

# Research Note

V1N6

East Boston Economics

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## U.S. Employment Situation April 2017

**U-Rate: 4.4%; Jobs: + 211,000**

### OVERVIEW

- The unemployment rate declined to 4.4 percent in March while payrolls expanded by 211,000, [according to the Bureau of Labor Statistics](#).
- The Labor Force Participation (LFP) rate remained virtually the same as the previous month at 62.9 percent for April. The employment-population ratio also changed little at 60.2 percent
- Employment rose in leisure and hospitality, health care and social assistance, financial activities and mining.
- Employment in construction, manufacturing, wholesale trade, retail trade, transportation and warehousing, information and government were unchanged since March.
- In April, the BLS reported that average hourly earnings for all employees increased by 7 cents to \$26.19, representing a 2.5 percent year over year increase.
- Employment in mining rose by 9,000. The BLS noted a rebound off an October 2016 low, with the sector adding 44,000 since then.
- Employment in the professional services sector has grown by 612,000 over the past 12 months.
- The original and disappointing March employment situation report was revised down from an 98,000 increase to just a 79,000 increase. However, February was revised up from 219,000 to 232,000.

### ANALYSIS

The payroll employment report beat [Wall Street consensus](#) of 191,000 jobs. The BLS private sector employment estimate arrived at 194,000 jobs beating another estimate. [According to an ADP report earlier this week](#), the payroll service, private sector employment increased by 177,000 jobs from March to April. Over the past three months, the economy has added, on average, 174,000 jobs a month. The number of long-term unemployed (greater than 27 weeks) was unchanged. The number of involuntary part-time workers declined by 281,000 in April. The average workweek for all private payrolls increased by 0.1 hour to 34.4 hours. The Leisure and Hospitality sector led the April report with 55,000 new jobs. Since the end of the recession, the sector has gained approximately one percent in the share of total jobs in the U.S. private economy. The BLS noted that while Health Care and Social Assistance increased by 37,000 jobs in April, that number is below “the average gain of 32,000 per year.” Financial activities added 19,000 jobs with 14,000 of those jobs coming in the insurance sector. The LFP rate has changed little since February 2016. “Two hundred thousand for jobs growth is just such a huge number, you’d think we’d get to a point where employers have to raise wages, and we’re still not seeing it,” [Tara Sinclair, an economist at George Washington University told the Washington Post](#). Even with a healthy job market, that wage goal remains elusive for workers.

