

EMPLOYMENT – NOVEMBER 2016

The latest employment report from the Bureau of Labor Statistics (BLS) shows that 178,000 nonfarm jobs were added in November. Nonfarm payroll in October was revised downward from 161,000 to 142,000, and September nonfarm payroll was revised upward from 191,000 to 208,000. A total of 1.98 million private nonfarm jobs were added since the start of the year. The November unemployment rate was 4.6% according to the BLS.

The services sector added 139,000 jobs in November. Professional and financial services added the most number of jobs (63,000) followed by education and health services (44,000). The mining and logging industry gained 2,000 jobs. The manufacturing sector lost 4,000 jobs. Construction jobs increased by 19,000. Average hourly earnings for all employees on private nonfarm payroll in November was \$25.89, marginally lower than in October (\$25.92), but a 2.5% increase from a year ago, according to the BLS.

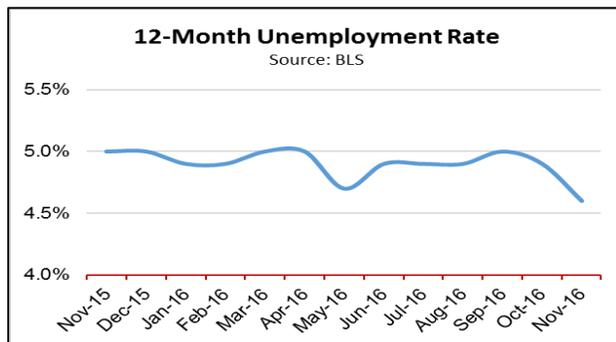
Credit Union Impact Meter: **High**

Labor markets continued to strengthen in November bringing the unemployment rate to a nine-year low. Job gains in mining and logging were a reversal from job losses in prior months. The manufacturing sector continued to lose jobs, but not as much as in previous months. All told, job gains in the goods-producing sector of the economy, which more than doubled (142.9%) in November (17,000) compared to October job gains (7,000), indicates the economy continues to expand and will positively impact credit union operations.

The construction sector continued to add jobs for the third consecutive month in sync with a housing market in recovery mode. With stable housing demand, mortgage lending at credit unions will continue to expand. Real personal income and personal consumption expenditures were higher in October by 2.5% and 2.8%, respectively from a year ago. The second quarter GDP estimate came in at 3.2% and if economic growth momentum is sustained in the fourth quarter, higher personal consumption expenditure means stronger consumer loan growth at credit unions.

For the past 12 months, the U.S. economy added 195,000 jobs per month on average. A slower decline in the unemployment rate can be expected as slack in the labor market continues to gradually diminish. November's 4.6% unemployment rate is virtually approaching the lower bound of the FOMC participants' estimate of the longer-run full unemployment rate in the range of 4.5% to 5.0%. A modest Fed funds rate hike this month is expected.

Data Snapshot: Unemployment – 12-Month and Monthly Periodic Change (%)



Seasonally Adjusted Source: BLS	Sep-16	Oct-16	Nov-16
Unemployment rate (%)	5.0	4.9	4.6
Participation rate (%)	62.9	62.8	62.7
Employed (000)	151,968	151,925	152,085
Unemployed (000)	7,939	7,787	7,400
Jobs Added (000)	208	142	178

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