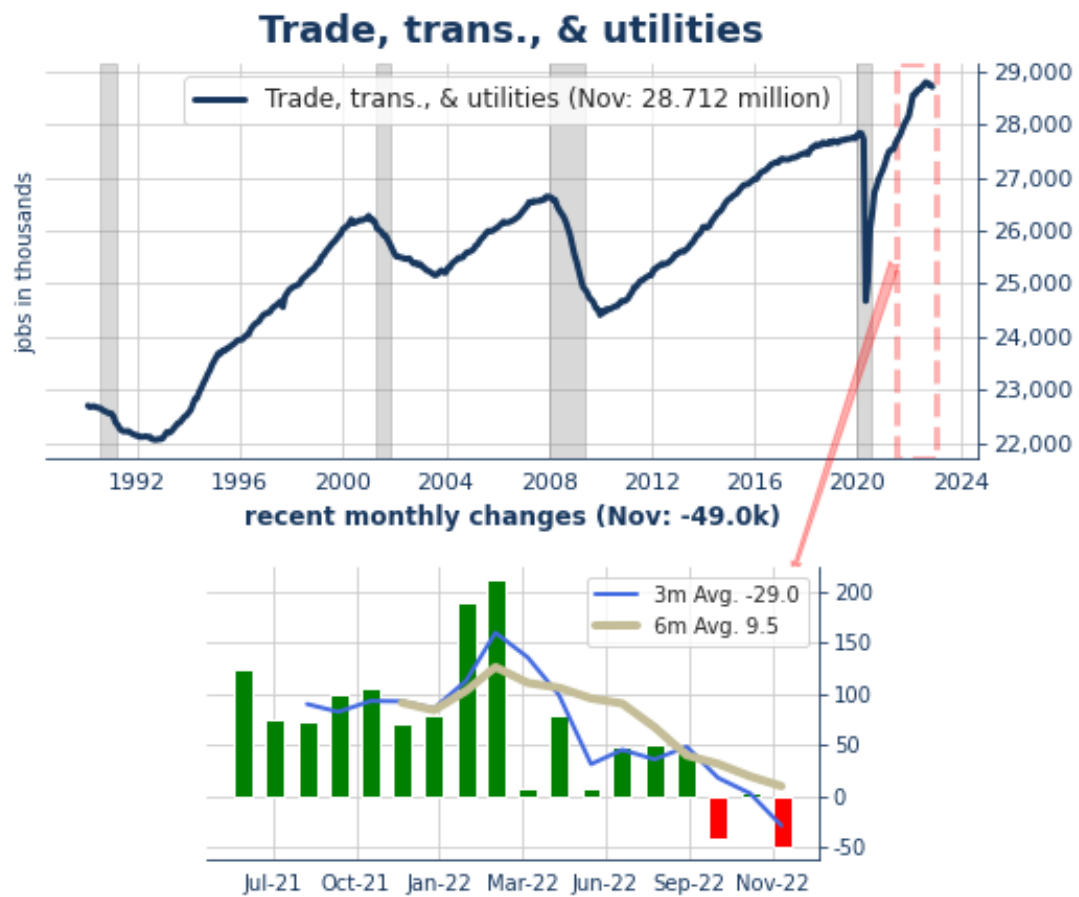
Contingent Macro Advisors 2022 source: BLS via FRED

Payroll Employment rose by 263k in November, compared with market expectations for an increase of 200k. The prior 2 months were revised, higher in October by 23k and lower in September by 46k. **Government jobs** ROSE by 42k. Consequently, **private sector** jobs ROSE by 221k. Overall employment is now 3.3% ABOVE its year-ago level. Over the past 12 months, 4,896k jobs have been created.

Jobs were shed in trade, while most sectors added:

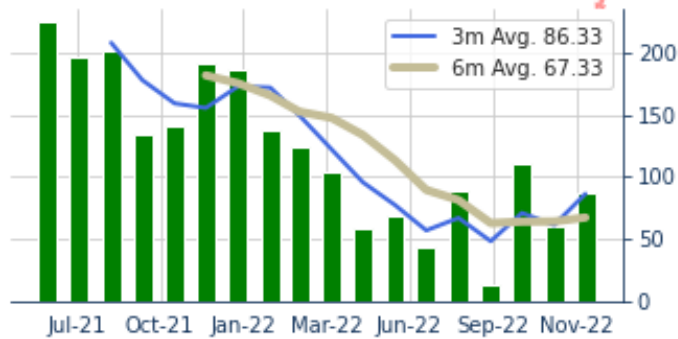
- Trade, Transportation & Utilities (-49k with -30k of those in Retail Trade)
- Professional & Business Services (+6k with a slip of 17.2k in Temp Help Services)
- Leisure & Hospitality (+88k)
- Education & Health Services (+68k)
- Government (+42k)
- Other Services (+24k)
- Construction (+20k), and

- Information (+19k).



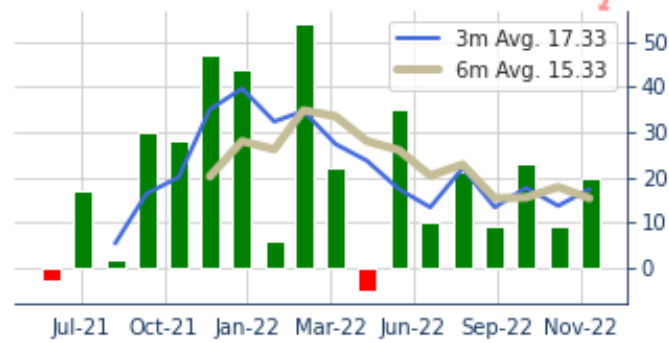
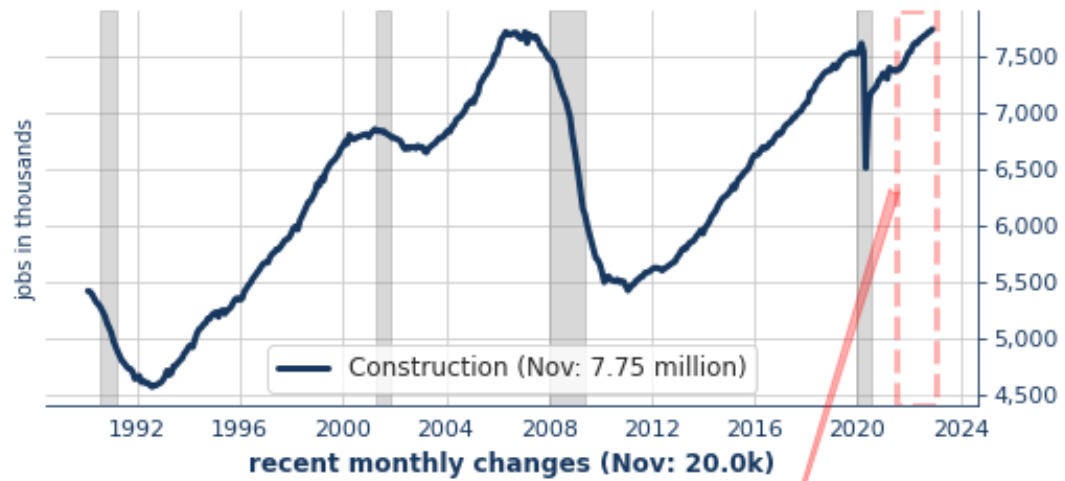
Contingent Macro Advisors 2022 source: US BLS

Leisure & hospitality



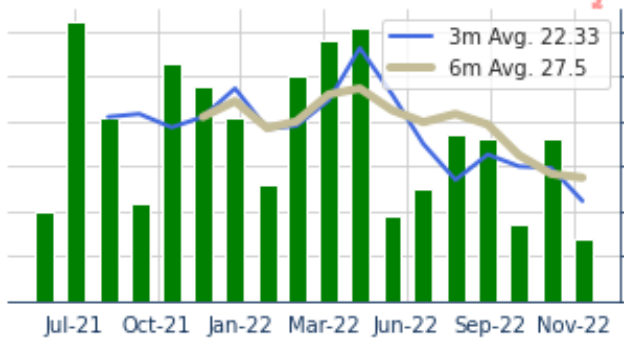
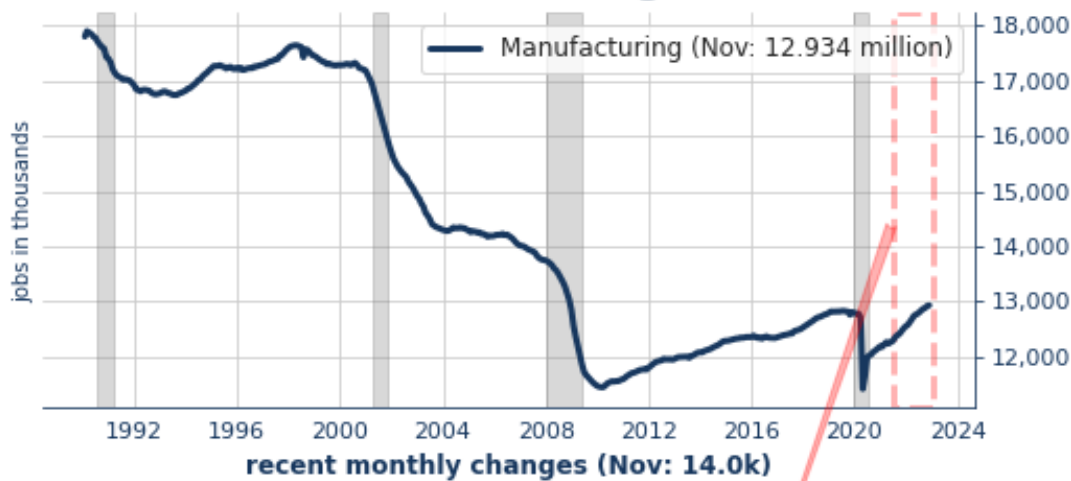
Contingent Macro Advisors 2022 source: US BLS

Construction



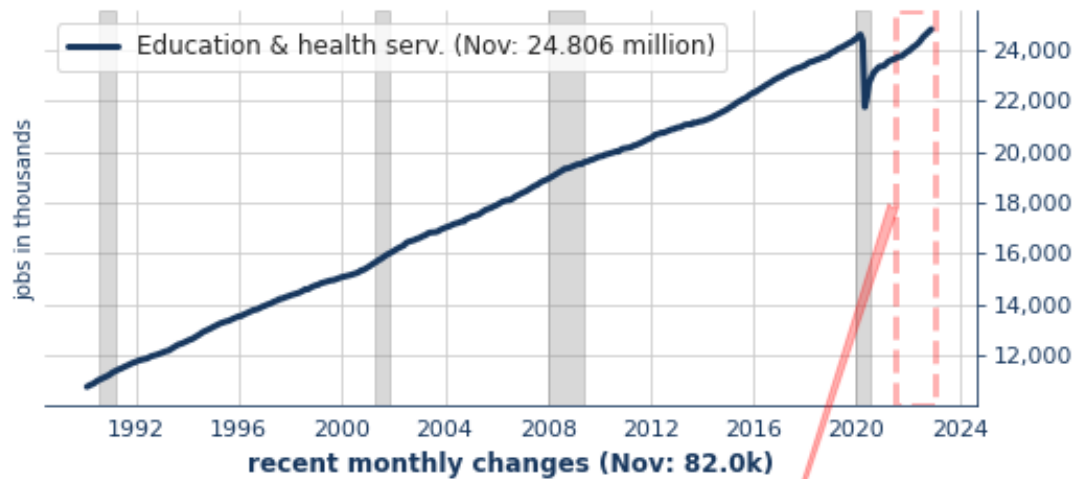
Contingent Macro Advisors 2022 source: US BLS

Manufacturing



Contingent Macro Advisors 2022 source: US BLS

Education & health serv.



Contingent Macro Advisors 2022 source: US BLS

Change in US Employment - Major Sectors in 000s	Nov-22	Oct-22	3m. avg.	6m. avg.	12m. avg.	2021	5y
Total nonfarm (153.5Mil. jobs total)	263.00	284.00	272.00	323.00	408.00	561.92	103.20
Trade, trans., & utilities (28.7Mil.)	-49.00	4.00	-29.00	9.50	52.30	83.75	20.90
Education & health serv. (24.8Mil.)	82.00	80.00	81.30	90.30	77.70	49.08	24.20
Prof. & business serv. (22.5Mil.)	6.00	26.00	19.00	43.30	60.80	94.33	30.40
Government (22.4Mil.)	42.00	36.00	30.70	31.20	25.30	37.50	0.60
Leisure & hospitality (16.0Mil.)	88.00	60.00	86.30	67.30	90.30	196.33	-2.60
Manufacturing (12.9Mil.)	14.00	36.00	22.30	27.50	35.00	30.42	7.20

Financial activities (9.0Mil.)	14.00	13.00	10.00	8.50	12.30	11.83	8.50
Construction (7.8Mil.)	20.00	9.00	17.30	15.30	20.70	15.75	11.40
Other serv. (5.8Mil.)	24.00	12.00	20.30	13.20	15.40	23.75	-0.60
Information (3.1Mil.)	19.00	6.00	11.00	13.70	13.40	16.17	4.20
Mining & logging (0.6Mil.)	3.00	2.00	2.70	3.20	4.80	3.00	-0.90

Month-over-month % change for most recent months, followed by annualized % changes for periods noted. 5- and 10-year are simple averages of annual % changes.

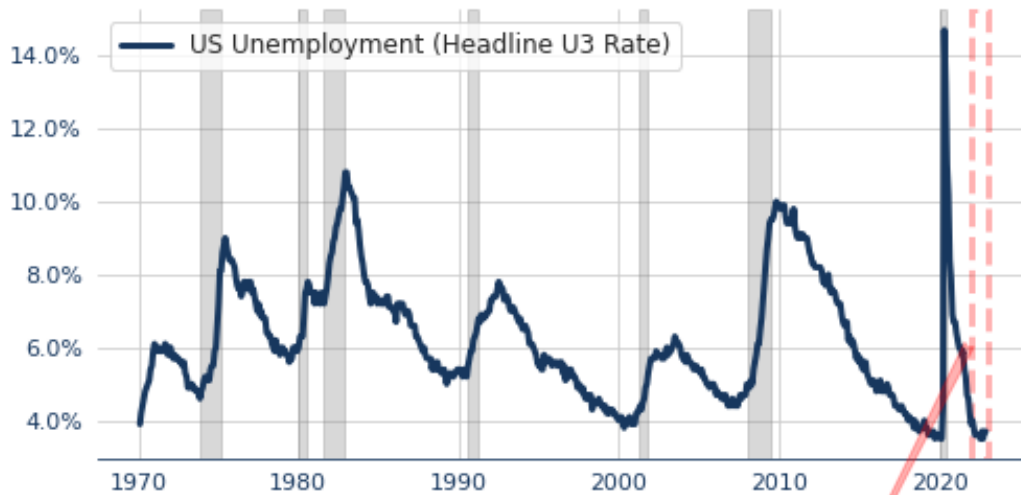
The Unemployment Rate was UNCHANGED in November at 3.7%.

Household employment fell by 138k while the **labor force** declined by 186k, resulting in a decrease in the number of unemployed of 48k. **The Labor Force Participation Rate** FELL by 0.1 percentage points to 62.1%. **The Employment-Population Ratio** FELL by 0.1 percentage points to 59.9%.

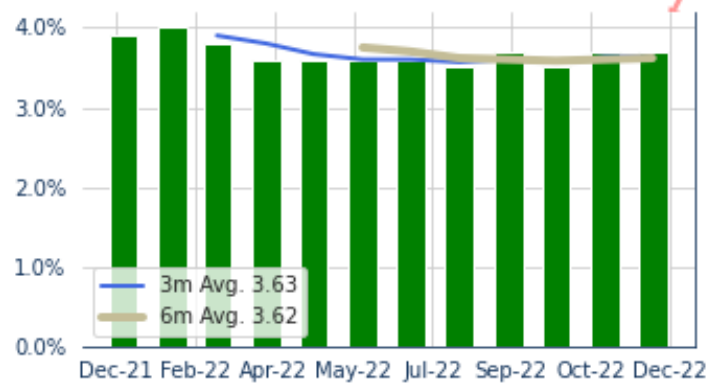
The number of people Working Part-Time for Economic Reasons ROSE by 46k to 3,623k. while **Long-Term Unemployment** ROSE by 65k to 1,230k (accounting for 20.5% of the unemployed), while the **Mean Duration of Unemployment** ROSE by 0.6 weeks to 21.4 weeks. There are now 6.0 million people officially unemployed. In addition, there are another 5,550k people who say they want a job but are not currently looking for one. Finally, another 3,623k people are working part-time because of slack economic conditions.

US Unemployment Rate

November: +3.7%, consensus: +3.7%

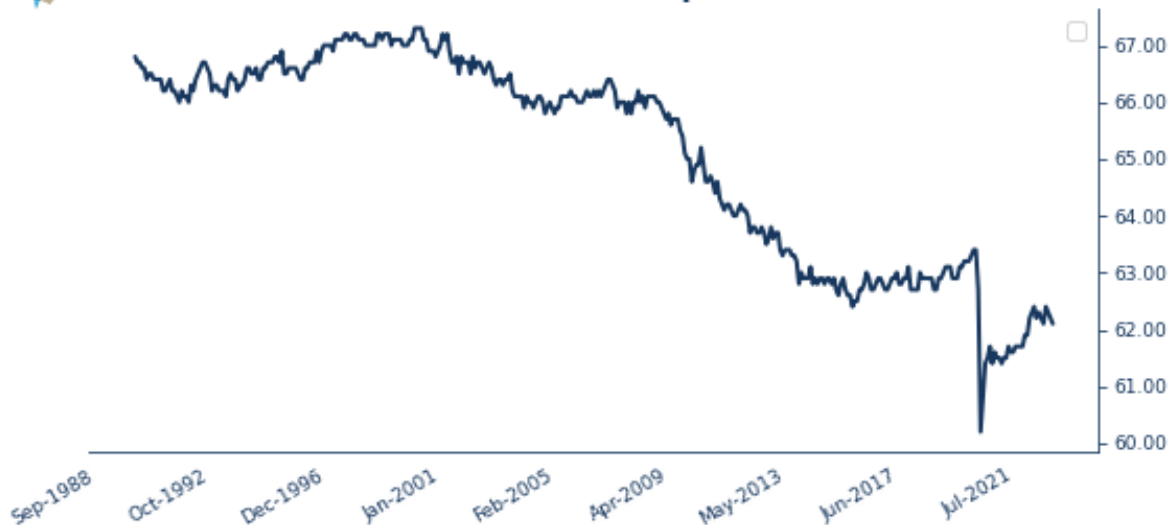


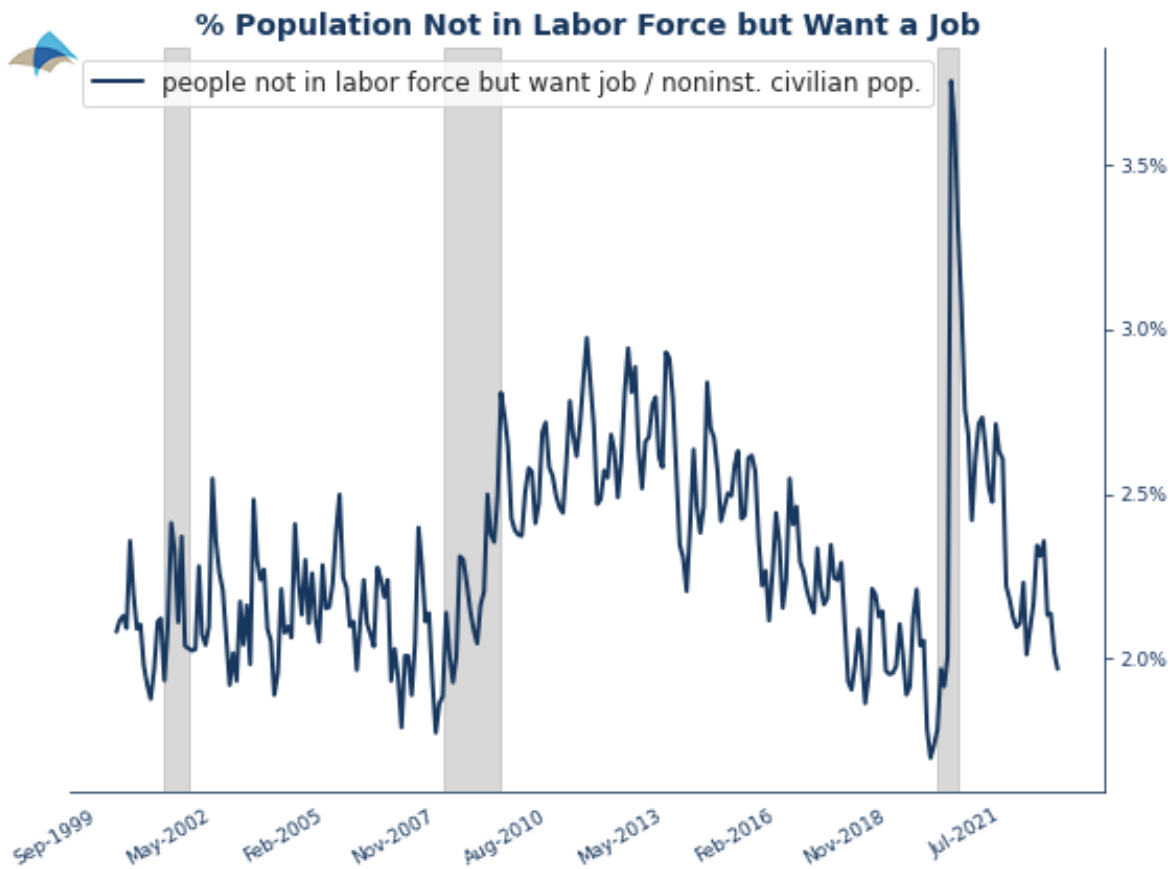
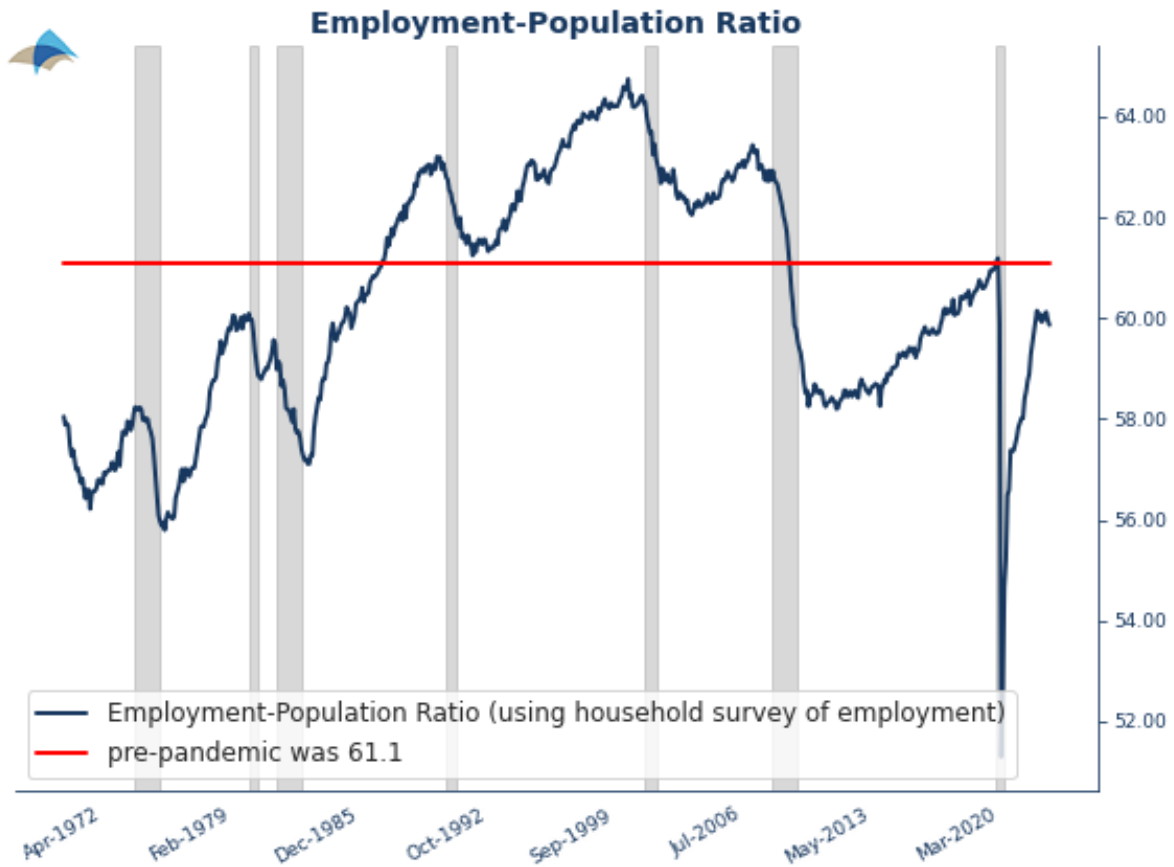
zooming in on last 12 months



Contingent Macro Advisors 2022 source: US BLS

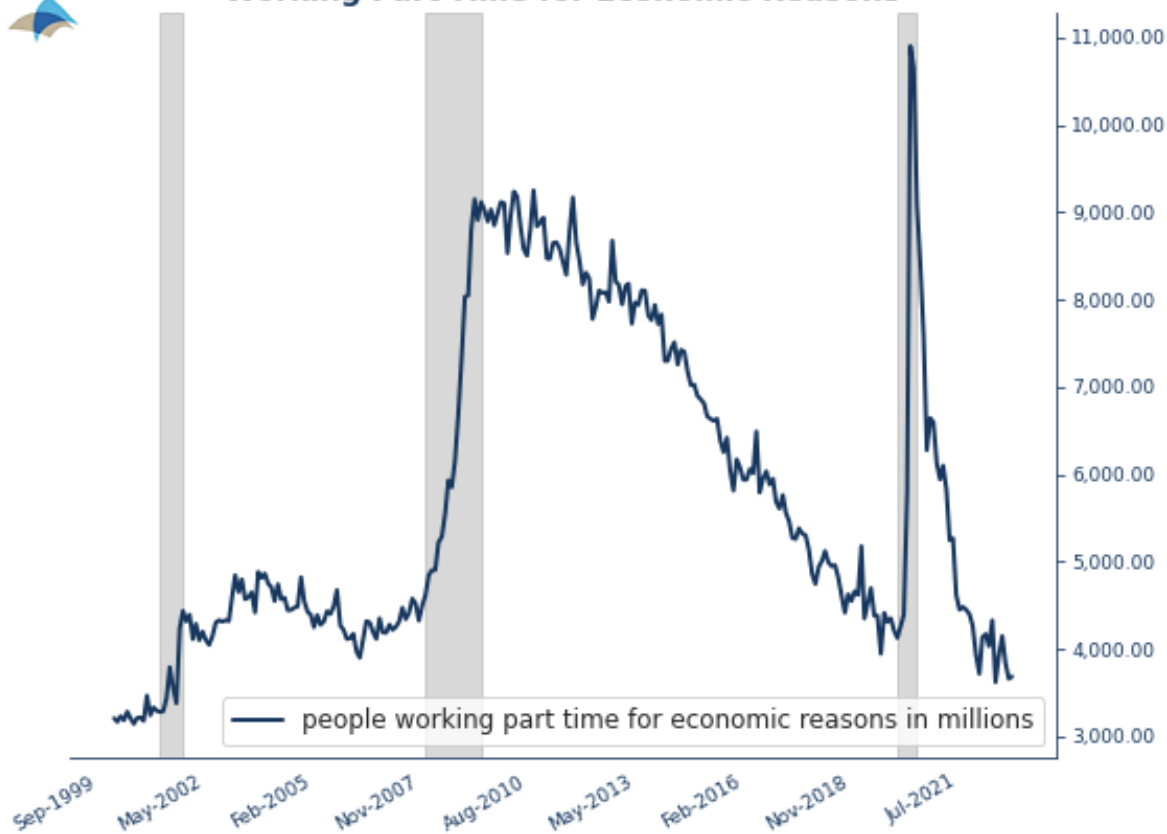
US Labor Force Participation Rate



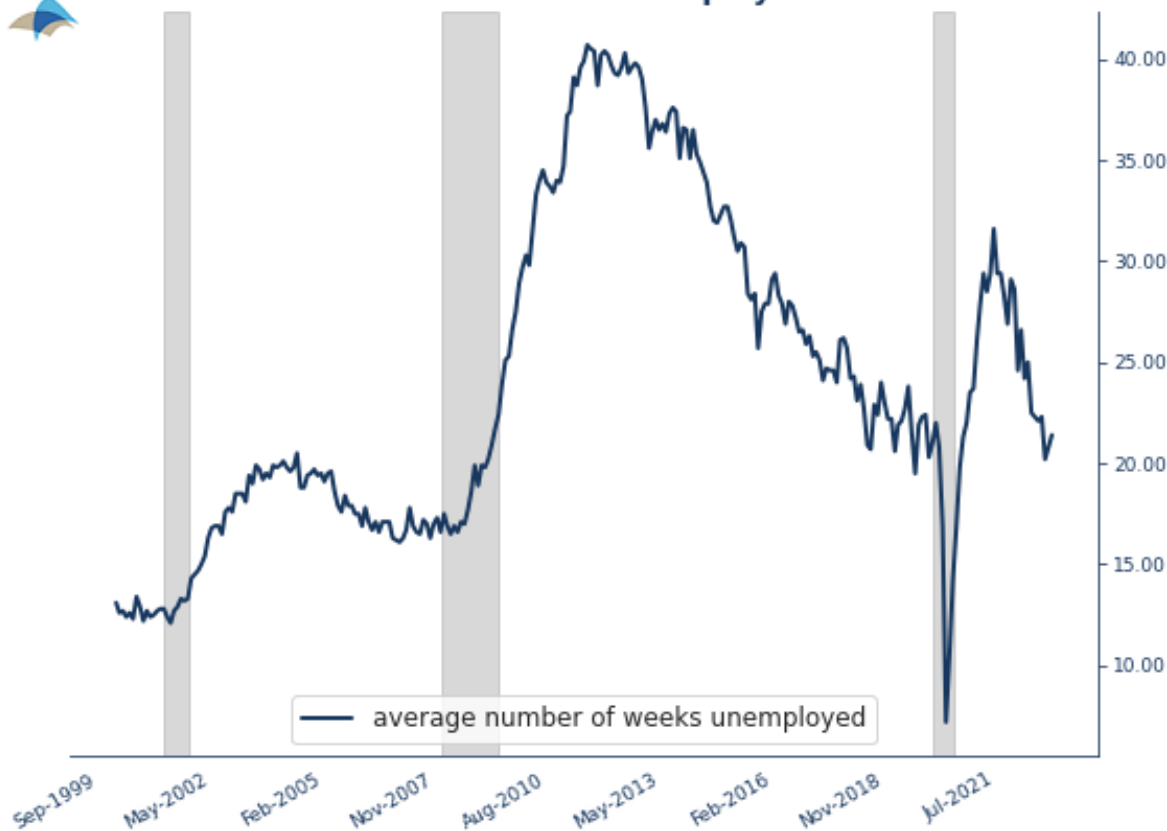




Working Part-Time for Economic Reasons



Mean Duration of Unemployment



Unemployment	Nov-22	Oct-22	3m. avg.	6m. avg.	12m. avg.	2021	5y
US							

Unemployment Rate	3.70	3.70	3.60	3.60	3.70	5.36	4.90
U6 Unemployment Rate	6.70	6.80	6.70	6.80	6.90	9.40	9.00
Not in Labor Force - Want a Job	5211.00	5341.00	5400.70	5693.20	5687.30	6329.08	5878.80
US Population (civilian noninst.)	264708.00	264535.00	264533.00	264271.70	263747.80	261445.17	260397.10
Working Part-Time for Economic Reasons	3685.00	3660.00	3729.30	3813.70	3932.80	4913.67	5068.40
Mean Duration of Unemployment	21.40	20.80	20.80	21.50	23.40	28.71	22.90
Labor Force (000s people)	164481.00	164667.00	164612.30	164427.70	164114.10	161204.00	162306.00
Participation Rate	62.10	62.20	62.20	62.20	62.20	61.66	62.30
Total Employment (Household Survey)	158470.00	158608.00	158671.30	158524.50	158083.90	152578.50	154317.00

Month-over-month % change for most recent months, followed by annualized % changes for periods noted. 5- and 10-year are simple averages of annual % changes.

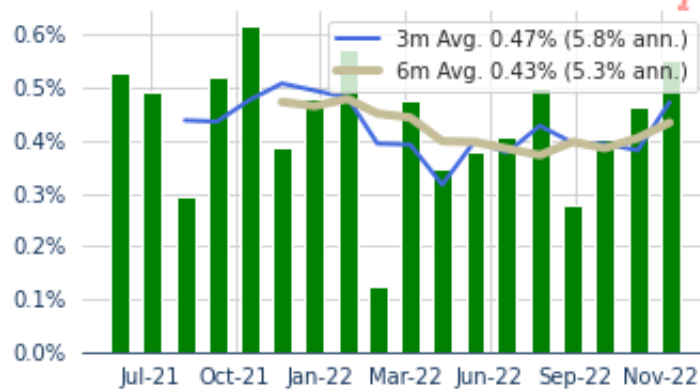
The Index of Aggregate Hours FELL by 0.2%, combining the solid gain in private payroll employment and the shorter workweek.

Hourly Earnings ROSE by 0.6% in November, above market expectations of 0.3%. Hourly earnings are now 5.1% ABOVE their year-ago level. Weekly Earnings also ROSE by 0.3%, the result of the change in hourly earnings and a shorter workweek. Weekly earnings are now 3.9% ABOVE their year-ago level. The Average Workweek FELL by 0.1 to 34.4 hours, BELOW the market consensus at 34.7 hours.

US Private Average Hourly Earnings November: +5.09%, consensus: +4.6%

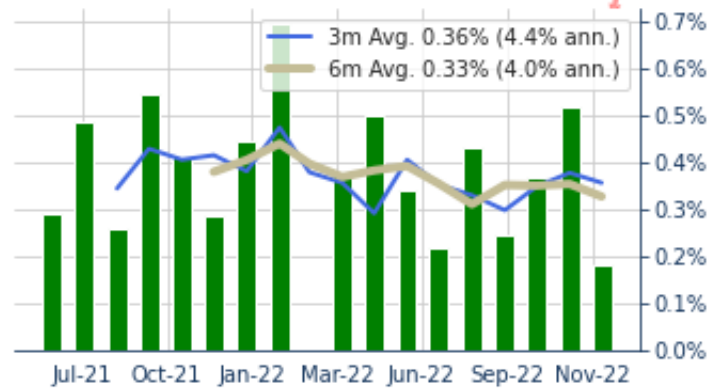


November: +0.55%, consensus: +0.3%(mom %)



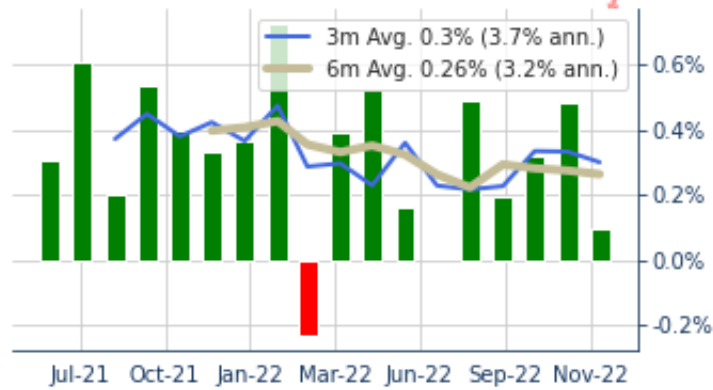
Contingent Macro Advisors 2022 source: US BLS via FRED

Avg Hrly Earnings - Goods-producing



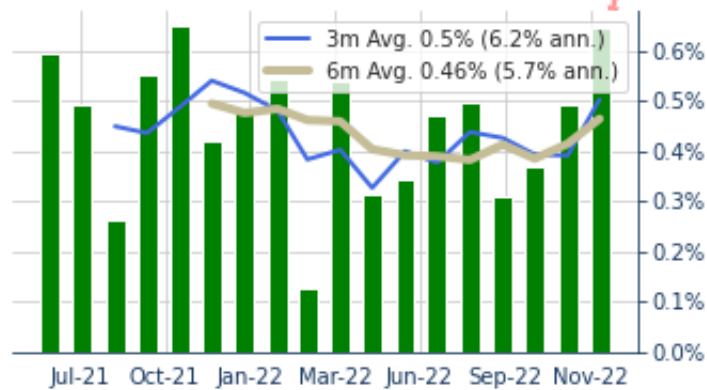
Contingent Macro Advisors 2022 source: US BLS via FRED

Avg Hrly Earnings - Manufacturing



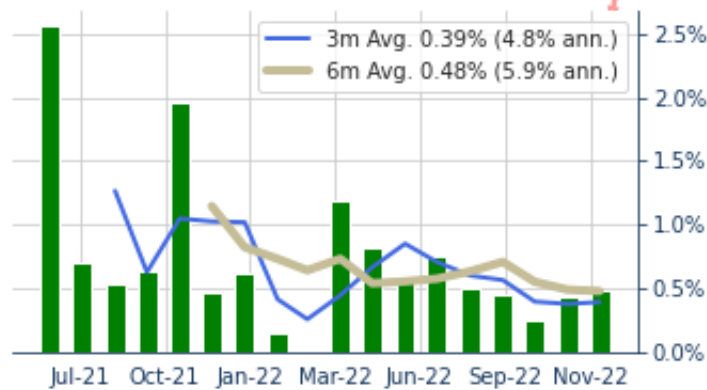
Contingent Macro Advisors 2022 source: US BLS via FRED

Avg Hrly Earnings - Private service-providing



Contingent Macro Advisors 2022 source: US BLS via FRED

Avg Hrly Earnings - Leisure & hospitality



Contingent Macro Advisors 2022 source: US BLS via FRED

Average Hourly Earnings	Nov-22	Oct-22	Sep-22	3m ann % chg	6m ann % chg	YoY % chg	2021	2020	5y
Total private	0.55%	0.46%	0.40%	5.81%	5.32%	5.09%	4.88%	5.46%	4.63%
Goods-producing	0.18%	0.52%	0.37%	4.37%	4.00%	4.41%	4.69%	2.82%	3.66%
Mining and logging	0.63%	-0.25%	0.27%	2.65%	5.55%	3.40%	3.51%	0.17%	2.87%
Construction	0.31%	0.57%	0.43%	5.38%	4.99%	5.77%	4.90%	2.82%	4.15%
Manufacturing	0.10%	0.48%	0.32%	3.66%	3.20%	3.57%	4.62%	3.02%	3.39%
Durable goods	0.00%	0.49%	0.34%	3.35%	2.79%	3.49%	4.63%	2.87%	3.46%
Nondurable goods	0.31%	0.49%	0.21%	4.15%	4.10%	3.65%	4.51%	3.66%	3.30%
Private service-providing	0.64%	0.49%	0.37%	6.21%	5.72%	5.26%	4.93%	6.15%	4.88%

Trade, trans., & utilities	1.10%	0.82%	0.65%	10.78%	6.94%	6.35%	5.02%	4.94%	4.81%
Wholesale trade	0.39%	0.96%	0.26%	6.63%	5.95%	4.65%	4.72%	3.76%	3.75%
Retail trade	0.86%	0.78%	0.26%	7.86%	5.68%	5.15%	5.29%	6.69%	5.56%
Transportation and warehousing	2.50%	0.70%	1.45%	20.25%	10.36%	8.81%	5.92%	3.86%	4.45%
Utilities	-0.41%	0.82%	1.21%	6.59%	3.33%	5.91%	4.17%	4.55%	4.32%
Information	1.55%	0.02%	0.85%	10.09%	12.11%	8.68%	1.54%	3.85%	4.96%
Financial activities	0.36%	0.00%	0.57%	3.78%	5.37%	3.71%	3.96%	7.04%	4.81%
Professional & business services	0.64%	0.59%	0.28%	6.20%	4.72%	5.39%	6.11%	3.74%	4.66%
Education & health services	0.50%	0.31%	0.06%	3.55%	4.55%	4.40%	5.76%	5.35%	4.26%
Leisure & hospitality	0.49%	0.44%	0.25%	4.82%	5.91%	6.38%	13.32%	1.90%	6.11%
Other services	0.34%	0.55%	0.63%	6.29%	6.64%	2.83%	4.87%	5.90%	3.91%

Source: BLS via FRED

Average Hours Worked	Nov-22	Oct-22	Sep-22	3m. avg.	6m. avg.	12m. avg.	2021	5y
Total private	34.40	34.50	34.50	34.50	34.50	34.60	34.82	34.60
Goods-producing	39.70	40.00	39.90	39.90	39.90	40.00	40.02	40.10
Mining and logging	46.60	46.40	46.40	46.50	46.40	45.80	45.11	45.50
Construction	38.40	38.90	38.60	38.60	38.70	38.80	38.99	39.00
Manufacturing	40.20	40.40	40.30	40.30	40.30	40.40	40.40	40.40
Durable goods	40.40	40.80	40.70	40.60	40.70	40.70	40.56	40.70
Nondurable goods	39.70	39.70	39.70	39.70	39.70	39.80	40.12	39.90
Private service-providing	33.40	33.40	33.50	33.40	33.40	33.50	33.78	33.50
Trade, trans., & utilities	34.10	34.10	34.00	34.10	34.10	34.10	34.51	34.30
Wholesale trade	39.00	38.90	38.90	38.90	39.00	39.10	39.17	38.90
Retail trade	30.20	30.20	30.10	30.20	30.20	30.30	30.83	30.70
Transportation & warehousing	38.30	38.50	38.40	38.40	38.40	38.20	38.81	38.60
Utilities	42.00	42.70	42.10	42.30	42.20	42.40	42.49	42.40
Information	36.20	36.50	36.60	36.40	36.60	36.70	37.03	36.50

Financial activities	37.20	37.40	37.40	37.30	37.40	37.50	37.58	37.60
Professional & business services	36.50	36.70	36.80	36.70	36.60	36.70	36.67	36.40
Education & health services	33.30	33.30	33.40	33.30	33.40	33.40	33.41	33.20
Leisure & hospitality	25.50	25.50	25.70	25.60	25.60	25.80	26.18	25.90
Other services	32.00	32.20	32.30	32.20	32.20	32.20	32.37	32.10

Source: BLS via FRED