

## News Release

January 4, 2019

### **Strong job growth suggests that recession talk is premature**

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

The jobs report released today was strong across the board. The US economy added 312,000 jobs in December, and with upward revisions to previous months, there are no signs of any slowdown in job growth. Wages are continuing to accelerate, with average hourly earnings growing at an annual rate of 3.2 percent in the past 12 months and 3.7 percent in the past six months. The tight labor market and rapid wage growth are bringing more people back to the labor force, leading this month to an increase in the unemployment rate.

At least through the middle of December (when the employment numbers were collected), there were no signs that employers are slowing down at all. While we do expect some slowdown in the US economy and labor market, this jobs report should boost confidence in the US economy. Together with strong wage growth, it suggests that markets are probably underestimating the number of times the Federal Reserve will increase interest rates in 2019. We expect two rate hikes during 2019.

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