



Written by [Bob Adelman](#) on July 9, 2018

U.S. Economy “Not Running Out of Workers”; Latest Jobs Report Shows More Gains

Noting that the jobs report from the Bureau of Labor Statistics (BLS) [released on Friday](#) showed more than 600,000 people entering or re-entering the workforce, Kate Warne, an economist at investment firm Edward Jones, concluded: “It’s clear that we’re not running out of workers. There is additional leeway for job growth to remain strong.”



Translation: The economy is not a fixed pie, but dynamic and growing. The belief that “when one person wins, another person loses” has been proven wrong once again. A growing pie means that everyone benefits by participating in it.

The BLS said that employers not only added 213,000 new workers to their payrolls in June, but revised April’s numbers upward by 16,000 (from 159,000 to 175,000) and May’s numbers by 21,000 (from 223,000 to 244,000) — a total of 37,000 jobs it failed to include in the last two months.

This confirmed what ADP reported on Thursday: 177,000 new jobs were added in June with May’s numbers being revised upward to 189,000.

It also kept in place the failure of forecasters to accurately predict U.S. job growth. Those worthies estimated that the U.S. economy would add just 195,000 new jobs in June, keeping in place a penchant for underestimating the health of the economy.

Personal and business services led the way with 50,000 new jobs, while the manufacturing sector added 36,000. Healthcare employment jumped by 25,000 jobs in June, while the construction industry added 13,000. The only part of the economy that shrank was the retail/food service industry, which laid off 22,000 people in June.

These two jobs reports bode well for GDP — gross domestic product — for the second quarter and beyond. Employers wouldn’t be adding workers if they didn’t think they would add significantly to their productivity. Indeed, Macroeconomic Advisers revised upward its estimate to 4.9 percent, while Barclays Bank estimates the second quarter will clock in growth at five percent.

Wage gains are remaining healthy as employers are having to compete for workers, with the BLS reporting wage gains year over year of 2.7 percent.

With the success of the Trump administration in bringing about “fairer” trade, American exports are increasing. The Commerce Department just reported that the trade deficit narrowed for the third straight month, driven by an increase in exports.

The robust economy is being reflected in record-low unemployment among blacks and Latinos as well,



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leading some to ask: Where are those 600,000 people who entered the workforce in June coming from? Some suggest that empty-nesters are being drawn back into the economy now that the kids have moved out. Others suggest it's the flow of graduates from high school and college that are adding to the workforce. Still others see Baby Boomers being enticed out of retirement by their former employers as the demand for their skills increases with the expanding economy.

Some companies are inviting potential hires to attend "boot camps" where they are groomed to take on full-time responsibilities immediately afterward. Aultman Health Foundation, a hospital operator in Canton, Ohio, has added hundreds to its payroll of 6,600 this year alone, including nurses who have attended its "boot camps." Nursing students work as assistants in critical-care units and emergency wards so they can gain the experience they need to become effective fulltime employees quickly.

The economic pie is growing in the United States, and offering more and more attractive jobs to more people at higher wages. Accordingly, and to the astonishment of economic forecasters still stuck in the old meme of a fixed pie, jobs numbers are merely a precursor to improved economic output, which numbers are due out later this month.

Expect them to exceed those forecasters' estimates as well.

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