



JUNE 2017 EMPLOYMENT SITUATION REPORT

Good day everyone. Thank you for joining us once again here at Seifried & Brew. For this week's webcast, we want to go over the [Employment Situation Report](#) that just came out this morning. This is a special briefing on this Friday morning. I'll be out of the office next week so we won't have a webcast next week. So, we'll see you on the 18th after this webcast.

But for this week, the employment situation report; kind of a mixed signals here when we look at it [on Slide 2]. Overall doing well with the number of jobs produced. We're at that 222,000 jobs in here being produced, which is an increase from the last month. In fact, the prior two months were increased a little bit here, so that's a positive indication of the employment situation. When we dig a little deeper into the numbers here [on Slide 3], what we find is that we have about 361,000 individuals that entered the labor force. And because of that we saw our [participation rate](#) actually go up to 62.8%. So that's up 0.1% here. So we saw an increase in the participation rate. But since we had an influx of workers but we didn't have as many jobs created, we saw that [unemployment rate](#) go up to 4.4%. So the headline on employment rate; up 0.1% to 4.4%.

When we look at some of the other numbers in here as far as where the jobs were created, we continue to see Healthcare just turning out these new jobs; 59,100 jobs in the month of June produced in Health Care and Social Assistance. That is an ever growing area in here. More of the high numbers here with inside the [job production](#); leisure and hospitality at 36,000 jobs, and professional and business services, at 35,000 jobs. When we look at the goods producing, construction really took the headway here at 16,000 jobs. That's a huge positive last month as we had 9,000 the previous month, and then in April, zero (0), and in last June 2016 it was zero (0) as well. Now we're really starting to see these jobs start to pour back in into that construction area and that's a very positive sign. That was the hardest hit as we went through the financial crisis.

But overall when we look at the [average weekly hours](#) in the earnings [on Slide 4], weekly hours increased by 0.1 of an hour from 34.4 hours to 34.5 hours. So an increase, a slight increase in a number of hours worked. The average for the hourly earnings was up to \$26.25 in here. So that's about an 0.2% increase month over month, and 2.5% when we look at it year-over-year. Last June in 2016 it was \$25.62. However, those increases fell below the consensus that was projected, just slightly, but it did fall below and it's still below that 2.9% increase we saw back in December. We were still a little disappointed with it, with those numbers inside the average hourly earnings.

When we look at the [full unemployment rate](#) down here [on Slide 5] at the U6 of 8.6%, for that unemployment rate up 0.2% from where it was back in May at 8.4%, so we saw some deterioration in there but that was just due to the number of individuals that are still unemployed and entered the market here. We can see the variance between the U3 for the 4.4% and the U6 at that 8.6% increase in here, so we saw that spread widen in a little bit, but we're still narrowing down into the historical medians with the variance here. So that's what we want to see, is that variance between the U3, the headline unemployment, and the U6, start to narrow in here and that's what we've been seeing over the past couple of years.

That's what we have for you this week. Again, I will be out of the office next week so we will not have a webcast and we'll see you back here on July 18th. Have a great week everyone.



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