



UNITED STATES

Employment gaining strength

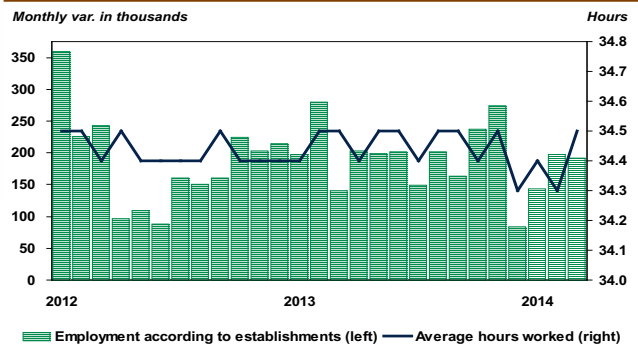
HIGHLIGHTS

- The establishment survey shows that 192,000 net hires were made in March, on the heels of 197,000 jobs in February (revised from 175,000) and 144,000 in January (revised from 129,000).
- The private sector also added 192,000 jobs. Public employment remained steady.
- The construction sector boosted its ranks by 19,000 jobs after gaining 18,000 hires in February. The manufacturing sector shed 1,000 jobs, after 19,000 hires were made in February.
- Private sector services created 167,000 jobs. Retailers added 21,300 jobs after two consecutive months of declines. Food services added 30,400 jobs. The number of workers in professional services increased by 57,000, including 28,500 in temp services. The education and health care sectors recorded 34,000 hires—the strongest growth since August 2013.
- The jobless rate remained at 6.7%. According to the household survey, the increase in the labour force (503,000) eclipsed the rise in employment (476,000).

COMMENTS

It seems increasingly clear that the weakness of the economic situation in the United States since the end of 2013 was largely due to climate conditions, and that once behind us, the situation will improve. The solid growth on the jobs front in February (once revised) and March is added to the recent rebounds in other indicators, i.e. the ISM indexes, some household confidence indexes and automobile sales. The positive jobs data in March lifted the retail trade sector, transportation and food services, all of which went on somewhat of a hiring spree after the disappointing results recorded in previous months. That said, the most remarkable gain was in the number of hours worked. Weekly hours worked ticked up from 34.3 to 34.5. In addition, the total hours worked (which also takes the number of workers into account) in March posted the best monthly growth since December 2006. This reflects the return to full-time work for many workers who had to work part time due to the inclement weather in recent months.

Job growth remains solid and hours worked rebounded



Sources: Bureau of Labor Statistics and Desjardins, Economic Studies

The increase in the number of workers who joined the labour force in March is also worth cheering about. The participation rate as a result has shifted from 63.0% to 63.2%, its highest level since September 2013, or before the U.S. federal government shutdown and the particularly harsh winter. In the medium term, the downtrend in the participation rate should continue, spurred by the aging of the population. It should remain stable in the short term however, which will slow the drop in the jobless rate despite the more energetic job creation. This could already be seen in March.

Implications: After some concerns at the beginning of the year, the U.S. job market is gaining strength. The recovery is perhaps not as strong as one would hope, but the revisions to previous figures suggest that the overall results are quite positive all the same. Hiring should continue to be strong in the next few months as the economy shows more signs of gaining traction after the temporary weakness due to the weather.

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