



FEBRUARY 2017 EMPLOYMENT SITUATION REPORT

Hello everyone and welcome back to the Seifried & Brew weekly webcast. I am Jamie Sumner, and we are glad you're here with us. For this week's webcast we are going to go ahead and look at the **employment situation report** that came out on Friday. Overall it was a positive report. You can see [on Slide 2] that about 235,000 jobs were created in February, a little less than the 238,000 created in January. But this is still above that 200,000k mark, so that is a big positive as we move throughout 2017. In fact, this February marks the 77th consecutive month that we have increased employment. If we were to look back across this time period [Slide 2] the average has been about 200,000 jobs created per month over the past 77 months. And if we look over the past year it has been about 169,000 jobs created per month. So this 235,000 in February 2017 is above the average for this time of expansion and above the overall past 12 months. We look forward to moving throughout 2017 and we hope to see consistency withinside of this number.

Now let's turn to the overall **unemployment rate** here [on Slide 3]. The unemployment rate came in at 4.7% which is under the January number of 4.8%. So we had positive improvement there, by about a tenth of a percent. Now if we look at the U6 number (if you recall), this is the all-encompassing unemployment number which are those individuals that are maybe no longer looking for work, or discouraged workers, or those working part-time for economic reasons. This number came in at 9.2%, 0.2 percentage points less than the January number. So we had a good improvement in this one. We look at the difference or the spread between the U6 number and the official unemployment rate, which is also known as the U3, and that spread is about 450 basis points (bps) between the two. Now if we look back historically prior to the Great Recession, we see that the average is about 380 bps. So we are still well above that average, but we are making headway in here.

Wage growth is another thing we want to keep an eye on here [Slide 4], because as we get down to these levels of employment we tend to see increases in wages because of the competition. So, month over month, on an annualized basis, we saw a 2.77% increase in wages. And year over year about a 2.8% increase. What we have seen over the last year, perhaps 1½ years, is this number steadily increasing throughout this time period. In fact, when we look at a historical 6-month trailing average [Slide 5], we can see this continual uptick that we have seen since about 2014 and this number as of today is around that 2.77% mark when you look at the average 6-month trailing. So we are continuing to see this increase in wages, which is a positive on the consumer side, providing that additional income to hopefully put into our economy, which would then be shown in our GDP. So overall a pretty positive employment situation report.

That's what we have for you today. Next week we will look at the **Fed release** and the projections that will be coming out when they put that release out. Everyone have a great week and we look forward to seeing you next week.

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