

# MAY 2016

## Monthly Jobs Report

The May jobs report shows modest labor market weakening. Payroll employment rose 38 K, 25 K private, and 13 K government. The UR was 4.7 %, down 0.3 from April.

More industries showed job losses than job gains.

- Health care, +24 K
- Retail trade, + 11 K
- Professional and business services + 10 K
- Construction, - 15
- Manufacturing, - 18 K
- Information , - 34 K
- Mining, - 11 K

Average hourly earnings rose 5 C, to \$ 25.59  
CPI, inflation, rose 1.1 %.

### Household Survey

- LFPR 62.2, down 0.2
- Total employed 151,030 M, down 26 K
- Total unemployed 7,436, down 484 K
- Long-term U, 1,885, down 185K
- Involuntary part-time, 6,438, up 468 K
- Little or no change in marginally employed or discouraged workers

### Demographics

#### Black

Employed	17,822, up 122 k
Unemployed	1,588, down 125 K
UR	8.2 %

#### White

Employed	119,222, down 247 K
Unemployed	5,077, down 303 K

## UR 4.1

Black/white unemployment ratio 2.00

### Youth

Black employed 3,949, down 21 K

Unemployed 195, up 5 K

White employed 3,949, down 21 K

Unemployed 664, up 47 K

Black/white youth U ratio 1.88

### Hispanic

Employed 25,032, up 72 K

Unemployed 1,478, down 158 K

UR 5.6 %, no change

The major question being raised in the business sector is how the jobs report will influence the Federal Open Market Committee, the branch of the Federal Reserve Board that determines the direction of monetary policy. Will they raise interest rates in June? Advocates say they should, because raising rates will spur higher yields, stimulate investment, and spur economic growth.

Opponents say no, because the Fed has never raised rates when the economy was growing less than 2.4 % (now 1.9 %), and inflation was less than 2.0 % (rose 1.1 % in May) Raising rates will tend to slow, not accelerate economic growth.

When viewed in its entirety, the jobs report reflects uncertainty about the strength of the seven year recovery. There is still an historically high level of long-term joblessness, and a minimal increase in workers' wages. That exacerbates income inequality, and constrains economic growth.

Moreover, though the unemployment rate has fallen to 4.7 %, serious racial disparities remain in the American economy. The black unemployment rate persistently remains twice the rate among whites, seven years after continuous job creation.

The solution is the Mainstream Marshall Plan policy framework recommended in the State of Black America, a set of fiscal policies that would make work pay, spur investment and job creation, and supplement the Federal Reserve's efforts to promote balanced economic growth through implementation of the dual mandate.

-Dr. Bernard E. Anderson, Chair of the National Urban League Board of Economic Advisors