

How to Talk to Your Clients about Employment

One of the most highly visible numbers is the unemployment rate. Like GDP it is a “headline number” that grabs media attention—and for good reason. The [Federal Reserve’s mandate](#) includes promotion of full employment. The employment rate has been [at or below 5%](#) since October 2015. While this is generally viewed as good news for the economy, there are other factors to consider:

The monthly “Employment Situation” report includes the labor force participation rate. This number is the denominator of the unemployment rate, and is affected if people drop out of the labor force because they cannot find jobs and/or because of structural changes in the economy.

The number of people employed part-time for economic reasons (also known as “involuntary part-time workers”) shows the slack in the labor market. These individuals (6.1 million as of August 2016) would prefer full-time employment, but are only working part-time because of cutbacks in hours or they cannot find full-time work.

At Astor, we take a broad look at employment, considering a variety of indicators including wage growth, jobless claims, and insights into how many people are quitting jobs for better opportunities. In short, we look beyond the headline number at a more meaningful picture—and so should you and your clients.

Please contact Astor with any questions or comments

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