

## What Does the September Jobs Report Tell Us About the Economy?

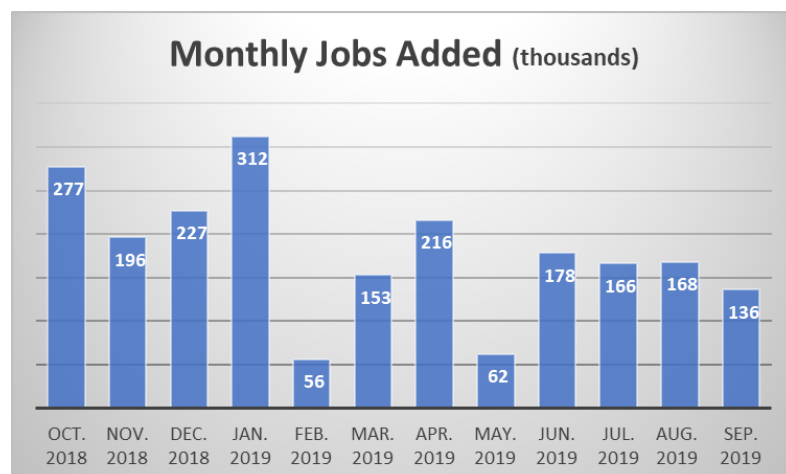
Posted by [chrismacke](#) [October 7, 2019](#)

While there is ongoing debate whether we are heading toward a recession, what is indisputable is that ***job and economic growth continues to slow***. This sometimes gets overlooked as predicting recessions can be more interesting than looking at today's facts.

**Fact 1:** Monthly job growth has slowed significantly from 2018.

September added 136,000 jobs, well below the 223,000 average of jobs added per month in 2018. September's weak number is not an anomaly. 157,000 jobs were added on average during the last three months, a substantial decline from the three-month average of 245,000 as of January 2019.

While this is partially due to challenges in finding qualified employees, there are signs in the most recent job report that businesses are also likely scaling back hiring in response to slowing economic growth in what ***may be becoming a self-fulfilling cycle of slower growth***. Add in slowing economic growth globally and near record stock valuations become increasingly difficult to justify.



Source: Bureau of Labor Statistics

**Fact 2:** While the unemployment rate is at a 50-year low, wage growth fell to less than 3% on a year-over-year basis, down from a high of 3.4% in February.

This is a problem because if job growth is slowing, wage growth needs to accelerate if consumer spending is going to increase further.

Additionally, moderating wage growth indicates that the labor market is not as tight as the unemployment rate suggests meaning the pullback in hiring is not due entirely to difficulty in finding workers.