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Hiring Surged At End Of '15; 292,000 New Jobs In Dec.

By JED GRAHAM
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The U.S. added 292,000 jobs in December, the Labor Department said Friday, well ahead of expectations. With October and November payrolls revised up by 50,000, the average monthly gain in the fourth quarter was 284,000.

Warm weather and a rebound from weak hiring in August and September helped boost Q4 job gains, but the underlying trend also is solid, economists said.

For all of 2015, the U.S. added 2.65 million jobs, down from 2014's 3.12 million but still the second-best since 1999.

Robust hiring will keep the focus on when the Federal Reserve will hike interest rates next. That may keep the dollar on the rise as the U.S. economy appears to be a beacon of strength in a struggling global economy.

China's central bank moves to weaken the yuan against the dollar roiled global financial markets all week, and the bout of selling continued Friday, with the S&P 500 giving up another 1.1%. The S&P 500's 6% weekly loss was the worst since 2011.

Yet wage pressures remain subdued, which will let the Fed take its time. Average hourly earnings dropped a penny to \$25.24, rising 2.5% vs. December 2014.

The professional and business service sector added 73,000 jobs last month, including 34,000 at temp agencies. The health care sector

added 39,000 jobs, with 2015's monthly average picking up to 40,000 from 26,000 in 2014.

Other notable gains came in construction (45,000) and food service and drinking places (37,000).

Manufacturers added 8,000 jobs last month, with gains in nondurable plants offsetting cuts at durable goods producers. For the year, factories added 30,000 jobs, down from 215,000 in 2014.

Yet the service sector's hiring dominance helps explain the U.S.' ability to thrive amid weak global growth. "A whopping 94%" of jobs created in 2015 were in services, up from 81% in 2014, noted Harm Bandholz, chief U.S. economist at UniCredit Research.

December's workweek was steady at an average 34.5 hours. The jobless rate also held at 5%, but for a good reason: More people joined the labor force.

Other positives: The percentage of adults with jobs rose to 59.5%, the highest in more than six years. The median length of jobless spells fell to 10.5 weeks, the shortest in seven years.

A seven-year-high 10.3% of the unemployed left their jobs to seek better pay, noted **Bernard Baumohl of the Economic Outlook Group**.

"The data on 'job leavers' is one Janet Yellen and other Fed officials watch closely because it depicts the confidence of workers" optimistic enough to seek greener pastures, he wrote.

Still, just over 6 million workers are part-time for lack of a full-time opportunity, little changed from the end of Q3. While a huge improvement over the 9 million at the end of 2009, it's still nearly 2 million higher than in 2006.

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