THE CONFERENCE BOARD

News Release

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Labor market continues to boil with no sign of an employment slowdown

Comment on U.S. Bureau of Labor Statistics Employment Situation Report
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Total nonfarm payroll employment increased by 263,000 in April, making it difficult to argue for an employment slowdown in recent months.

In the past month, most economic releases came out better than expected, suggesting that the US economy will continue to grow above its long-term two percent trend through at least the end of the year with low near-term recession risks. Today's employment growth strengthens this point of view. The strong recovery in temporary-help employment, one of the best leading indicators of the labor market, further reduces the risk of an employment slowdown.

In such an economic environment, and considering the stagnation in working-age population growth, it is not surprising that the labor market continues to tighten. The unemployment rate reached 3.6 percent in April, the lowest rate since December 1969. Labor markets will continue tightening in coming months and wages are likely to accelerate further.

The recovery in the US economy and the ongoing labor market squeeze are likely to further shift the Federal Reserve away from considering a rate cut in 2019.

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