

May 9, 2012

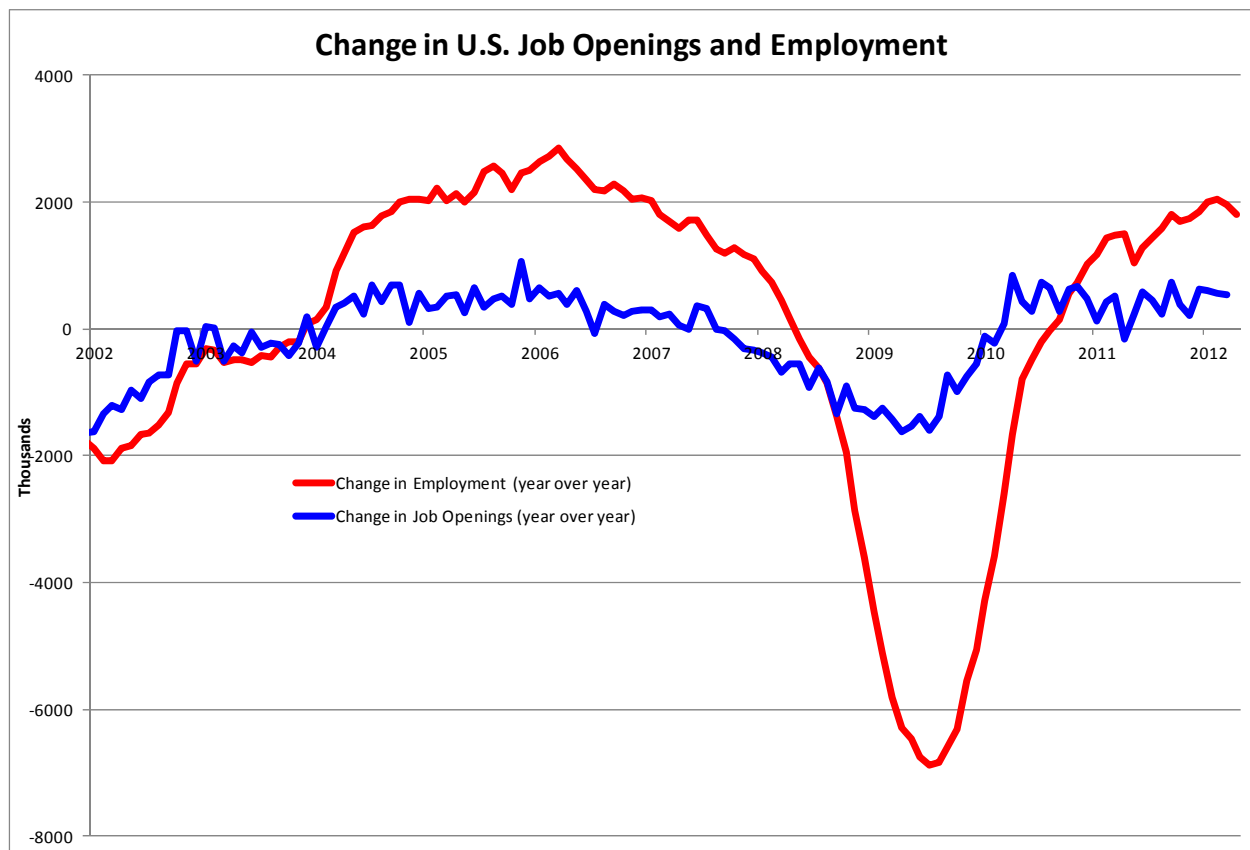
Is U.S. Employment Growth Headed for a Stall?

Stephen P. A. Brown

The U.S. economy added 223,000, 275,000 and 259,000 jobs in December, January and February, respectively. In March, employment gains slipped to only 154,000 jobs, and April showed gains of only 115,000 jobs. Slowing job growth has left some observers wondering whether the economy is slowing down and whether employment might be headed for a stall.

The best explanation for slower job growth in the spring is that the economy added more jobs during the winter months than was justified on the basis of overall economic activity (as measured by gross domestic product). The strong winter employment gains might be attributed to warmer-than-normal winter weather, which led to a shift in employment gains from spring to winter.

Despite sluggish economic growth, indicators of labor-market conditions provide no reason to expect employment to stall. As shown in the chart, changes in job openings lead changes in employment. Changes in job openings have been positive since April 2011 and strong throughout 2012, which suggests employment is likely to continue growing in the coming months.



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