

U.S. Labor Market

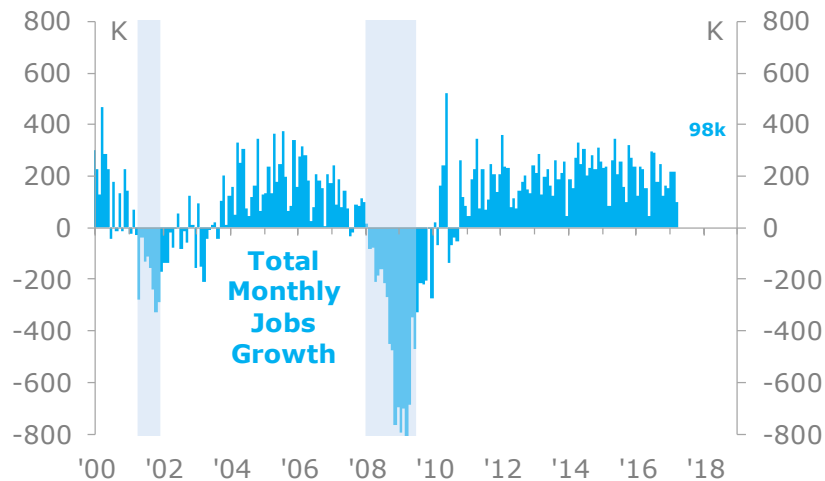
April 7, 2017

FLOATINGPATH

Tepid Jobs Growth In March

Nonfarm Payrolls Grew By 98k in March, Following An Increase Of 219k In February...

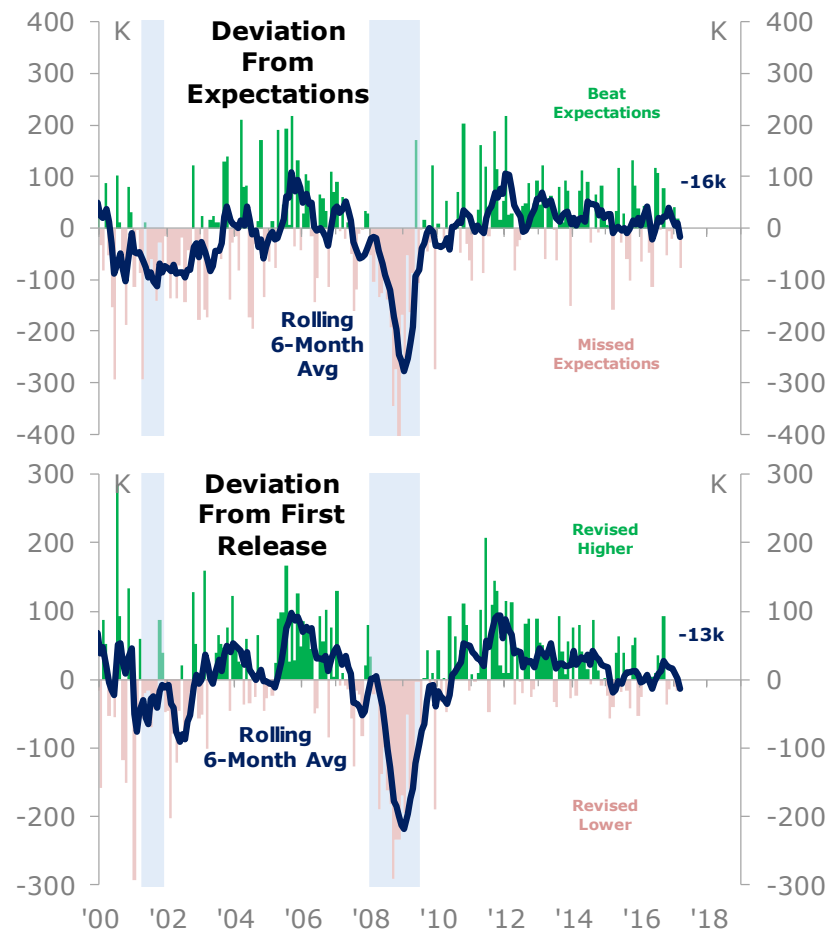
U.S. Nonfarm Payrolls Monthly Growth



Source: Floating Path, Bureau of Labor Statistics

...Recent Jobs Growth Has Been Roughly In Line With Economists' Expectations

U.S. Nonfarm Payrolls Monthly Growth

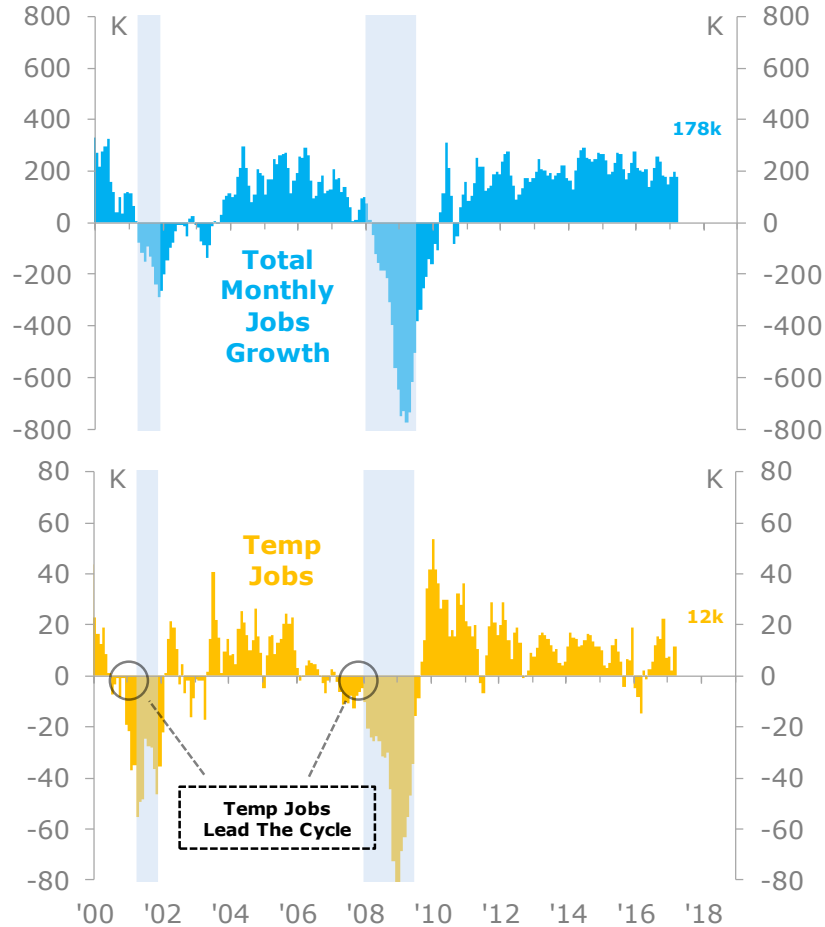


Source: Floating Path, Bureau of Labor Statistics

Payrolls Trend Still OK

The 3-Month Moving Average Of Total Jobs Growth Remains Adequate At 178k...

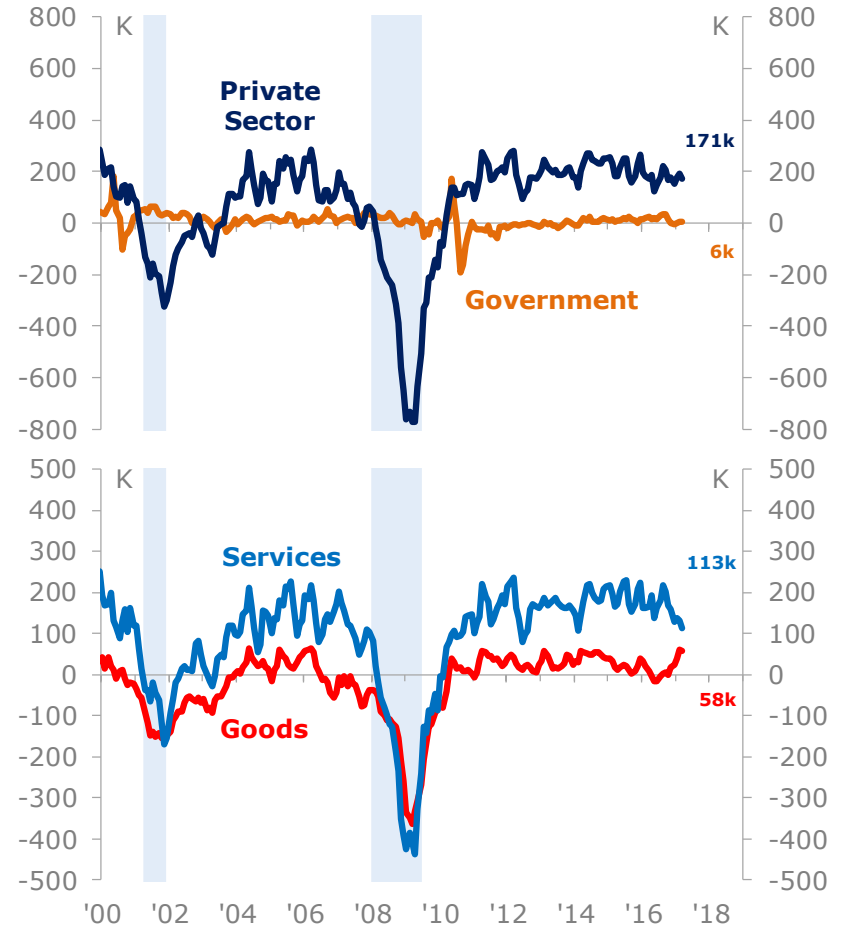
U.S. Nonfarm Payrolls Monthly Growth, 3-Month MA



Source: Floating Path, Bureau of Labor Statistics

...Driven Primarily By Private Sector Jobs In Service-Providing Industries

U.S. Nonfarm Payrolls Monthly Growth, 3-Month MA

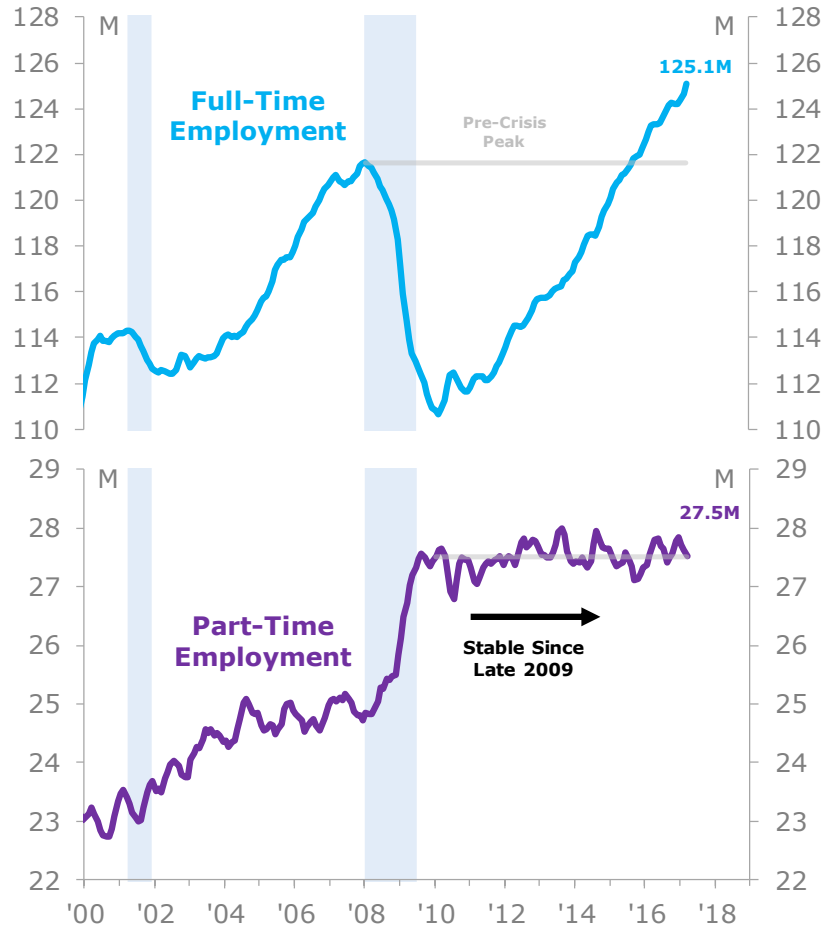


Source: Floating Path, Bureau of Labor Statistics

Part-Time For The Right Reasons

Full-Time Employment Growth Has Not Materially Slowed Down...

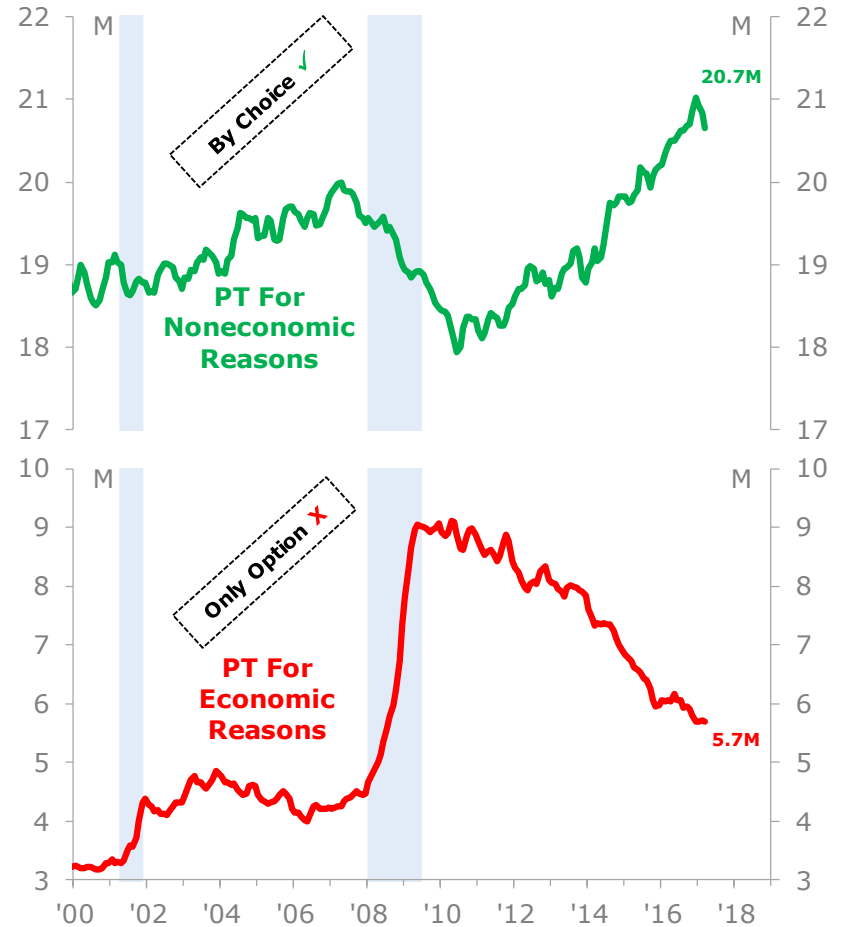
U.S. Employment, 3-Month MA



Source: Floating Path, Bureau of Labor Statistics

...Part-Time Work Is Increasingly A Preference Rather Than A Lack Of Opportunity

U.S. Part-Time Employment, 3-Month MA

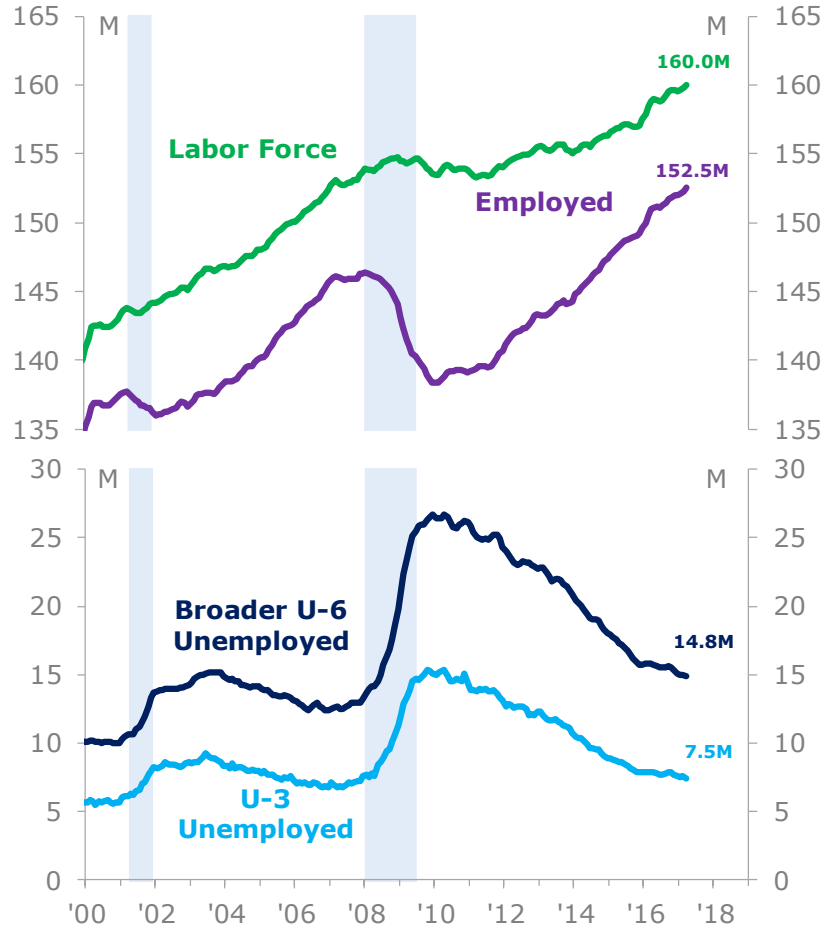


Source: Floating Path, Bureau of Labor Statistics

Unemployment Rate Steady

The Employment Level Continues To Rise As The Unemployed Shrink...

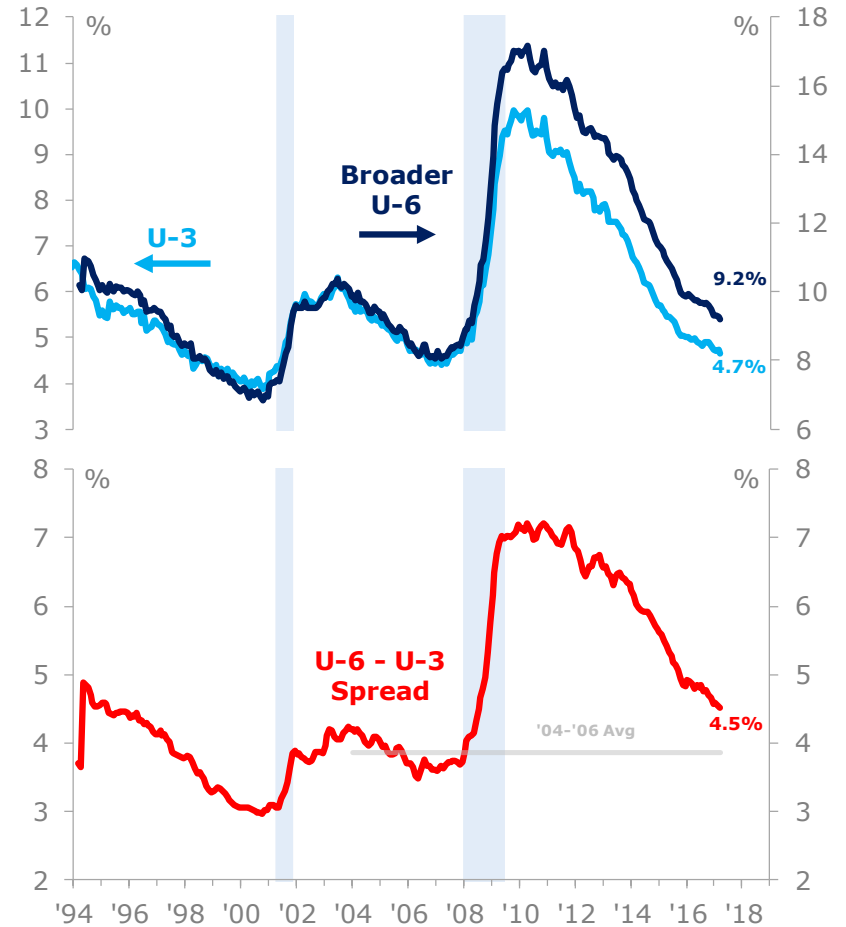
U.S. Labor Market, 3-Month MA



Source: Floating Path, Bureau of Labor Statistics

...The Gap Between The Headline And Broader U-6 Unemployment Rate Is Slowly Narrowing

U.S. Labor Market, 3-Month MA

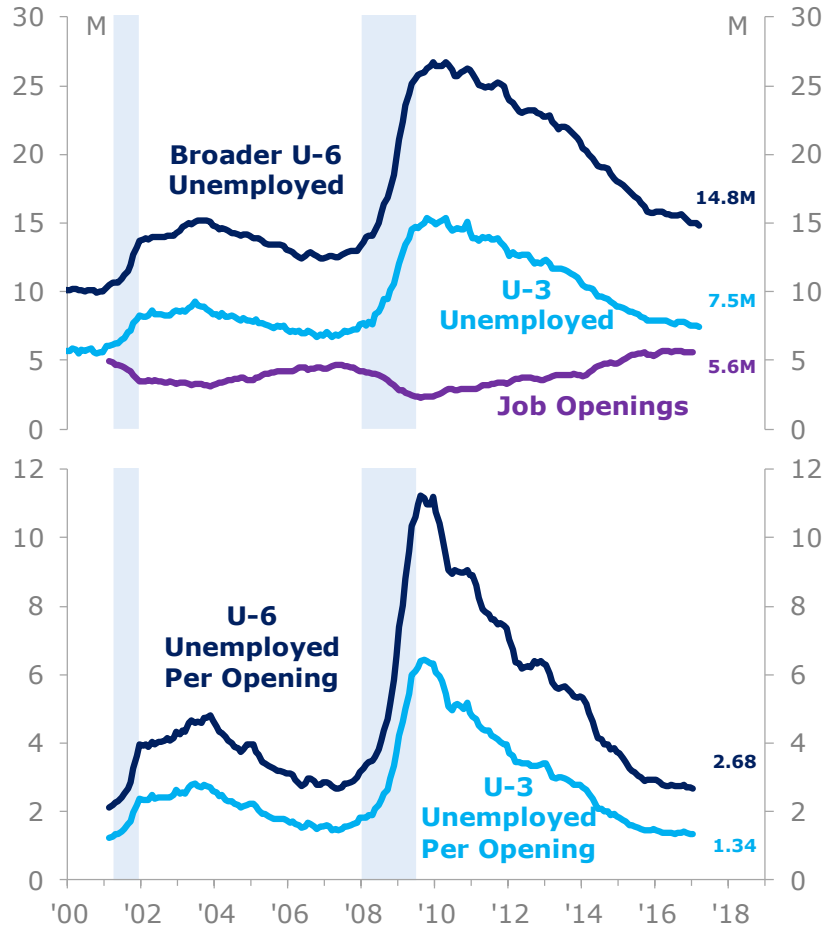


Source: Floating Path, Bureau of Labor Statistics

Few Unemployed Per Open Position

The Number Of Unemployed Workers Per Job Opening Has Fallen To 1.34...

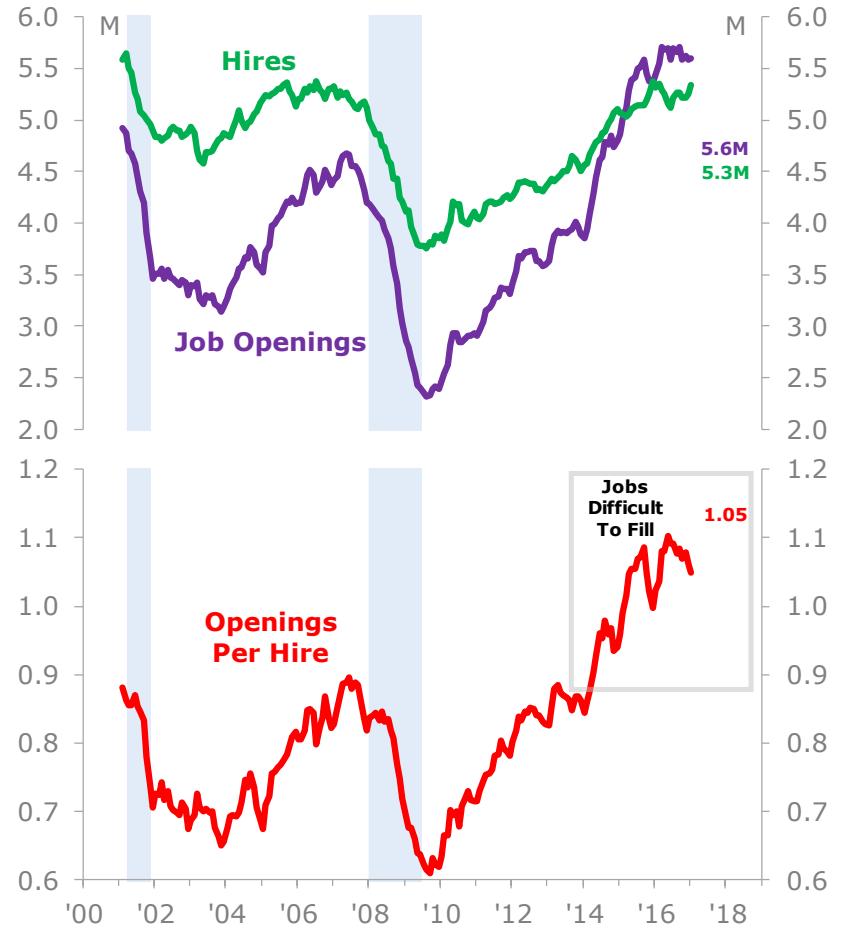
U.S. Job Openings And Unemployment, 3-Month MA



Source: Floating Path, Bureau of Labor Statistics

...The Tight Labor Market Has Made It Challenging For Employers To Fill Positions

U.S. Job Openings And Hires Monthly, 3-Month MA

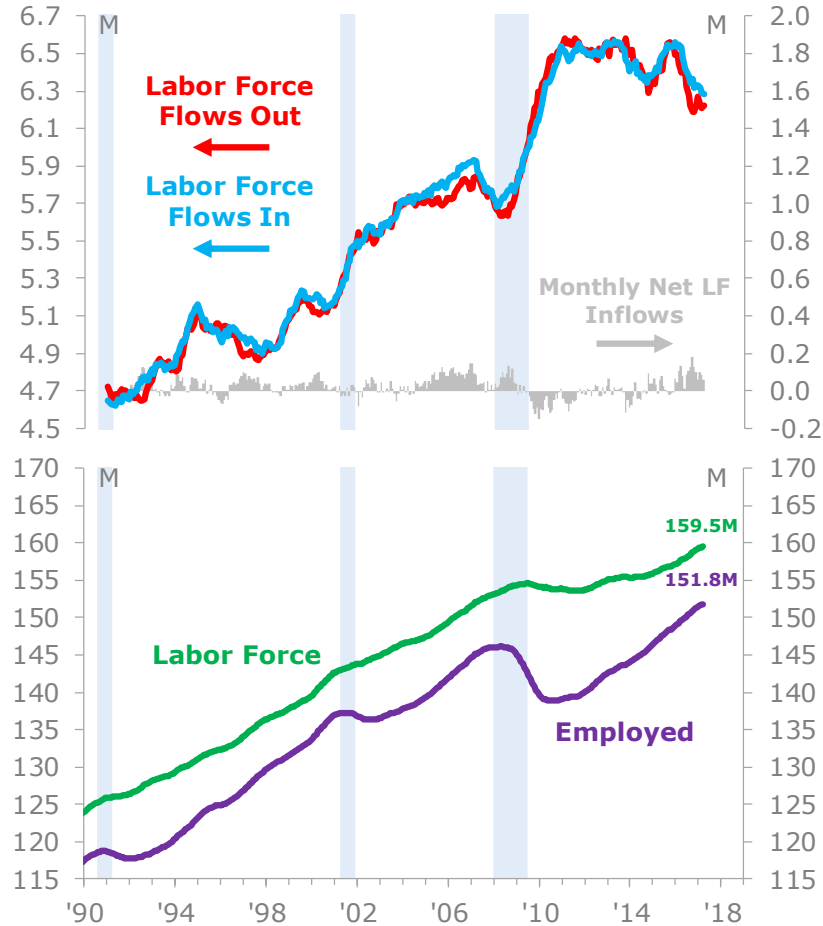


Source: Floating Path, Bureau of Labor Statistics

Labor Force Flows

Labor Churn Has Slowed Since Late 2015, Meaning Fewer Retires And New Entrants...

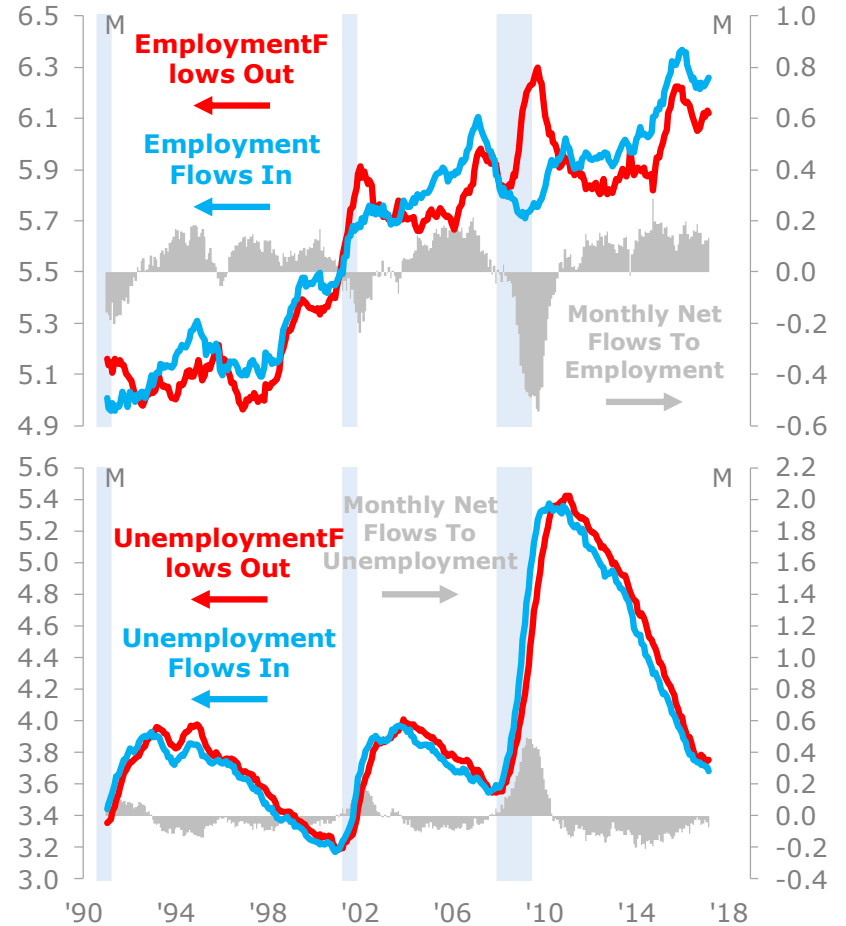
U.S. Labor Force Flows, 12-Month MA



Source: Floating Path, Bureau of Labor Statistics

...Flows To Employment Each Month Remain Healthy

U.S. Labor Force Flows, 12-Month MA

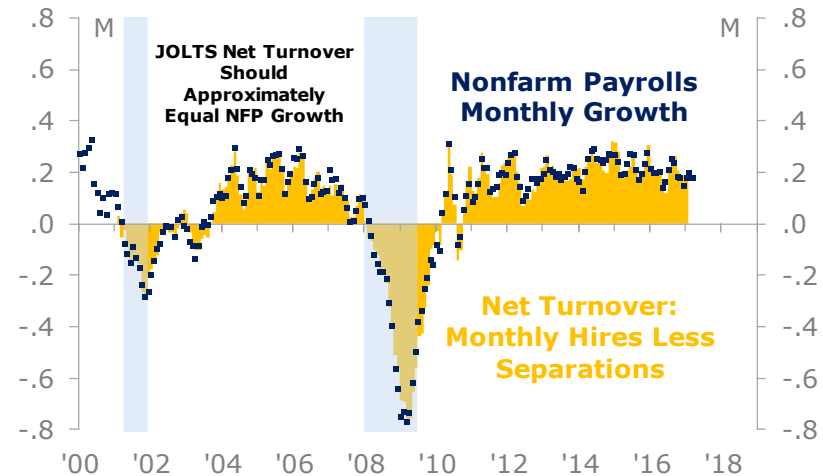


Source: Floating Path, Bureau of Labor Statistics

Many Quitters In A Tight Labor Market

There Are Currently Around 5.1 Million Total Job Separations Each Month...

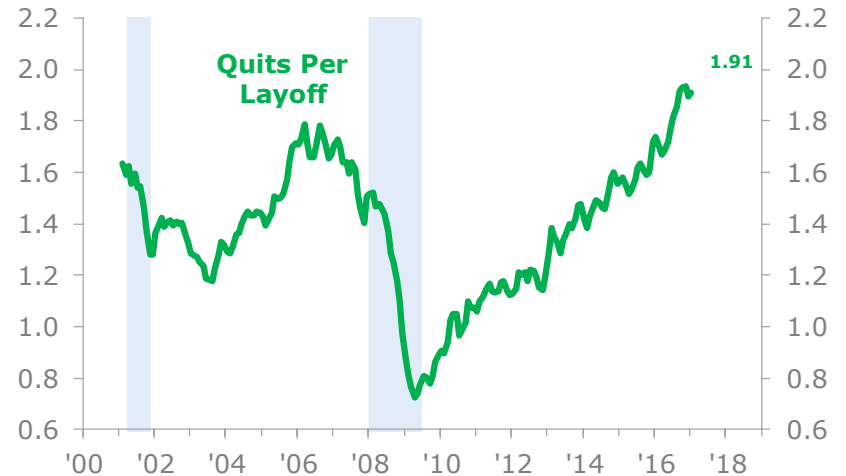
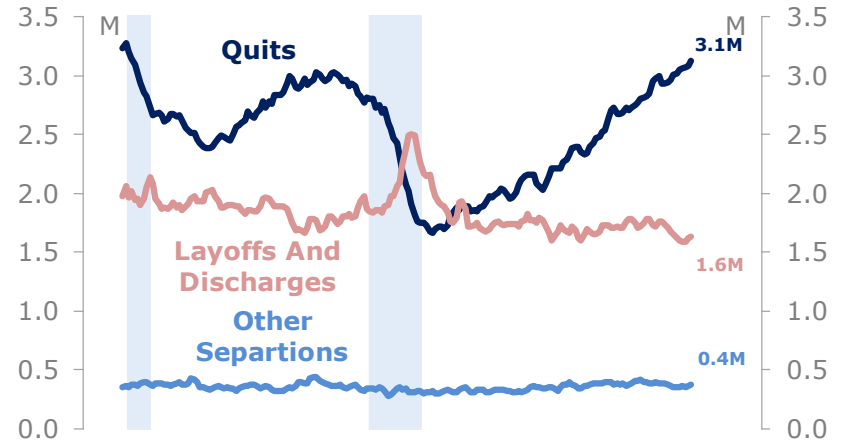
U.S. Hires and Job Separations Monthly, 3-Month MA



Source: Floating Path, Bureau of Labor Statistics

...Quits Remain High As Workers Continue To Have Multiple Employment Options

U.S. Job Separations Monthly, 3-Month MA

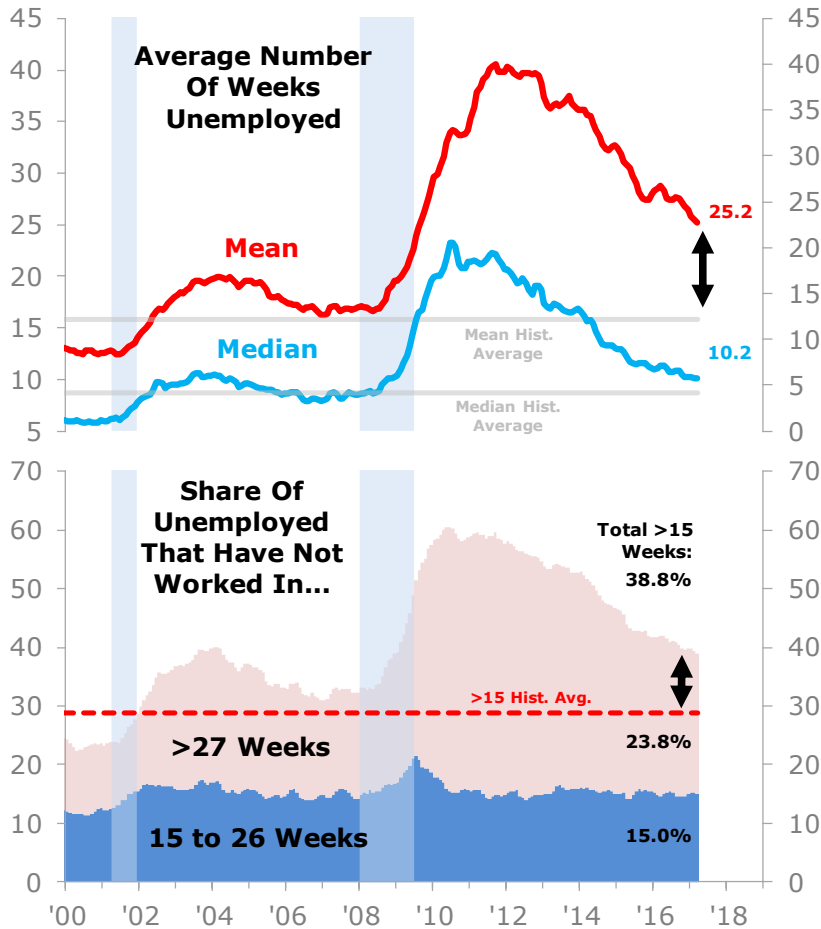


Source: Floating Path, Bureau of Labor Statistics

Stubborn Labor Mismatch

Average Unemployment Duration Remains High At Around 25 Weeks...

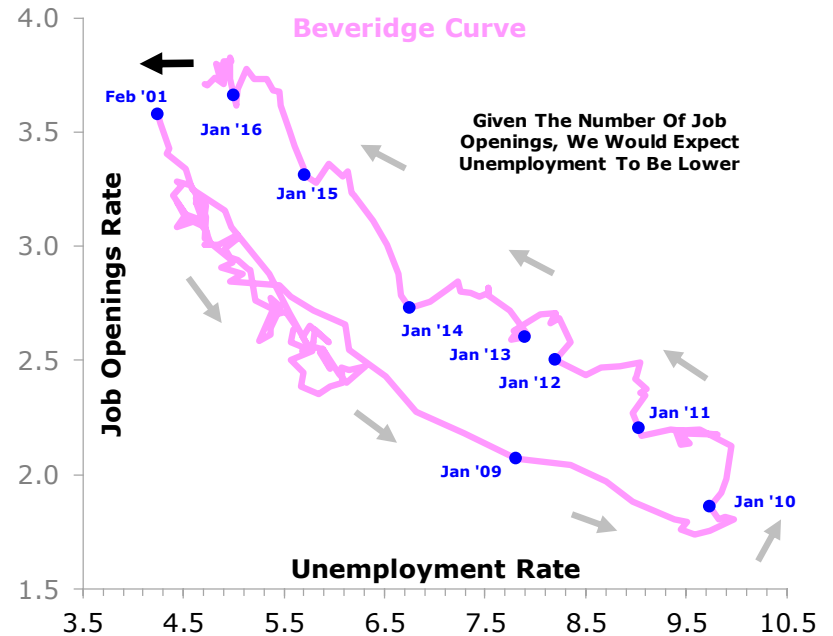
U.S. Unemployment Duration, 3-Month MA



Source: Floating Path, Bureau of Labor Statistics

...With Job Openings So High, Unemployment Should Be A Bit Lower

U.S. Beveridge Curve, 3-Month MA

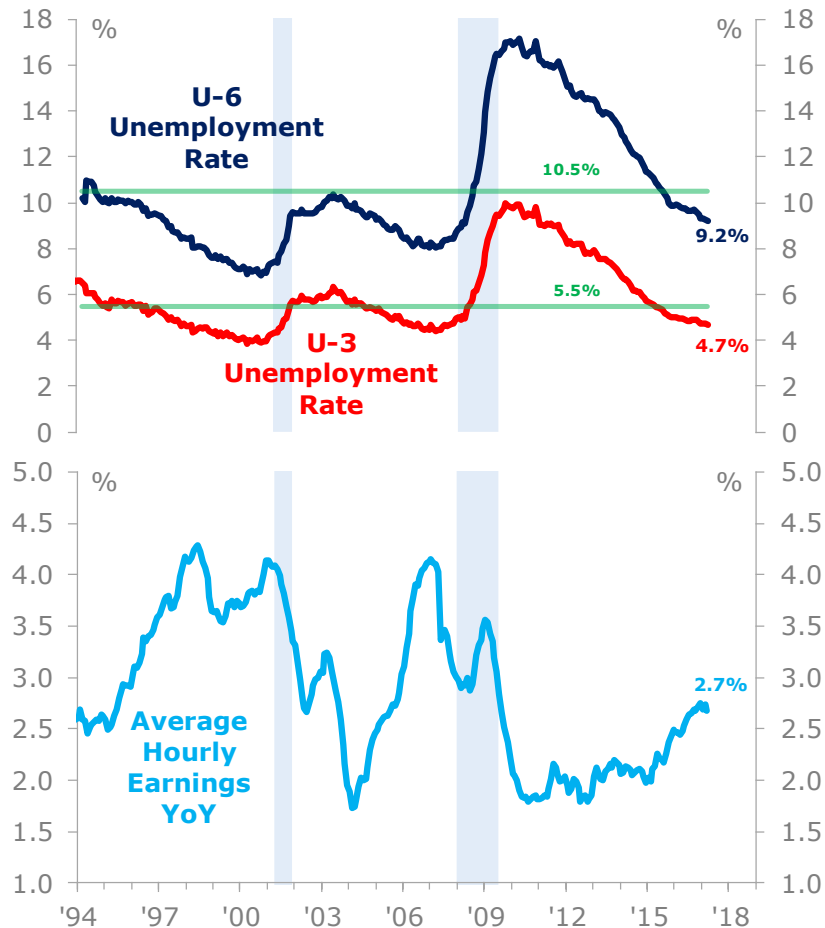


Source: Floating Path, Bureau of Labor Statistics

Low Unemployment → Higher Wages

Wage Growth Typically Inflects Once The U-3 Rate Falls To 5.5% and U-6 Rate To 10.5%...

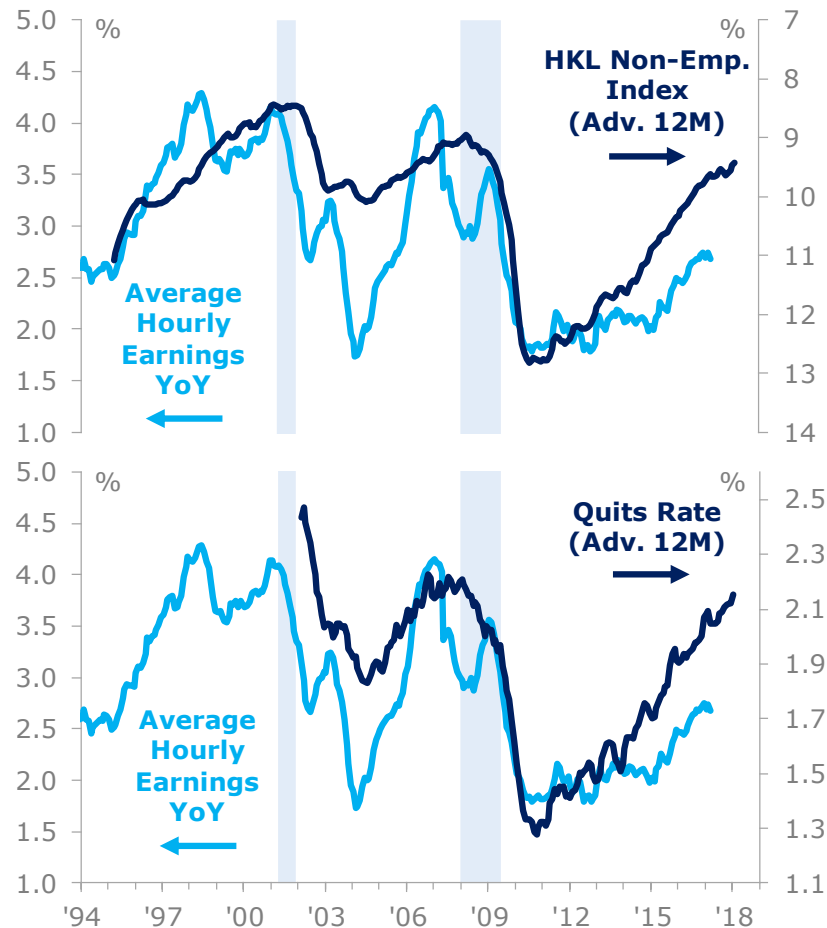
U.S. Average Hourly Earnings And Unemployment, 3-Month MA



Source: Floating Path, Bureau of Labor Statistics

...More People Are Leaving Their Jobs By Choice, So Retaining Workers Will Require Pay Bumps

U.S. Average Hourly Earnings And Drivers, 3-Month MA

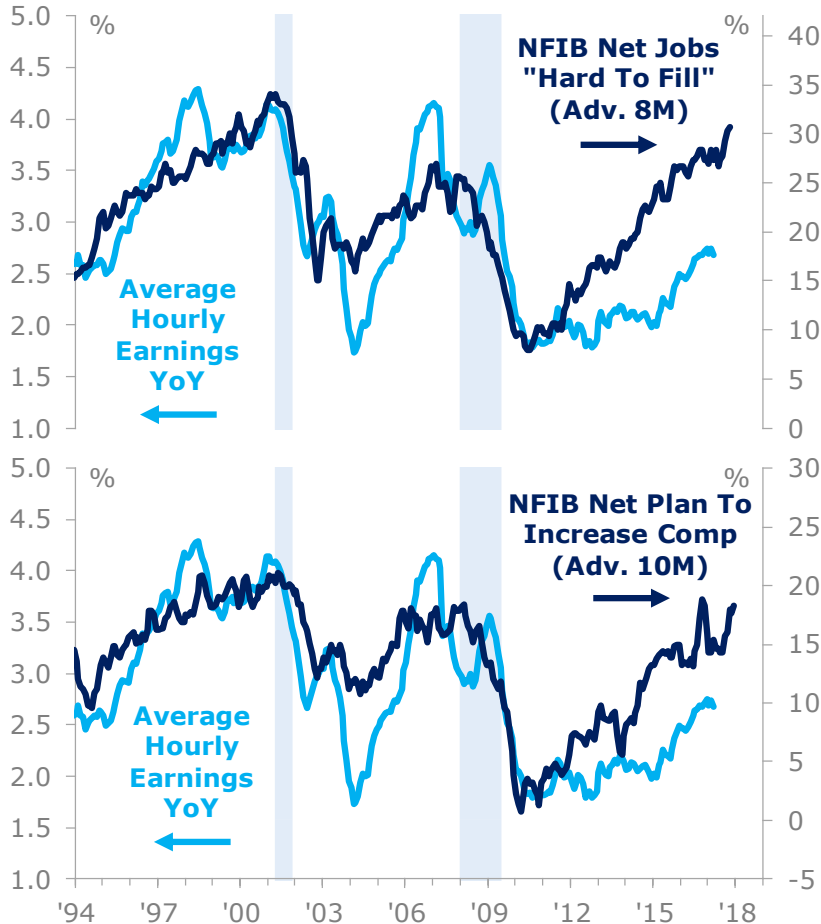


Source: Floating Path, Bureau of Labor Statistics

Hard To Fill Jobs → Higher Wages

Employers Are Having Difficulty Filling Positions, Putting Upward Pressure On Wages...

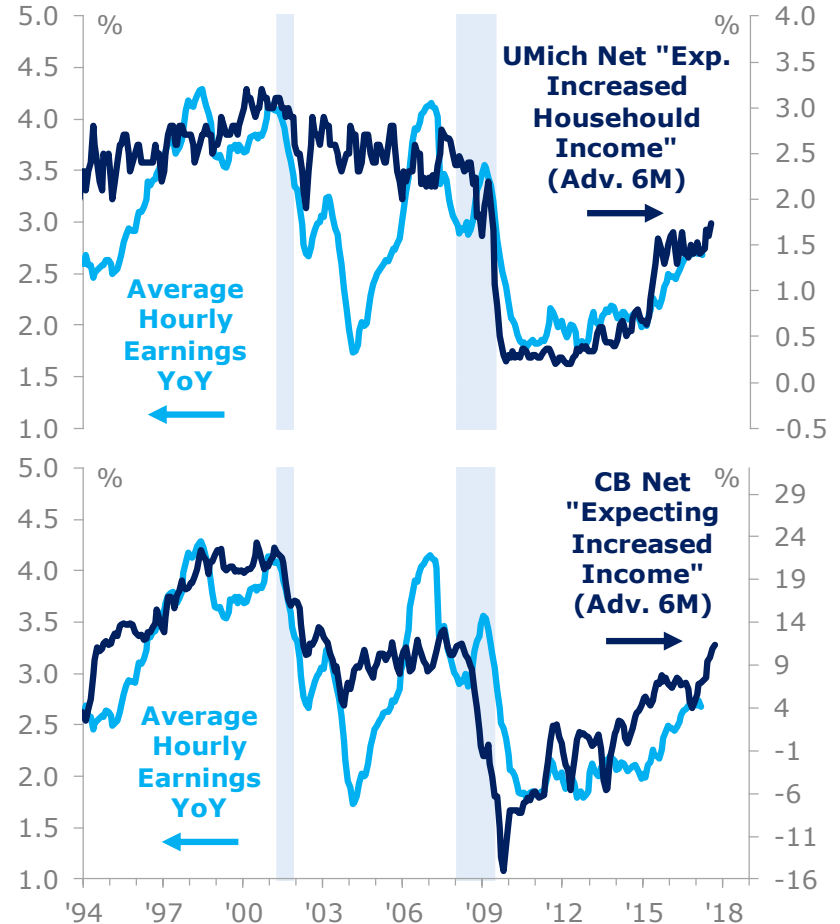
U.S. Average Hourly Earnings And Drivers, 3-Month MA



Source: Floating Path, Bureau of Labor Statistics, NFIB

...And Workers Are Expecting To Receive Those Pay Increases

U.S. Average Hourly Earnings And Drivers, 3-Month MA



Source: Floating Path, Bureau of Labor Statistics, University of Michigan, Conference Board