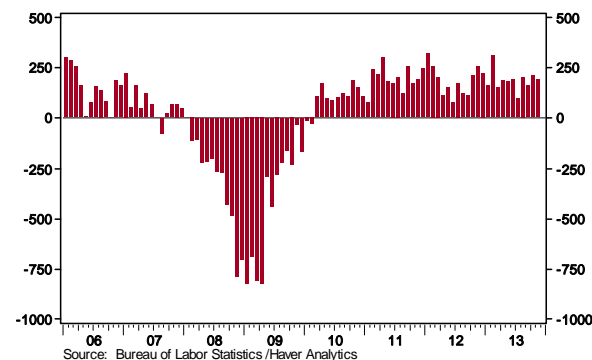


# November Employment Report

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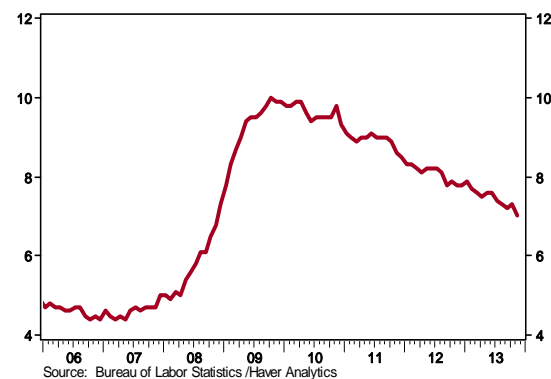
- Non-farm payrolls increased 203,000 in November, beating the consensus expected 185,000. Including upward revisions to prior months, nonfarm payrolls were up 211,000.
- Private sector payrolls increased 196,000 in November (+216,000 including revisions to prior months), beating the consensus expected 180,000. The largest gains were for education & health (+40,000), professional & business services (+35,000, including temps), transportation & warehousing (+31,000), and manufacturing (+27,000). Government payrolls increased 7,000.
- The unemployment rate dropped to 7.0% (7.023% unrounded) from 7.3% (7.280% unrounded).
- Average weekly earnings – cash earnings, excluding benefits – increased 0.2% in November and are up 2.0% from a year ago.

**Change in Total Private Payrolls**  
SA, Thous



**Implications:** The labor market surprised to the upside in November, showing a lack of damage from the government shutdown. Nonfarm payrolls grew 203,000 in November after gaining 200,000 in October. Private-sector payrolls expanded 196,000 in November after gaining 214,000 in October. The big negative for October was a 735,000 drop in civilian employment, an alternative measure of jobs that includes small business start-ups and which is measured at a different time of the month than the payroll survey. That figure rebounded 818,000 in November. Largely as a result, the unemployment rate dropped to 7%, a new low for the recovery. However, after dropping 720,000 in October, the size of the labor force only rebounded 455,000 in November and is still below year-ago levels. This suggests the potential of a further rebound in the labor force in December/January, which may push the jobless rate back up slightly (or prevent it from falling further) in the short-term. Apart from the good headlines – better than expected payrolls and a large drop in the jobless rate – the details of the report were also good. Total hours worked increased 0.5% and are up 2.4% from last year. Average hourly earnings rose 0.2% and are up 2% versus a year ago. Combined, this means total cash earnings are up 4.4% in the past year, or about 3.2% adjusted for inflation. This is more than enough for workers to keep pushing up spending, particularly in an environment where consumers’ financial obligations are low relative to income. Also, once again a new report destroyed one of the recent negative stories about the job market. Part-time employment dropped for the fourth month in a row and is now down 137,000 from a year ago. The labor market could and would be doing better with a better set of public policies. But it is still improving. In the past year nonfarm payrolls have grown at an average monthly rate of 191,000 while civilian employment is up 82,000 per month. Over time, we expect these two rates of job growth to converge and think the pace of growth in civilian employment is likely to accelerate.

**Civilian Unemployment Rate: 16 yr +**  
SA, %



<b>Employment Report</b> <i>All Data Seasonally Adjusted</i>	<b>Nov-13</b>	<b>Oct-13</b>	<b>Sep-13</b>	<b>3-month moving avg</b>	<b>6-month moving avg</b>	<b>12-month moving avg</b>
<b>Unemployment Rate</b>	<b>7.0</b>	7.3	7.2	7.2	7.3	7.5
<b>Civilian Employment (monthly change in thousands)</b>	<b>818</b>	-735	133	72	81	82
<b>Nonfarm Payrolls (monthly change in thousands)</b>	<b>203</b>	200	175	193	180	191
<b>Construction</b>	<b>17</b>	12	17	15	10	15
<b>Manufacturing</b>	<b>27</b>	16	8	17	7	6
<b>Retail Trade</b>	<b>22</b>	46	23	30	36	27
<b>Finance, Insurance and Real Estate</b>	<b>-3</b>	7	-3	0	4	7
<b>Professional and Business Services</b>	<b>35</b>	48	47	43	45	54
<b>Education and Health Services</b>	<b>40</b>	30	14	28	30	31
<b>Leisure and Hospitality</b>	<b>17</b>	49	-1	22	26	35
<b>Government</b>	<b>7</b>	-14	7	0	0	-2
<b>Avg. Hourly Earnings: Total Private*</b>	<b>0.2%</b>	0.1%	0.2%	1.7%	2.1%	2.0%
<b>Avg. Weekly Hours: Total Private</b>	<b>34.5</b>	34.4	34.4	34.4	34.5	34.5
<b>Index of Aggregate Weekly Hours: Total Private*</b>	<b>0.5%</b>	0.1%	-0.1%	2.0%	1.8%	2.4%

\*3, 6 and 12 month figures are % change annualized