



**1** As we suggested in last month's **Labor Market Insights**, January saw much better than expected employment growth, with fewer seasonal layoffs likely playing a role.

In the Bureau of Labor Statistics' benchmark revisions for 2023, employment gains increased from 225,000 jobs per month to 255,000, and employment grew more broadly at the industry level than initial estimates suggested.

Along with upward revisions to employment, the benchmark revisions also increased average hourly earnings growth in 2023.

Drivers of Premium	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Net Employment Change (Thous.)	184	210	246	165	182	333	353
Net Private Employment Change (Thous.)	148	150	196	98	152	278	317
Average Hourly Earnings (y/y %)	4.7	4.5	4.5	4.3	4.3	4.3	4.5
Average Hours Worked (Hours)	34.3	34.4	34.4	34.3	34.4	34.3	34.1
Payroll (Calculated)* Growth (y/y %)	5.9	6.3	5.9	5.2	5.7	5.9	4.8

\*Calculated Payroll = Total Private Employment \* Average Hourly Earnings \* Average Hours Worked

**1**

**2**

**Averages**

	1-Year	3-Year	5-Year	2015-19
Employment Change	244	411	127	190
Avg Hourly Earnings	4.5	4.7	4.5	2.7
Payroll Growth	6.0	8.5	5.6	4.6

**2** Despite strong employment and wage growth in January 2024, payroll growth slowed materially. A decline in average hours worked per week and a large base effect from January 2023 contributed. Average weekly earnings grew at a pace of just 3.0% from the previous January, while average hourly earnings grew at a rate of 4.5%.

Drivers of Frequency	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Unemployment Rate (%)	3.5	3.8	3.8	3.8	3.7	3.7	3.7
Labor Force Participation Rate (%)	62.6	62.8	62.8	62.7	62.8	62.5	62.5
Prime Age Participation Rate (25-54, %)	83.4	83.5	83.5	83.3	83.3	83.2	83.3
Job Openings (Thous.)	8,920	9,497	9,350	8,852	8,925	9,026	-
Hires Rate (%)	3.7	3.7	3.8	3.7	3.5	3.6	-
Quits Rate (%)	2.3	2.3	2.3	2.3	2.2	2.2	-
Layoffs Rate (%)	1.1	1.1	1.0	1.0	1.0	1.0	-

**3**

**Averages**

	1-Year	3-Year	5-Year	2015-19
Unemployment Rate	3.7	4.1	4.9	4.4
Labor Force Participation Rate	62.6	62.2	62.3	62.9
Prime Age Participation Rate	83.3	82.5	82.3	81.7
Job Openings	9,496	10,216	8,833	6,361
Hires Rate	3.8	4.1	4.1	3.8
Quits Rate	2.4	2.6	2.5	2.2
Layoffs Rate	1.0	1.0	1.3	1.2

**3** At the end of 2023, hiring and quitting rates slowed, which could indicate that workers had less confidence in the strength of the labor market. However, that same slowing of turnover reduces the share of low-tenured workers in jobs, which can contribute to declines in workers compensation frequency.

Source: Bureau of Labor Statistics; 1-, 3-, and 5-year averages are rolling 12-, 36-, and 60-month averages from the latest data point