

## Macro Roundup Article

**Headline:** [The U.S. Job Market Is Better Than It Looks](#)

**Article Link:** <https://theovershoot.co/p/the-us-job-market-is-better-than>

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**Tweet:** [.@M\\_C\\_Klein](#) argues the US jobs market is “better than it looks:” rising unemployment since 2023 has been driven by increased workforce participation and weather-related temporary layoffs in July. Wages are growing 1.5pp/year faster than in 2017-19.

**Summary:** The ranks of “permanent” job losers in the unemployed have been essentially flat for over a year, accounting for just 0.1 pp of the total 0.8 pp increase in the jobless rate since the trough. The number of people who are not in the labor force but say that they want a job now has been range bound since mid-2022. New entrants to the labor force and re-entrants to the labor force explained almost the entire increase in the headline unemployment rate until this month, while the pop in July is largely attributable to a bump in temporary layoffs. Nominal wage growth has clearly decelerated from the peak of 2021H2-2022H1, but pay is still rising about 1.5 percentage points faster (annualized) than in 2017-2019. This is corroborated by the monthly data on average worker pay through July. The latest readings imply that the typical worker is still getting a pay rise of a little more than 4% a year. That is slower than the peak, but still a bit faster than before the pandemic.

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**Primary Topic:** Business Cycle

**Topics:** Business Cycle, GDP, Op-Ed/Blog Post, Unemployment/Participation, Workforce

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