

# ECONOMIC NEWS

## United States: Hiring Remains Robust

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### HIGHLIGHTS

- ▶ According to the establishment survey, the US economy added 261,000 jobs in October after an increase of 315,000 in September and 292,000 in August.
- ▶ Employment rose 32,000 in manufacturing but just 1,000 in construction.
- ▶ The private sector added 200,000 service jobs, less than September's increase of 271,000. Payrolls grew in retail trade (+7,200), wholesale trade (+14,600) and accommodation and food services (+25,900). There were 79,000 new jobs in education and health services and 39,000 in professional services. The public sector added 28,000 workers, nearly all in local government.
- ▶ Average hourly earnings rose 0.4% in October. They were up 4.7% in the 12 months through October versus 5.0% in September, the smallest year-over-year change since August 2021.
- ▶ The unemployment rate ticked back up to 3.7% after falling to 3.5% in September. The household survey showed a decline of 328,000 jobs, with the labour force contracting by 22,000. The labour force participation rate edged down from 62.3% to 62.2%.

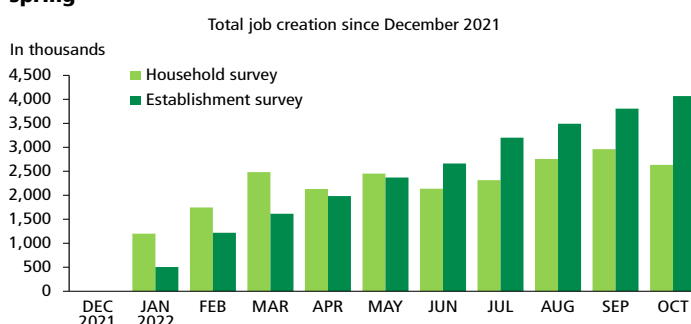
### COMMENTS

Once again, the US jobs report beat expectations. Analysts expected a gain of around 200,000. The August and September reports were also revised upward a combined 29,000 jobs.

The labour market remains surprisingly resilient. Hiring has slowed since averaging over 457,000 in the first seven months of the year. But while several economic indicators point to an imminent downturn, job growth continues to suggest otherwise. Strong hiring continues to support household incomes and consumer spending as interest rates and the cost of living go up.

### GRAPH

The household survey shows a bigger hiring slowdown since spring



Sources: Bureau of Labor Statistics and Desjardins, Economic Studies

And while weak job creation in the household survey may be a sign that the labour market is cooling, the household survey is far less reliable than the establishment survey. Changes in the household survey have to be in the range of  $\pm 500,000$  in order to be statistically significant versus  $\pm 100,000$  in the establishment survey.

### IMPLICATIONS

The US job market remains relatively strong and still shows no signs of an imminent recession. But hiring is expected to slow in the coming months, and we could see job losses in the next year.