

## News Release

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### A tale of two labor markets

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

While employment growth was just 157,000 in July, there were large upward revisions to the previous two months, and the overall trend remains strong. The labor market is tightening with the unemployment rate declining by 0.1 percentage points and the broader U6 measure dropping by 0.3 percentage points.

Much of the strength is coming from strong job growth in blue-collar industries like manufacturing and construction. In the past 12 months, the unemployment rate for construction workers declined by 2.1 percentage points, and for transportation and production workers by 1.7 and 1.0 percentage points respectively, versus a very small decline in white-collar occupations. That is in line with wage data by occupation from the employment cost index released last week. The data tells us a story of two labor markets: significant labor shortages for blue-collar workers versus moderate tightness in white-collar jobs.

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