

## U.S. Jobs Growth Slowed in June. It's a Relief for the Fed.

By [Megan Leonhardt](#) [Follow](#) Updated July 7, 2023 10:53 am ET / Original July 6, 2023 1:19 pm ET

Because the Fed has made cooling off the labor market a "linchpin" of its inflation fight, one month of more favorable data is likely not enough to sway the central bank one way or another on rate increases, wrote Mike Loewengart, head of model portfolio construction with Morgan Stanley Global Investment Office. "The Fed will likely want to see evidence that today's data is part of a trend, not just a one-off, before they back off from their hawkish stance."

Yet the addition of 209,000 jobs is nothing to scoff at. The labor market is still running more warm than cool—June's jobs data is still well above the baseline standards of a tight labor market—and it builds the case for Fed officials to press the play button and again increase rates in July. On Friday, the likelihood that the Fed would raise rates during the upcoming July stood at 94.9%, according to the [CME FedWatch tool](#).