

News Release

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Jobs Report: Employment Keeps Slowing, But Only Gradually

**Comment on U.S. Bureau of Labor Statistics Employment Situation Report
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Total nonfarm payroll employment increased by 130,000 in August, and the numbers for July and June were revised down a little. Excluding the hiring of 25,000 temporary workers to prepare for the 2020 Census, the gain in August was just 105,000. Employment growth is clearly slowing down, and the remaining growth is concentrated in just three services sectors: professional and business services, health care and government. On a positive note, the number of workers in the Temporary-Help industry, perhaps the best leading indicator of overall employment, increased in August and is not showing signs of plummeting.

Labor force participation improved by 0.2 percentage points to 63.2 in August and as a result, the unemployment rate remained unchanged at 3.7 percent. With employment growth slowing and the ongoing expansion of labor force participation, the US labor market will continue to tighten in the next year, but much more slowly than in recent years. With the labor market remaining historically tight, labor cost will continue accelerating, further squeezing corporate profits.

In sum, the report suggests that employment is slowing, but only gradually. Today's jobs report would not significantly impact the way the Federal Reserve views labor market conditions in the US.

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