JULY EMPLOYMENT UPDATE

AUGUST 7, 2026

Monthly Employment Data

The July jobs report came in weaker than expected, with nonfarm payrolls decreasing 23,000 versus the consensus estimate of up 95,000. Local government, education, and retail trade led the decline while employment continued to rise in health care. Revisions emphasized a cooling labor market, with May and June numbers both revised downwards to 63,000 and 20,000 respectively, making a total downward revision of 103,000. The unemployment rate decreased slightly to 4.1% while broader underemployment remained flat at 7.9%.

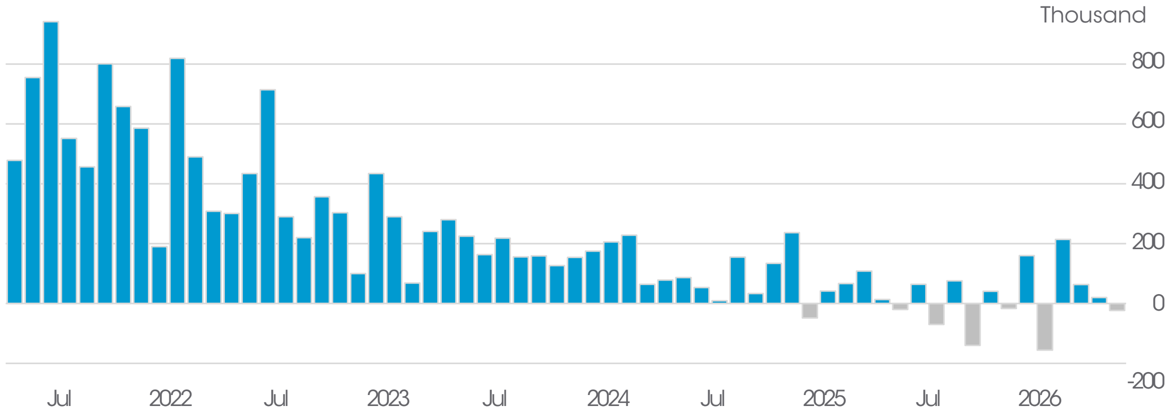
On the wage side, average hourly earnings rose 3.2% year over year, slightly below consensus estimates and last month's 3.5%. The July numbers and downward revisions were surprising, taking some pressure off of an FOMC that has been focusing on the inflationary side of their dual mandate. Economists are still forecasting a slightly greater likelihood of a rate hike by the October meeting.

Last Five Months Nonfarm Payrolls

Metric	July	June	May	April	March
Nonfarm Payrolls	-23,000	20,000	63,000	148,000	214,000
2-month revisions	-103,000				
Change in Private Payrolls	30,000	30,000	61,000	150,000	202,000
Unemployment Rate (%)	4.1%	4.2%	4.3%	4.3%	4.3%
Underemployment Rate (%)	7.9%	7.9%	8.1%	8.2%	8.0%
Labor Force Participation Rate (%)	61.4%	61.5%	61.8%	61.8%	61.9%
Avg Hourly Earnings YoY (%)	3.2%	3.5%	3.4%	3.6%	3.5%

Source: BLS.gov

Nonfarm Payrolls



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

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