Georgia Nonfarm Employment Declined in April

Nonfarm employment declined 0.3% during April in Georgia, resulting in a net loss of 14,900 jobs. Data for March were also revised lower, showing a net loss of 700 jobs. The declines seem at odds with most other data.

A Suspicious Drop in April Nonfarm Employment
- Georgia’s latest employment data suggest that swings in international trade may be weighing on the state’s important manufacturing and logistics sectors. Overall job growth has fallen for the past two months, a rare occurrence in Georgia.
- Leisure & hospitality was a notable weak spot in April, with a net loss of 6,100 jobs. Job growth in this sector is quite volatile month-to-month, however, and remains up solidly year-to-year.

Tariffs May Be Generating Some Ill Winds
- We suspect that the intensifying trade dispute with China has led to increased volatility in Georgia’s important logistics sector and is also likely weighing on manufacturing and agriculture. Wholesale trade lost 3,600 jobs in April, following a 3,200 job loss the prior month, and the transportation sector has reported small job losses in each of the past three months. Both sectors have been strong contributors to growth over the past few years.

Source: U.S. Department of Labor and Wells Fargo Securities