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Economic Pulse

Employment

National

September Office Employment: Nothing Here to Alter the Fed View

October 11, 2016

September's nonfarm payroll report, while modestly below expectations, was in line with data from recent months. Total nonfarm jobs rose by 156,000 versus a consensus for a gain of 172,000 jobs. Excluding government workers, payrolls rose by 167,000. Revisions to the prior two months reduced employment gains in July and August by 7,000 on a combined basis.

Office employment rose by a robust 74,000 (*Table 1* and *Chart 1 on the following page*)—well above the weak reading from August, where office-using jobs increased by just 40,000 jobs. A substantial part of the gain was payback from a decline in temporary help service jobs in August; with a 23,000 advance, a reversal in October's data should not be unexpected. Employment in the financial sector was somewhat weaker than has been the case recently, while job gains in the accounting sector were above-average.

The unemployment rate rose marginally from 4.9% to 5.0%, reflecting a small increase in the labor force participation rate. How difficult has it been for those returning to the labor force to find jobs? The answer: it's been fairly easy. *Chart 2 on the following page* shows that an increasing number of workers who were not in the labor force during a given month and who returned to the labor force the following month have been able to find jobs; similarly, the number of people entering the labor force and unable to find work ("not in the labor force" to "unemployed") has been declining. The good news is that for those workers seeking jobs, there are jobs to be found. Without a steady return of people to the labor force, however, wage pressures could potentially emerge should job creation continue at current rates.

Table 1. **Monthly Change in Office-Using Payrolls by Category (000s, SA)**

	12 Months Through August 2016 (average)	August 2016 revised (revised)	September 2016
Total Office	61.5	40.0	74.0
Information	1.7	-4.0	1.0
Financial Activities	13.6	13.0	6.0
Finance and Insurance	9.5	12.4	1.9
Commercial Banking*	-0.2	-0.4	0.5
Real Estate and Rental and Leasing	4.1	0.7	3.4
Rental and Leasing Services*	0.5	-4.2	-1.5
Professional/Business Services	46.3	31.0	67.0
Legal Services*	0.6	-0.4	0.4
Accounting*	3.0	0.8	6.1
Architectural/Engineering Services*	2.6	1.4	1.5
Computer Systems Design/Related Services*	6.7	6.4	5.4
Temporary Help Services*	3.2	-1.0	23.2
Services to Buildings/Dwellings *	3.9	1.2	4.4
Additional:			
Nonresidential Building Construction	0.8	-7.4	-4.2
Nonresidential Specialty Trade Contractors	5.6	-3.0	6.9

*Listings do not include all sub-sectors, so numbers shown will not sum to total sector figure.

Source: Bureau of Labor Statistics

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Chart 1. **Office-Using Employment and Total Payrolls, September 2008 – September 2016 (Seasonally-Adjusted, 000s)**

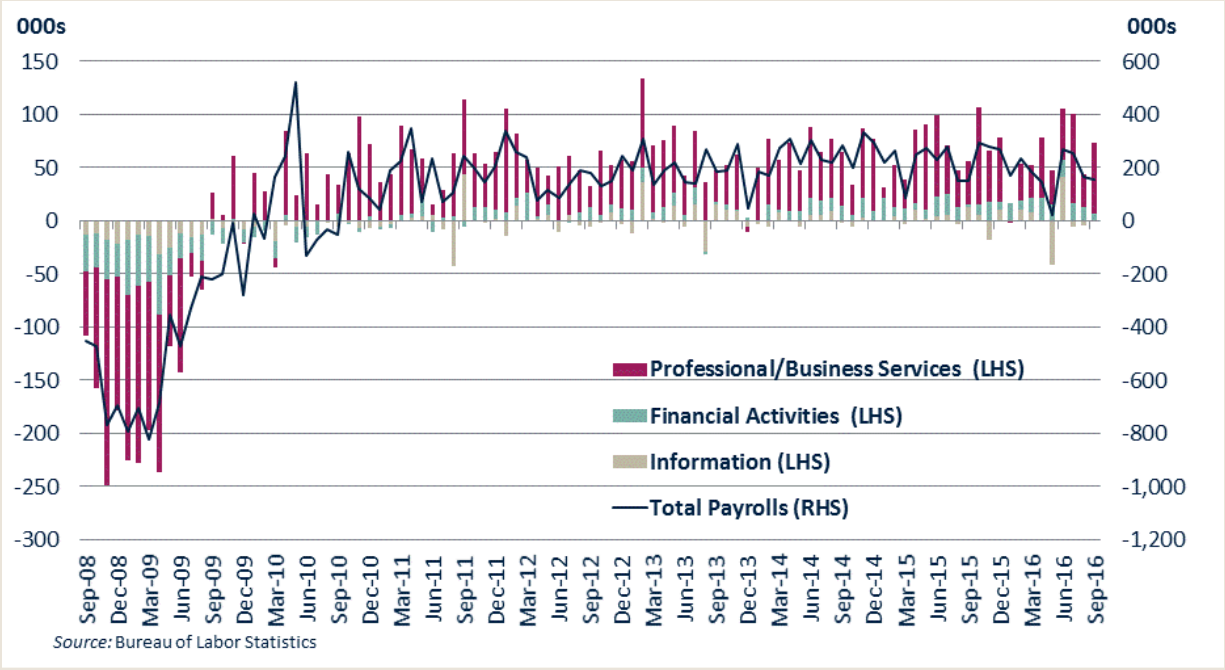
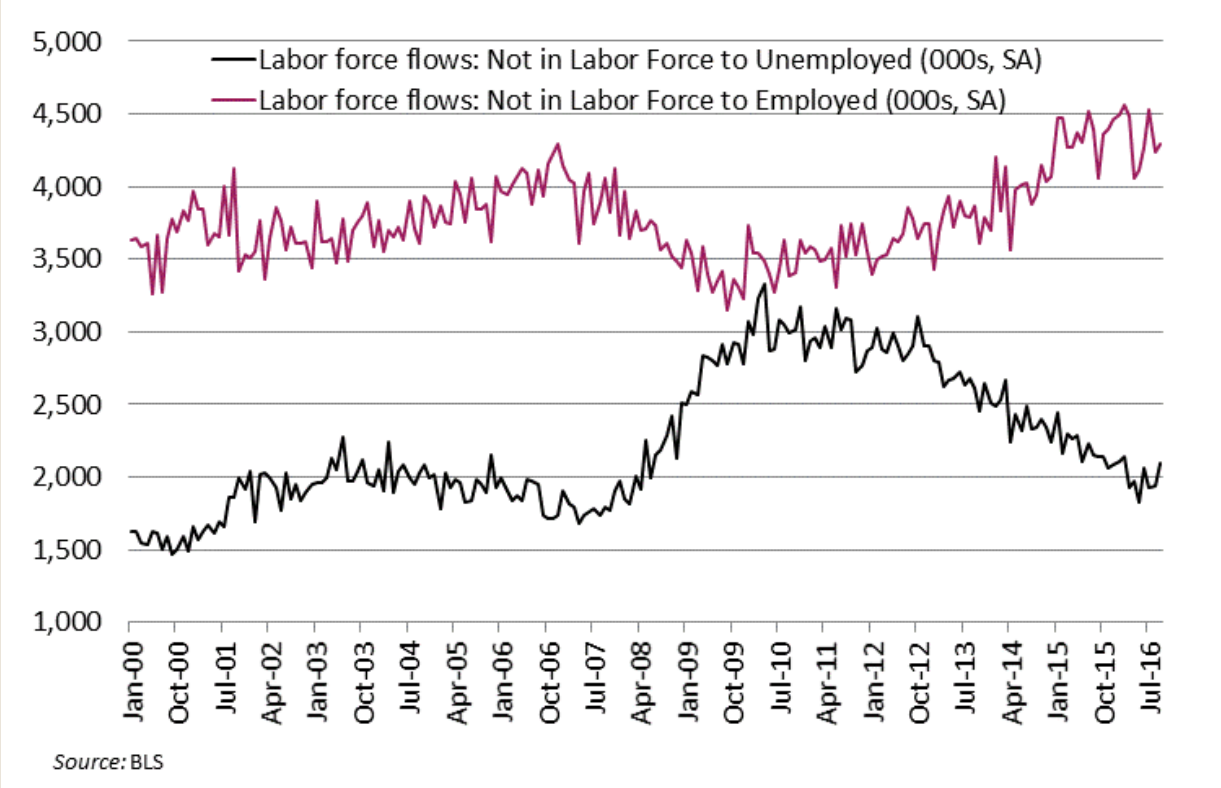


Chart 2. **Monthly Changes in Labor Force Flows: "Not in Labor Force" Month Prior and New Status for Current Month**



RESEARCH CONTACT

Heidi Learner, Chief Economist
hlearner@savills-studley.com
212-326-8648