

News Release

June 7, 2019

More Signs of a Slowdown in Employment Growth

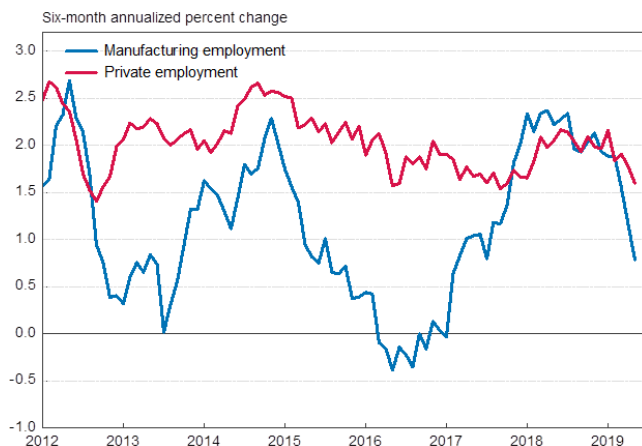
Comment on U.S. Bureau of Labor Statistics Employment Situation Report Gad Levanon, Chief Economist, North America, The Conference Board

Total nonfarm payroll employment increased by just 73,000 in May and the March and April gains were revised down. Today's report is consistent with the growing sentiment among markets and economists that the US economy is slowing down. Some of this slowdown is coming from the manufacturing sector, where employment growth has almost come to a halt. The slowdown in employment growth could also reflect stronger automation efforts by employers struggling with recruiting and controlling labor cost growth in a tight labor market.

We still expect the US economy to continue to grow slightly above its long-term two percent trend through at least the end of the year, generating enough job growth to continue tightening the labor market. U6, the broadest measure of labor market slack, declined to 7.1 percent in May, the lowest rate since 2000. Wage growth in the establishment survey did not accelerate in recent months, but with the labor market continuing to tighten we expect acceleration in wages to resume later in the year. Overall, today's job report is another signal that the Federal Reserve will consider a rate cut later in 2019.

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Source: BLS

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