

## ECONOMIC NEWS

# United States: The Establishment Survey Shows More Strong Job Growth

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### HIGHLIGHTS

- ▶ According to the establishment survey, the US economy added 428,000 jobs in April after a similar gain in March and a 714,000 increase in February.
- ▶ There were just 2,000 new construction jobs, but 55,000 more manufacturing positions.
- ▶ The private sector added 340,000 service jobs, on par with March's increase of 357,000. Retail added 29,200 jobs and food services added 43,800. There were 59,000 new jobs in education and health care and 41,000 in professional services. The public sector added 22,000 positions, almost all in local government.
- ▶ Average hourly wages edged up 0.3% in April after rising 0.5% in March. Year-over-year wage growth slowed from 5.6% in March to 5.5% in April.
- ▶ The unemployment rate remained unchanged at 3.6%. The household survey showed an unexpected decline of 353,000 jobs, with the labour force contracting by 363,000. The labour force participation rate slipped 0.2% to 62.2%.

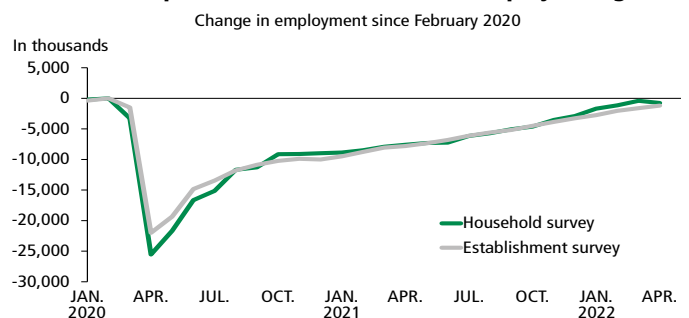
### COMMENTS

April job growth slightly outperformed the 390,000 consensus forecast. But this good news was tempered by downward revisions to the previous two estimates, with 3,000 jobs shaved off the March figure and 36,000 knocked off the February reading.

Nevertheless, April's job gains bring the US labour market a bit closer to its pre-pandemic level. It's now 1,190,000 jobs shy of its February 2020 mark. At the pace we've seen over the past two months, it should get there by July. Job growth has also been fairly broad-based. In the past two months, 71.3% of

### GRAPH

The establishment and household surveys moved in different directions in April, but both showed similar employment gains



Sources: Bureau of Labor Statistics and Desjardins, Economic Studies

the 256 sectors surveyed have reported monthly employment growth.

On the other hand, the household survey was surprisingly weak. But it tends to be much more volatile than the establishment survey, and both surveys showed similar trends.

### IMPLICATIONS

The US labour market continues to be a bright spot amid declining quarterly real GDP and fears about inflation, rising interest rates and the war in Ukraine. It reassures the Federal Reserve that the economy can withstand more restrictive monetary policy.