

ECONOMIC NEWS

United States: Jobs Continued to Climb Back in July

HIGHLIGHTS

- ▶ The establishment survey indicates that there were 1,763,000 net hires in July, following gains of 4,791,000 jobs in June and 2,725,000 in May.
- ▶ Only 39,000 new jobs were added in the goods-producing sectors. There were 26,000 new jobs in manufacturing and 20,000 in construction.
- ▶ There were 1,423,000 net hires in private sector services. The food services sector gained 502,000 jobs, and retailers added 258,300 jobs. The health care and education sector gained 215,000 jobs, and professional and business services added 170,000 hires to payrolls. The public sector gained 301,000 jobs, mainly with local government.
- ▶ The jobless rate continued to drop, from 11.1% to 10.2%. The household survey recorded the creation of 1,350,000 jobs. The labour force shrank by 62,000 people.

COMMENTS

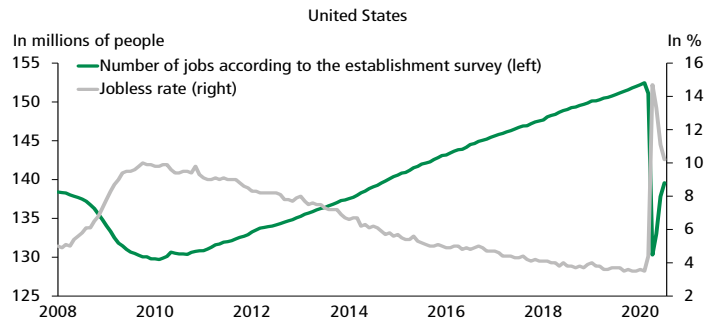
No one expected the spectacular rebound in jobs of nearly 5,000,000 in June to repeat itself in July. The spike in COVID-19 cases since mid-June led many U.S. states to pause or even backtrack their reopening processes. Some economic indicators are therefore showing a slowdown in the economy recovery pace in the United States since the end of June, and even suggested a downturn in jobs in July.

In the end, the rebound continued with the creation of 1,763,000 jobs last month, slightly better than analysts' expectations. The gains are strong mainly in the service sectors that suffered the most from the lockdown measures, including food services and retailing. There is also a first major rebound in public sector jobs following the tumbles of March and April.

Despite the significant gains of the past three months, the situation is still far from normal. According to the establishment survey, jobs are still below their February level by

GRAPH

The consequences of the pandemic are likely to continue affecting the U.S. job market for some time



Sources: Bureau of Labor Statistics and Desjardins, Economic Studies

nearly 13,000,000. The jobless rate is also still high, despite a low participation rate.

IMPLICATIONS

This morning's job market numbers, combined with the drop in jobless claims released yesterday, appear to indicate that the U.S. job market is continuing to recover. There is still a ways to go, however, and the risk of a relapse will linger if the COVID-19 situation does not improve.

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