

## ECONOMIC NEWS

# United States: Job Market Ends 2019 on a Slightly Weaker Note

### HIGHLIGHTS

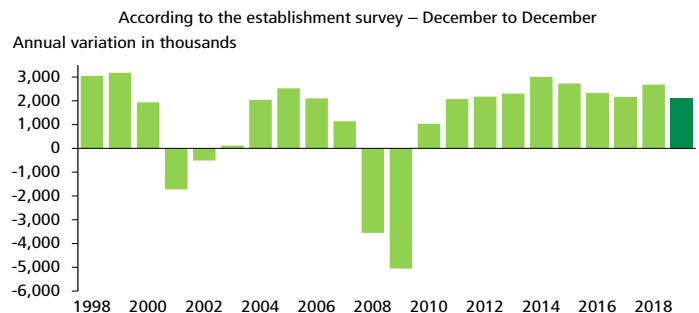
- ▶ The establishment survey indicates 145,000 new jobs in December, following gains of 256,000 in November (revised from 266,000) and 152,000 in October (revised from 156,000).
- ▶ Manufacturing lost 12,000 jobs, after a gain of 58,000 due to General Motors (GM) employees returning to work following strike action. Construction gained 20,000 jobs.
- ▶ There were 140,000 net hires in private sector services, a result that is lower than the 191,000 new jobs recorded in November. Retailers gained 41,200 jobs, the strongest growth since January 2017. Hiring in the food services sector reached 15,900. The health and education sectors came up with 36,000 new hires. Professional services added just 10,000 new jobs.
- ▶ A total of 2,108,000 jobs were created in 2019 (December to December), a smaller gain than the 2,679,000 hires made in 2018. The annual average gain was 2,340,000 workers.
- ▶ The unemployment rate remained at its cyclical low of 3.5%. Its annual average is 3.7% compared with 3.9% in 2018. We would have to go back to 1969 to find a lower annual jobless rate (3.5%).
- ▶ The average hourly wage in the private sector rose 0.1% in December following a 0.3% increase in November (revised from 0.2%). The annual change went from 3.1% to 2.9%.

### COMMENTS

Job creation in December was slightly lower than the approximately 160,000 new jobs expected. However, an increase of 145,000, following a decent increase of 256,000 in November, is a relatively good result. There are some surprises, however, such as the 33,200 jobs created by clothing retailers—the strongest gain since December 2013. A pullback in this sector can be expected in the coming months. The upset in

### GRAPH

#### Lowest annual U.S. job creation since 2011



Sources: Bureau of Labor Statistics and Desjardins, Economic Studies

the manufacturing sector is not related to the auto industry, but to other sectors such as metallurgy, machinery and food manufacturing.

### IMPLICATIONS

Although 2019 had the weakest annual growth since 2011, the U.S. labour market remains relatively healthy. Job creation outperformed other indicators and has managed to wade through the trade tensions that characterized 2019.

Francis Généreux, Senior Economist

François Dupuis, Vice-President and Chief Economist • Mathieu D'Anjou, Deputy Chief Economist  
Hélène Bégin, Senior Economist • Benoit P. Durocher, Senior Economist • Francis Généreux, Senior Economist

Desjardins, Economic Studies: 514-281-2336 or 1 866-866-7000, ext. 5552336 • [desjardins.economics@desjardins.com](mailto:desjardins.economics@desjardins.com) • [desjardins.com/economics](https://desjardins.com/economics)

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