

MAY EMPLOYMENT UPDATE

JUNE 5, 2026

Monthly Employment Data

The May jobs report came in much stronger than expected, with nonfarm payrolls increasing 172,000 versus the consensus estimate of 85,000. Leisure and hospitality, local government, and healthcare led the gains. Revisions further emphasized a strengthening labor market, with March and April numbers both revised upwards to 214,000 and 179,000 respectively, making total added gains of 93,000. The unemployment rate held steady at 4.3% while the broader underemployment rate fell slightly to 8.1%, keeping in line with estimates.

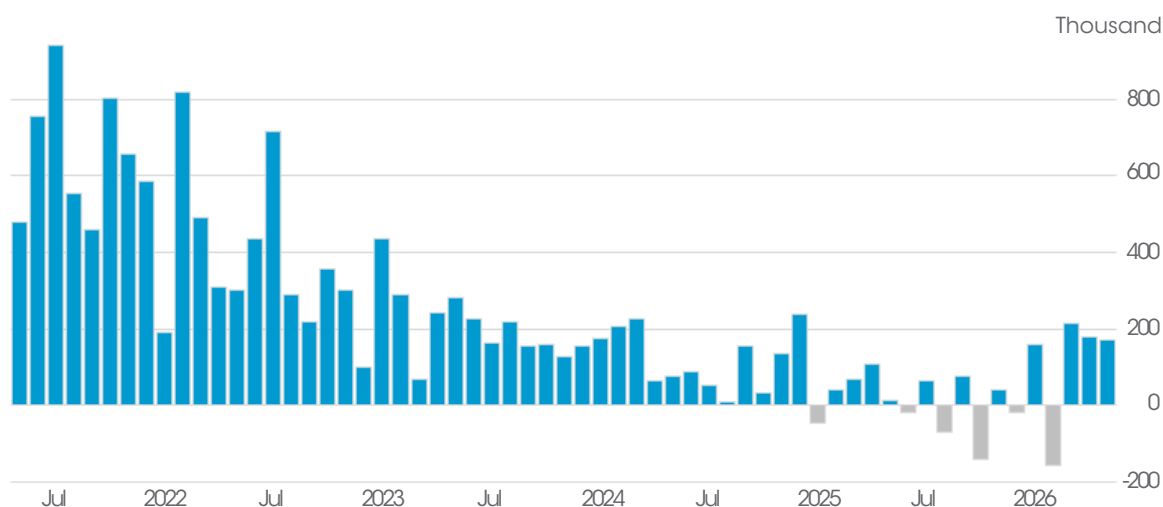
On the wage side, average hourly earnings rose 3.4% year-over-year, slightly below last month's 3.6%. That trajectory is constructive for keeping wage inflation contained. Given the strength of the last three employment reports, the FOMC will likely be more focused on the inflationary side of their dual mandate, and interest rate markets are currently pricing in the increased likelihood of a rate hike by the October meeting.

Last Five Months Nonfarm Payrolls

Metric	May	April	March	Feb	Jan
Nonfarm Payrolls	172,000	179,000	214,000	-156,000	126,000
2-month revisions	93,000				
Change in Private Payrolls	120,000	177,000	202,000	-148,000	180,000
Unemployment Rate (%)	4.3%	4.3%	4.3%	4.4%	4.3%
Underemployment Rate (%)	8.1%	8.2%	8.0%	7.9%	8.1%
Labor Force Participation Rate (%)	61.8%	61.8%	61.9%	62.0%	62.1%
Avg Hourly Earnings YoY (%)	3.4%	3.6%	3.5%	3.8%	3.7%

Source: BLS.gov

Nonfarm Payrolls



Source: FRED - U.S. Bureau of Labor Statistics

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