

## News Release

April 6, 2018

### **Softer March job growth numbers do not signal loss of labor market momentum**

**Comment on U.S. Bureau of Labor Statistics Employment Situation Report  
Brian Schaitkin, Senior Economist, The Conference Board**

Employment increased by 103,000 jobs in March after increasing by 326,000 jobs in February. Labor markets remain tight as average job creation on both a three- and twelve-month average basis remains very fast for the late stage of the current economic expansion. This fast employment growth is creating even tighter labor markets as overall participation rates have remained flat because more workers are aging out of prime working years.

Overall, nearly all sectors, except for retail and information, have rising employment trends. Job growth was less widespread this month, however, manufacturing continued to add positions supported by the current strength of consumer demand. In the coming months, US trade policy uncertainty may make some firms reluctant to hire, fearing supply chain disruptions, while others may hire more domestic workers as a hedge against such disruptions.

Continued evidence that the supply of workers is shrinking increases the likelihood that the Federal Reserve will raise rates three more times rather than two for the rest of 2018, especially with inflation picking up. Clearer acceleration in wage growth might also move monetary policy in a more hawkish direction.

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