



US employment

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‘Hottest it’s ever been’: why US labour market is stronger than it seems

Low unemployment and high wage growth contradict weak jobs growth figures, economists say

Colby Smith, Andrew Edgecliffe-Johnson and Christine Zhang in New York YESTERDAY

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US jobs growth slowed sharply in December, according to data released by the Bureau of Labor Statistics on Friday, suggesting the labour market’s recovery could be running out of steam.

largest economy, the unemployment rate has plummeted dramatically in recent months. At 3.9 per cent, it now sits at its lowest level since before the [pandemic](#).

To calculate the jobless rate, the BLS surveys about 60,000 households about their employment activity for the month. In December, it showed 651,000 jobs were created, far more than the headline figure of 199,000.

The latter number is derived from a different source, the employers-focused “establishment survey”, which surveys about 144,000 employers and is affected by pandemic-related data distortions.

A similar dynamic played out last month, with the household survey suggesting [employment](#) gains of 1.1m. That helped to push the unemployment rate down to 4.2 per cent and presented a rosier outlook for the labour market than the 210,000 jobs reported in the initial November figures.