

June 6, 2014



UNITED STATES

Employment is finally back to its pre-crisis level

HIGHLIGHTS

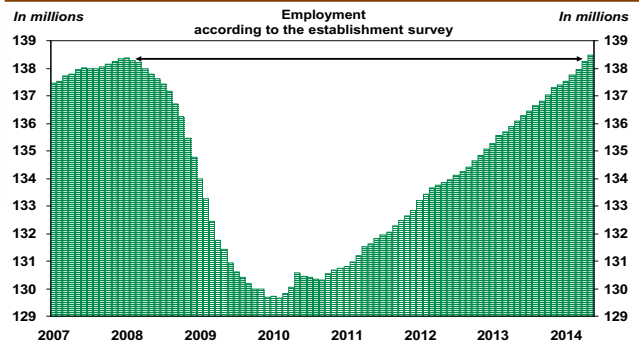
- The establishment survey indicates that there were 217,000 net hires in May, following gains of 282,000 jobs in April (revised from 288,000) and 203,000 in March.
- There were 216,000 jobs added in the private sector. Public sector employment only rose by 1,000 jobs.
- Construction added 6,000 jobs after gaining 34,000 in April. There were 10,000 additional workers in manufacturing following 4,000 hires in April.
- 198,000 jobs were created in private-sector services. Jobs in retailing increased by 12,500, while food services added 31,700 jobs. There were 55,000 new workers in professional services. The healthcare and education sectors recorded 63,000 hires, the best performance since August 2013.
- The jobless rate held steady at 6.3% even though it was expected to go up. This level was attained in April and continues to be the lowest since September 2008. After a monthly contraction of 806,000 in April, only 192,000 people joined the labour force. According to the household survey, 145,000 jobs were added.

COMMENTS

With the additional 217,000 in May, the U.S. job market has finally outstripped the previous cyclical peak reached in January 2008. The economy has now wiped out the 8,710,000 layoffs that occurred during the recession and up to the cyclical low of February 2010. Since then, 8,808,000 jobs have been created. The fact that it took 76 months to reach a new peak shows both the magnitude of the economic and financial crisis and the weakness of the recovery. While the losses have been recovered, there is still a lot of work ahead to recover what could have been added if the labour market had been livelier in the last few years.

Employment grew fairly close to expectations in May. Combined with April's increase, it's the best two-month gain (499,000) since October and November 2013, and over one million jobs have been added since the start of the year. Sectors such as construction, retailing, professional

After 76 months, U.S. employment outstrips the January 2008 peak



Sources: Bureau of Labor Statistics and Desjardins, Economic

services and the public sector are somewhat slowing down from April's strong numbers, but others are advancing at a good clip. We can particularly take encouragement from the strong performance by the healthcare sector, which had previously shown signs of weakness.

The steady jobless rate is, of course, good news. The sudden dip from 6.7% to 6.3% between March and April suggested a rebound in May. The increase in the labour market and employment according to household surveys was more "normal" in May, following several months of erratic fluctuations. At only 62.8%, the participation rate is still very low.

Implications: The U.S. labour market is doing better and has finally returned to its pre-crisis level. Additional strong growth is to be expected in the coming months while the U.S. economy recovers from the rough patch it went through at the beginning of the year.

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NOTE TO READERS: The letters **K**, **M** and **B** are used in texts and tables to refer to thousands, millions and billions respectively.

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