

News Release

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Employment Growth Continues, But at Slower Pace

***Commentary on Today's U.S. Bureau of Labor Statistics Employment Situation Report
By Gad Levanon, VP of The Conference Board Labor Markets Institute***

NEW YORK, October 2, 2020...Total nonfarm payrolls employment increased by 661,000 in September. The unemployment rate dropped to 7.9 percent, but the true rate, after adjusting for the misclassification error, was 8.3 percent. Between February and April, more than 22 million jobs were lost. Since April, 52% of those jobs have been recovered.

The workforce expanded faster than expected over the spring and early summer. However, recent data suggest that the rate of job recovery is slowing. We expect the US growth and jobs revivals to continue to decelerate in the coming months as the number of new Covid-19 cases is growing, layoff rates remain high, and weaker government stimulus limit the spending capacity of many households. As long as the risk of contagion remains high, total employment may remain well below pre-pandemic levels. The economy would need to add 5-6 million jobs to return to normal unemployment rates in the 4-5 percent range.

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