



Written by [Bob Adelman](#) on July 5, 2019

Economy Surprises to the Upside: 224,000 New Jobs in June; 335,000 Re-enter the Workforce

[The jobs report](#) from the Labor Department's Bureau of Labor Statistics (BLS) Friday morning caught Jeffrey Bartash, a *MarketWatch* market observer, by surprise. A month ago Bartash lamented that lower-than-expected job growth in May was "a warning sign for the economy." Friday's jobs report changed his tune: "Even though the economy has slowed, the strongest labor market in decades is likely to extend what's already the longest expansion on record."



He wasn't the only one caught by surprise: Forecasters were guessing that June's jobs growth would come in around 170,000. Instead the U.S. economy exceeded their expectations by more than 50,000 new jobs.

Even more reassuring about the economy's health was this, buried in the report: The U.S. civilian workforce jumped last month by a jaw-dropping 335,000 people. Translation: 335,000 individuals, who were on the sidelines until June, decided to try to find work. Each of them, on their own, decided that the economy was so strong that it was time for them to find a real job. Each decided that there was no better time to start looking than now, when businesses are looking for workers and paying higher wages in order to find them. The BLS reported that the average hourly wage in June was \$27.90 an hour, 9 cents an hour higher than last month, and more than three percent higher than a year ago.

Average job growth for 2019 is 172,000 new jobs a month, according to the BLS, compared to 223,000 monthly job growth last year. This confirms the contention of *The New American* writer who wrote on Wednesday that the economy "has moderated down to the pace of a marathon" instead of a sprint. That the economy has long legs — its expansion is now the longest in recorded history — was confirmed by Wells Fargo senior economist Sam Bullard: "Economic conditions haven't created the excesses that suggest the next downturn is imminent." That's how an economist states the obvious: this economy has legs.

That job growth in June appeared in nearly every sector of the economy: professional firms, health-care providers, transportation and warehouse workers, construction workers and manufacturing jobs. The only weak area the BLS could find was in retail, which lost a miniscule 6,000 jobs in June.

This matches Wednesday's report from the Institute of Supply Management (ISM). It noted that all of its major indexes that measure economic performance in the U.S. economy remained well into positive territory, with its primary business activity index — its NMI or Non-Manufacturing Index — coming in at 55.1 (above a neutral 50.0 for 113 straight months). Its Business Activity/Production Index was at 58.2 percent for June, marking 119 months in positive territory.

Wall Street has reflected the resurgence in the U.S. economy as well, with both the Dow Jones Industrial Average (DJIA) and the S&P 500 index (SPX) gaining more than 200 percent since the



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summer of 2009 (the bottom of the Great Recession). The tech-heavy Nasdaq index has, since the beginning of the recovery, gained nearly 340 percent.

President Trump's determined stance on tariffs is setting in place an additional impetus to the economy when those negotiations are complete. His goal, as noted while a candidate, is to reduce tariffs, not to increase them. As he continues to deal with recalcitrant countries such as China, he is increasingly dealing from a position of strength. He is banking on the passage of both time and pain (China's economy is noticeably slowing) to bring them to terms which are much more favorable.

What's remarkable is how strong the U.S. economy is in light of those headwinds, to say nothing of media naysayers who are always on the lookout for anything negative to say about the president's purposes, strategies, behaviors — and the economy. When those trade negotiations are completed, tariffs will come down sharply, adding more impetus to an economy that is already successfully navigating those temporary restraints.

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