



UNITED STATES

A good end to the year for the job market

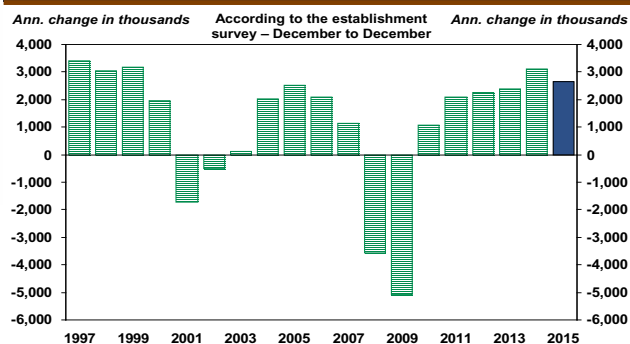
HIGHLIGHTS

- The establishment survey reported 292,000 net hires in December after gains of 252,000 jobs in November (revised from 211,000) and 307,000 in October (revised from 298,000). There were 275,000 new jobs in the private sector, while the public sector added 17,000 jobs.
- The construction sector created 45,000 jobs, continuing its strong momentum of recent months. In the manufacturing sector, the number of workers expanded by 8,000, a little better than in October and November. The resources sector suffered another contraction, this time of 8,000 jobs.
- The private sector recorded 230,000 new services jobs despite a slowdown among retailers, who created just 4,300 new jobs. In professional services the number of workers climbed by 73,000, of whom 34,400 were in temporary help services. The healthcare and education sector created 59,000 jobs.
- During the year 2015 (December to December), 2,650,000 jobs were created, a slightly smaller gain than the 3,116,000 jobs of 2014, but more than the 2,388,000 new jobs of 2013. In terms of annual average, the gain is 2,936,000 workers, the best showing since 1999.
- The jobless rate held steady at 5.0% in December, which constitutes a decline of 0.6% since December 2014. Its average over the year as a whole is 5.3%, compared with 6.2% in 2014 and 7.4% in 2013. The annual jobless rate has not been this low since 2007.
- The average hourly wage dipped by 0.04% in December after a 0.2% increase in November. Thanks to base effects, the annual change in the average hourly wage still managed to rise from 2.3% to 2.5%.

COMMENTS

In December, we note the same strengths and weaknesses that have characterized the U.S. job market all year long. Thus, job losses continued in the resources sector last month, with a total of 131,000 layoffs in 2015. This dismal performance cancels out more than three years of growth in this sector since mid-2011. In manufacturing, a mere 30,000 jobs were created last year after 215,000 hires in 2014. We do note that construction has been doing better

Job growth was a little slower in 2015 than in 2014



Sources: Bureau of Labor Statistics and Desjardins, Economic Studies

in recent months, but still the annual gain of 263,000 is less than the 338,000 jobs that were created in 2014.

While the goods sectors generally fared more poorly in 2015 (hires plunged from 595,000 to a meagre 162,000), the service sector gave a fairly consistent performance from one year to the next (2,521,000 jobs in 2014 and 2,488,000 in 2015). This situation reflects economic conditions in the United States, where the ISM manufacturing index is showing contraction while the non-manufacturing index is still positive. This shows some strength in final domestic demand and the fragility of production which is affected by the strong dollar and the declining investment in the oil sector, among other things.

Implications: The job growth recorded in December and in the year 2015 overall is positive and encouraging. However, it will not be sufficient to trigger a hasty continuation of the monetary tightening that the Federal Reserve launched in December, especially since despite this good news in the job market, it looks like real GDP growth will be modest in the last quarter of 2015.

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