



The Daily Dish

October Jobs

GORDON GRAY | NOVEMBER 3, 2017

Eakinomics: October Jobs

I predict that the see-saw with employment growth will be reflected in the October employment report, rebounding by 365,000 jobs, up considerably from an aberrant *loss* of 33,000 jobs in September. But like September, October's job figures will reflect one-off effects from the storms layered on top of steady job growth. I expect the unemployment rate to inch up a bit to 4.3 percent and for earnings to be flat, giving back some of last month's bounce.

Through August, average monthly employment growth was 176,000 for the year. Setting aside the hurricanes for a moment, there remains every indication that the underlying labor market remains sound, reflecting an economy operating at capacity. Unlike in September, which reflected opposing labor market forces, the October jobs report will reflect two reinforcing forces – rebounding from the storm-related disruption underpinned by a labor market that is humming along.

The downside employment surprise in the September report served as a good reminder of the limited utility in relying on past experience to illuminate volatile events. The consensus forecast predicted that September, inclusive of hurricane-related disruption, would have seen 80,000 jobs added by firms. This reflected essentially looking at trend employment growth and knocking off about 100,000 jobs. Predictions for the October employment situation will be equally vulnerable to upside or downside surprise.