

NEWS BRIEF

Job Totals Up, Hiring Continues to Slow Down in September



In its latest [Employment Situation Summary](#), the U.S. Bureau of Labor Statistics (BLS) reported that job gains in September exceeded expectations, with employers adding 254,000 jobs instead of the approximate 140,000 expected by economists. This is the largest increase since March 2024, when 303,000 jobs were added. It's also above the average monthly gain of 203,000 over the prior 12 months.

While job totals are up, overall hiring has slowed throughout the year. According to the most recent Job Openings and Labor Turnover Summary from the BLS, hiring levels diminished by about 100,000 from July to August 2024 but are trending down substantially from one year prior.

The unemployment rate changed little at 4.1% but remains higher than one year ago. This stability in unemployment suggests that, despite the increase in job totals, the market is taking a guarded approach to hiring. Economists attribute the slowdown in hiring to several factors, including economic uncertainties and businesses' caution to expand their workforce amid fluctuating market conditions.

Nevertheless, the BLS found that food and drink establishments created the most jobs in September, adding 69,000 positions. The health care industry contributed the next highest number, with 45,000 new jobs, while the government, social assistance and construction sectors followed close behind. Wages also held strong, as average hourly earnings increased 0.4% from the previous month and are up 4% year over year. In addition, revised data revealed that 72,000 more jobs were created in July and August combined than previously reported.

The results of the BLS report may be critical in the Federal Reserve's (the Fed) November decision on whether to cut interest rates. Cristina Dwyer, an analyst at J.P. Morgan Wealth Management, wrote in an article, "We view the September's jobs data as a welcome report for the Fed, as it demonstrates the economy's resilience and supports our expectation that the Fed will gradually cut rates from here."

Employer Takeaway

Although hiring has slowed in 2024, economists are optimistic that the September report reflects a resilient labor market. Businesses may be hesitant to expand their workforces, but the increase in job totals indicates economic strength. September's numbers may impact rate cuts in the near future, which may encourage employers to increase hiring.

Employers must monitor these trends throughout the remainder of the year and what they mean for the broader economic landscape so they can adapt to potentially changing market conditions.

Contact us for more resources.