



## News Release

Follow The Conference Board



July 2, 2015

### The Labor Market Continues to Tighten

**Comment on U.S. Bureau of Labor Statistics Employment Situation Report**

**Gad Levanon, Managing Director, Economic Outlook & Labor Markets, The Conference Board**

A gain of 223,000 new jobs in June comes on top of several other solid economic releases in the past month.

The drop in the unemployment rate, to 5.3 percent in June, suggests that finding qualified workers, which according to some measures is already more difficult than in the pre-recession years, will become even harder. Given that the labor force is barely growing at all, current job growth rates will continue to rapidly lower the unemployment rate.

The weak growth in average hourly earnings from the establishment survey continues to be at odds with the Employment Cost Index, which shows solid acceleration in wages. As the labor market continues to tighten, we expect to see further acceleration in wage growth.

Still low wages are one reason why we have yet to see a recovery in labor force participation, which dropped to 62.6 percent, the lowest rate since 1977.

#### **About The Conference Board**

The Conference Board is a global, independent business membership and research association working in the public interest. Our mission is unique: To provide the world's leading organizations with the practical knowledge they need to improve their performance *and* better serve society. The Conference Board is a non-advocacy, not-for-profit entity holding 501 (c) (3) tax-exempt status in the United States. [www.conference-board.org](http://www.conference-board.org)

For more information:

Carol Courter

The Conference Board

(212) 339-0232

[courter@conference-board.org](mailto:courter@conference-board.org)