UNEMPLOYMENT REPORT/MAY 2017 JOBS REPORT

Hello everyone and welcome back to Seifried & Brew's weekly briefing. I am Jamie Sumner, Chief Analyst here. For this week, we want to look at the ***unemployment report*** that came out last Friday. We have added some jobs in here; 138,000 (see Slide 2], down from where we were last month, but up from that March number that was a very disappointing 50,000 jobs marked. So where do we come in today? Like we said previously, on Friday, we came in at 138,000.

Some of the bigger pick-ups we saw were withinside of the individual categories here. ***Construction*** came up 11,000 jobs. That's important, as that could be showing some work withinside of the ***new homes*** as well as the ***construction*** withinside of business investments. Right there that's 11,000. But bigger numbers came in with inside of ***Healthcare***. Healthcare came in at that 32,300 jobs. Always a big number, down from where we were last month at 44,900 jobs with inside that healthcare and ***health services*** in there. And then we look at another big number that came in; that was ***professional and business services*** at 38,000 jobs, and then ***leisure*** and ***hospitality*** at 31,000. So, we continue to see the same categories growing relatively quickly in here and we'll see if that continues as we move throughout the Summer months.

[Slide 3] Overall when we look at the Unemployment Rate, we continue to see this downward trend in here coming in right now at that ***U3 official unemployment***, at that 4.3%. This is down from February at 4.7% which was matched last May 2016 at 4.7%. So, we have made some headway. We have seen similar, if not greater movements with inside the ***U6*** which is the unemployment that accounts for those discouraged, or those individuals who are working part-time but want full-time positions. So that is the full all in unemployment rate. At that U6, we are down to 8.4% and now we are getting close to the historical average spread between the U3 and the U6. So, we are continuing to work down. If we look back last year (in May of 2016) when that number was 9.7% for the U6, we had a 500 basis point (bps) spread. We are now down to a 410 bps spread between the U3 and the U6. So, we are making a lot of headway with inside of that spread and that's a positive for the overall economy in here.

[Slide 4] When we look at the hours and the ***weekly earnings***, you can see hours worked stayed the same at 34.4 hours. So, no big pick up there (in the weekly hours), however weekly earnings did pick up a little bit. Year over year we are looking at a 2.5% increase year over year so that's a positive. We are still down below historical averages in that number but we are starting to gain some traction, which is what we would anticipate when we move into these lower levels of unemployment and we start to see some job crunching tightness in here and hopefully translate that into higher earnings. And higher earnings should theoretically produce a higher ***GDP*** as we begin to spend more and more [Slide 6]. That is what we have for you this week here at Seifried & Brew. We look forward to talking to you next week. Have a great week everyone!

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