



# THE LABOR MARKET

**Continued improvement in 2017, as many measures of labor market performance recovered to their prerecession levels or surpassed them**

The unemployment rate was  
**4.1%**  
in December 2017, down 0.6 percentage point from a year earlier.

Between Dec. 2016 & Dec. 2017, the economy added  
**2.2 million**  
nonfarm jobs, and continued the longest streak of total job growth on record.

**43%** of the gains in private sector jobs in 2017 came from professional and business services and from education and health services.

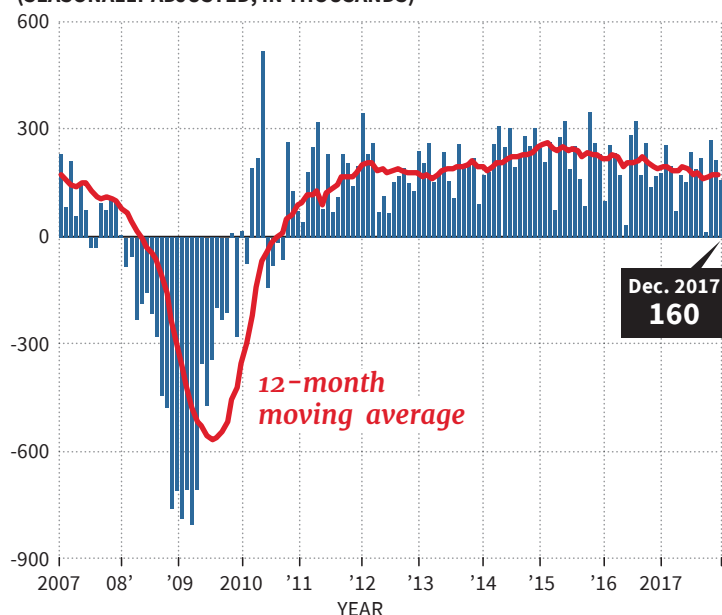
**189,000** manufacturing jobs, and 52,000 mining and logging jobs were created in 2017, compared to losses of 9,000 and 99,000 in 2016.

The overall labor force participation rate was  
**62.7%** in December 2017, near the lowest rate over the past 20 years.

## Monthly Nonfarm Payroll Job Growth, 2007-2017

During 2017, the U.S. economy added 2.2 million nonfarm jobs, and continued the longest streak of total job growth on record. Last year, 43% of the gains in private sector jobs came from professional and business services, and from education and health services. 11% of private sector job gains came from manufacturing and from mining, a reversal from 2016, when both sectors suffered job losses.

**MONTHLY CHANGES IN TOTAL NONFARM EMPLOYMENT (SEASONALLY ADJUSTED, IN THOUSANDS)**

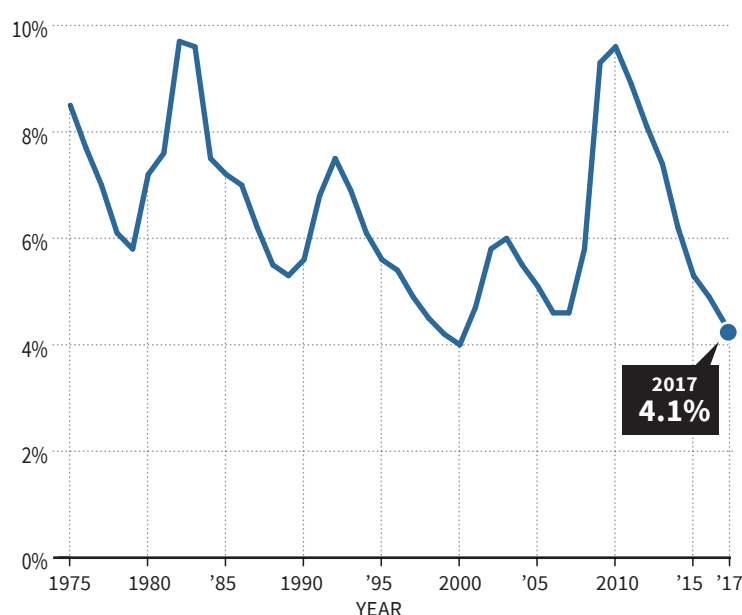


SOURCES: Bureau of Labor Statistics, Current Employment Statistics; CEA calculations.

## The Unemployment Rate, 1975-2017

The labor market has continued to improve over the past 8 years, with the continued decline of the unemployment rate. Between December 2009 and December 2017, the unemployment rate fell from 9.9% to 4.1%. Unemployment rates for blacks, Hispanics, and veterans reached historic lows in 2017.

**ANNUAL CIVILIAN UNEMPLOYMENT RATE**



SOURCES: Bureau of Labor Statistics, Current Population Survey; CEA calculations.

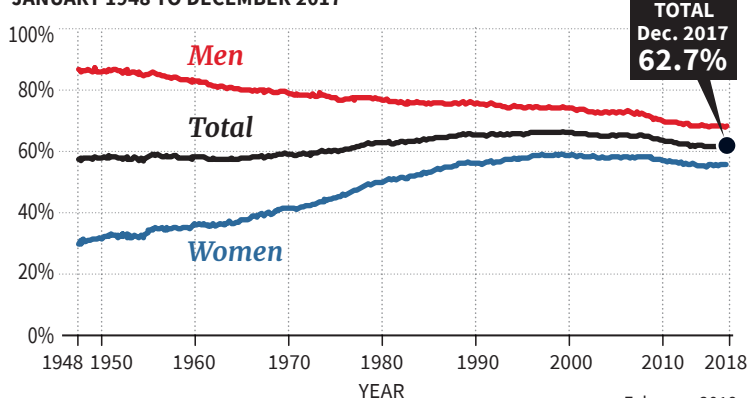
## Labor Force Participation Rates by Gender, Seasonally Adjusted, 1948-2017

The labor force participation rate (LFPR) of the U.S. noninstitutional civilian population in December 2017 was 62.7%, the culmination of a multiyear decline beginning in 2001. The LFPR decline for men, however, began much earlier, and the overall rate has stabilized in recent months. In early years, from 1948 through roughly 1998, the steady decline in the labor force participation rate of men was offset by a rapid increase in the rate for women, but after the late 1990s, the participation rate of women stabilized and then declined, serving to reinforce the decline for men and inducing a reduction in the aggregate participation rate.

SOURCE: Bureau of Labor Statistics.

NOTE: Labor force participation rate for the civilian, noninstitutionalized population aged 16 and over.

**JANUARY 1948 TO DECEMBER 2017**



February 2018