



## UNITED STATES

### Employment continues to rise

#### HIGHLIGHTS

- According to the establishment survey, the U.S. job market created 209,000 jobs in July, a result slightly below expectations.
- The data for June were revised upwards. New jobs in June are now 298,000, up from 288,000.
- Employment jumped sharply in July in the professional and business services (+47,000), manufacturing (+28,000), retailing (+27,000) and construction (+22,000) sectors.
- The unemployment rate edged up to 6.2% in July from 6.1% in June. This small increase is explained by more modest job growth, according to the household survey (+131,000 jobs), and an increase in the participation rate (from 62.8% to 62.9%).
- The average number of weekly hours worked remains at 34.5.
- The average hourly rate remained practically unchanged.

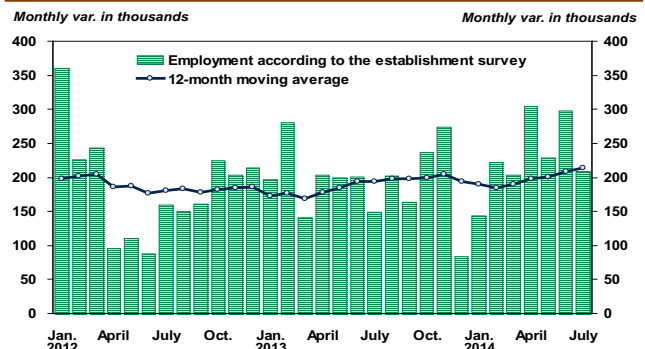
#### COMMENTS

The results released this morning by the Bureau of Labor Statistics are relatively similar to those released in recent months. After a small acceleration in June, job creation in July returned to close to its average of the last 12 months (214,000).

The small rise in the unemployment rate is not too worrisome. In fact, it only wipes out part of June's decrease. As such, the unemployment rate is still below the rate recorded for May, and sharply below the rate at the end of 2013. The unemployment rate therefore continues to trend downward.

**Implications:** The results for July generally confirm that the job market continues to improve. However, as the Federal Reserve (Fed) leaders noted on Wednesday, other job market indicators, including changes in salaries, signal that U.S. labour is still significantly underused. Everything therefore suggests that the Fed will maintain the status quo on key interest rates for a few more quarters. Hence, the

#### Job growth is back to its average of recent months



Sources: Bureau of Labor Statistics and Desjardins, Economic Studies

#### Despite July's increase, the unemployment rate continues to trend downward



Sources: Bureau of Labor Statistics and Desjardins, Economic Studies

first raise in the federal funds rate is not expected before the end of summer 2015.

**Benoit P. Durocher**  
Senior Economist

**François Dupuis**  
Vice-President and Chief Economist

**Hélène Bégin**  
Senior Economist

**Benoit P. Durocher**  
Senior Economist

**Francis Généreux**  
Senior Economist

514-281-2336 or 1 866 866-7000, ext. 2336  
E-mail: [desjardins.economics@desjardins.com](mailto:desjardins.economics@desjardins.com)