CASSIDY TURLEY RESEARCH

U.S. EMPLOYMENT TRACKER

Cassidy Turley

February 2014

BLS Employment Report

January 2014

113,000 Change in total nonfarm employment

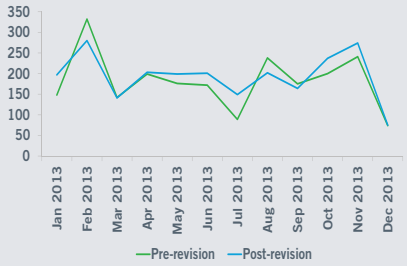
34,000 Office-using

21,000 Manufacturing

-12,900 Retail

Job Growth Revisions

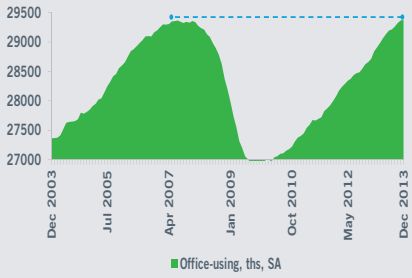
Change in Total Nonfarm Payrolls, 000's



Source: BLS

Office-using Employment

Surpassed pre-recession levels



Source: BLS

Job Growth Lousy, But So Is The Weather

By Rebecca Rockey, Economist, and Kevin Thorpe, Chief Economist, U.S. Research

The economic climate in the U.S. has been as volatile as the weather over the past two months. Despite strong economic data as we entered 2014, extremely cold weather and market reactions have suddenly diminished the optimism of many.

A huge focus over the last month has been on the weak December employment report. The Bureau of Labor Statistics (BLS) showed growth in total nonfarm employment of only 74,000, which has since been revised to 75,000. November, however, was revised from 241,000 to 273,000, indicating that job growth towards the end of the year was not only strong, but above the monthly average of 194,000 for the year. Today, BLS reports show that January's job growth was 113,000, a modest improvement, despite having the coldest average monthly temperatures on record since 1994. Positive trends in construction offset the December decline of 22,000, showing an increase in January of 48,000. Manufacturing, residential and nonresidential building, wholesale trade, business and professional services, hospitality and health care sectors all posted improved job gains this past month. The national unemployment rate declined to 6.6%, from 6.7%.

There is no question that the latest string of economic data - from housing to manufacturing to employment - has been lousy. But nearly all agree that abnormal weather is the primary factor behind the seemingly out-of-nowhere slowdown in the U.S. economy. The fact is, most data series are seasonally adjusted, meaning that they attempt to eliminate seasonal variances so that people can make month-to-month comparisons. When the weather falls into a "normal historical range," the seasonal adjustments work well. When the weather is abnormal, such as the adverse conditions introduced by the polar vortex, the seasonal adjustments inevitably fail to account for the atypical pattern. In other words, the severe weather has placed an artificially negative slant on nearly all of the economic data released in December and January.

To cut through the seasonal distortions and spot the true underlying trend, it is instructive to view the data through the lens of a six-month moving average. Taking this approach, the U.S. economy is creating a monthly average of 178,000 net new jobs, consumer spending is growing at an annual rate of 3.1% and the ISM manufacturing index has been a robust 60.6. It's also worth noting that the Federal Reserve was seemingly unfazed by December's weak employment figures, as it continued to taper its asset purchasing program—an indication that the Fed believes the long-term fundamentals in the broader economy are getting stronger. In general, the economic backdrop still indicates that commercial real estate fundamentals will continue to tighten in most markets across the country.

Looking ahead. While we remain cautious of shaky equity markets and the possibility that the latest economic data could be signaling some underlying weakness, we remain optimistic that the economic expansion will continue at a stronger growth rate in 2014. Indeed, a lot about this recovery still looks very right. In the past week, we learned after revisions that real GDP grew at an annualized rate of 3.2% in the final quarter of 2013, driven by the largest increase in consumer spending in three years. Business confidence is now at an 11-year high; consumer confidence has held up; fiscal policy is less of a drag; and the Fed is now tapering because it generally likes what it sees. Commercial real estate fundamentals have been consistently tightening for three straight years. Although the past few weeks have allowed some doubt to resurface, the outlook remains upbeat.

Employment Situation by Metro:

	Total Nonfarm*		Office-Using*		Industrial Sector*		Unemployment
	(000s)	% Chg	(000s)	% Chg	(000s)	% Chg	2013
Atlanta, GA	59.0	2.5%	24.7	3.8%	3.3	0.8%	8.0%
Austin, TX	26.9	3.3%	9.0	4.7%	1.9	1.8%	5.3%
Baltimore, MD	25.6	1.9%	10.9	3.7%	-0.4	-0.3%	7.0%
Boston, MA	37.2	1.5%	14.4	2.1%	-2.1	-0.6%	6.1%
Charlotte, NC	22.2	2.6%	6.8	2.9%	3.7	2.5%	8.5%
Chicago, IL	55.3	1.3%	30.2	2.7%	8.0	0.9%	9.2%
Cincinnati, OH	8.3	0.8%	5.4	2.3%	2.4	1.2%	7.0%
Columbus, OH	11.6	1.2%	3.0	1.2%	3.4	2.3%	6.1%
Dallas, TX	99.1	3.3%	37.4	4.7%	10.1	1.8%	6.1%
Dayton, OH	-1.0	-0.3%	0.9	1.3%	-0.7	-1.0%	7.5%
Denver, CO	34.3	2.8%	12.7	3.5%	2.6	1.5%	6.7%
Detroit, MI	11.0	0.6%	3.3	0.7%	10.5	2.9%	9.6%
Edison, NJ	15.5	1.5%	3.6	1.4%	2.2	1.4%	7.9%
Fort Lauderdale, FL	16.1	2.2%	2.1	1.1%	2.2	2.3%	5.9%
Houston, TX	95.5	3.5%	17.3	3.0%	19.0	3.7%	6.2%
Indianapolis, IN	15.7	1.7%	3.7	1.8%	0.3	0.2%	7.4%
Kansas City, MO	8.4	0.8%	5.8	2.2%	1.4	0.9%	6.4%
Las Vegas, NV	18.4	2.2%	3.9	2.5%	0.2	0.2%	9.5%
Los Angeles, CA	62.2	1.6%	29.4	3.0%	-3.9	-0.5%	9.9%
Louisville, KY	13.8	2.3%	2.9	2.3%	4.1	2.9%	7.9%
Miami, FL	9.7	0.9%	4.6	2.0%	1.8	1.0%	8.7%
Milwaukee, WI	4.9	0.6%	0.3	0.2%	-1.2	-0.7%	7.3%
Minneapolis, MN	39.9	2.3%	7.2	1.6%	3.2	1.0%	4.9%
Nashville, TN	26.5	3.4%	10.6	5.8%	5.6	4.0%	6.5%
New York, NY	142.5	1.7%	28.2	1.2%	1.3	0.1%	8.0%
Newark, NJ	12.4	1.3%	2.3	0.9%	-0.9	-0.5%	8.4%
Oakland, CA	11.4	1.2%	1.6	0.7%	1.9	1.2%	7.4%
Philadelphia, PA	26.8	1.0%	8.4	1.2%	-1.3	-0.3%	8.1%
Phoenix, AZ	41.7	2.4%	11.4	2.5%	5.0	1.9%	6.8%
Pittsburgh, PA	12.5	1.1%	8.2	3.1%	0.6	0.4%	6.9%
Portland, OR	17.1	1.7%	5.2	2.3%	3.9	1.9%	7.3%
Raleigh, NC	8.2	1.6%	3.7	2.6%	1.8	2.9%	6.9%
Sacramento, CA	9.8	1.2%	2.4	1.4%	2.8	3.5%	8.6%
San Diego, CA	22.7	1.8%	5.9	1.9%	0.5	0.3%	7.4%
San Francisco, CA	26.5	2.7%	12.2	3.5%	2.0	2.0%	5.5%
San Jose, CA	27.0	3.0%	13.3	5.0%	2.2	1.0%	6.9%
Seattle, WA	42.1	2.5%	7.9	1.9%	8.7	2.7%	5.9%
St. Louis, MO	9.4	0.7%	0.7	0.2%	1.3	0.6%	7.2%
Tampa, FL	36.8	3.2%	12.0	3.8%	-1.3	-1.0%	7.0%
Washington DC Metro	37.1	1.2%	6.0	0.8%	0.7	0.5%	5.5%
West Palm Beach, FL	9.2	1.8%	2.0	1.4%	-0.6	-1.2%	7.2%

**Employment change, 2012 over 2013*

Source: BLS

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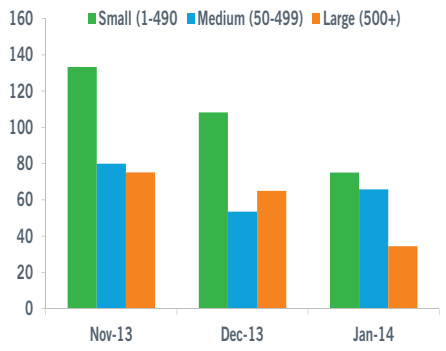
Employment Indicators

By Company Size
U.S. Nonfarm Private Sector Job Growth, 000's

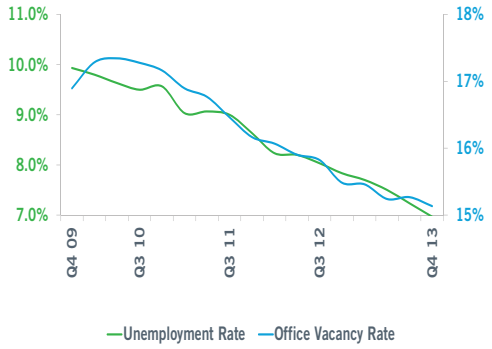


Source: ADP National Employment Report

U.S. Jobs Lost/Gained
Recession vs. Recovery, 000's

Source: BLS

Unemployment vs. Office Vacancy

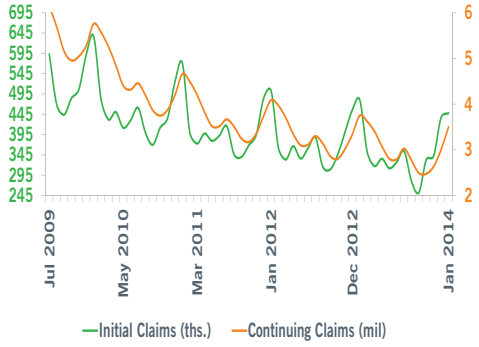


Source: Cassidy Turley Research; BLS

Job Openings
Total Nonfarm, (SA Millions)

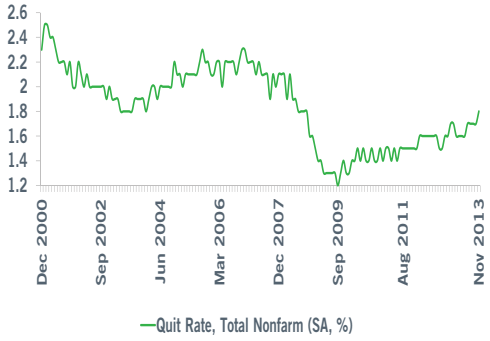
Source: BLS

Jobless Claims
U.S. Nonfarm Private Sector Job Growth, 000's



Source: Employment and Training Administration

Quit Rate
Confidence Growing to Seek New Employment



Source: BLS

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