

## News Release

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### **Business Optimism Carries Over to the Labor Market**

**Comment on U.S. Bureau of Labor Statistics Employment Situation Report  
Gad Levanon, Chief Economist, North America, The Conference Board**

Employment increased by a surprisingly strong 227,000 jobs in January, with the growth coming mostly from services and construction.

Business optimism no longer appears just in confidence surveys. It seems like we are getting confirmation from hard data. We have seen some improvement in business investment in recent months, and now stronger job growth.

The tighter labor market with the prospects of better job opportunities is luring more workers back into the labor force. As a result, the ongoing tightening of the labor market is not entirely reflected in the trend of the unemployment rate which has been declining very moderately in the past year.

Acceleration in employment growth may lead the Fed to consider raising rates faster than expected. The next hike could be as early as next month.

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