



# Economics Group

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## North Carolina Employment Situation: January 2016

**North Carolina added 23,200 jobs in January, with broad-based gains pulling year-to-year growth to 2.5 percent, or 104,300 new jobs. The unemployment rate was unchanged at 5.6 percent.**

### Hiring Ramps Up in the Tar Heel State

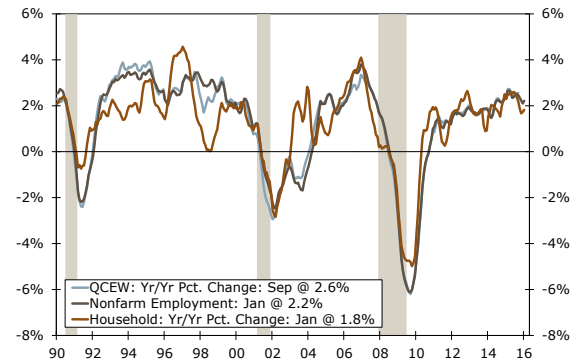
North Carolina posted the third largest employment gain in the nation during January. Gains were fairly broad based but were clearly led by a spurt of hiring in state and local government and the hospitality sector. Government payrolls are unusually volatile in December and January, as the employment survey and seasonal adjustment process often magnify swings in hiring around the holiday season and start of the new year. The private sector data are cleaner and show employment rising at a faster 2.7 percent over the past year. In addition to the growth in government jobs, hiring picked up in the leisure & hospitality sector, which added 5,000 jobs in January, construction, which added 3,800 jobs, education & health services, which added 2,800 jobs, and manufacturing, which added 2,700 jobs. The information and professional & business services sectors were the only areas posting seasonally-adjusted job declines in January.

The January data also include revisions to the previously reported data for North Carolina. The monthly Current Employment Survey (CES) data have been revised back to 2011, reflecting more recent data from the Quarterly Census of Employment and Wages, which reflect a hard count of jobs from unemployment insurance tax role data. The new CES data show that job growth grew slightly less rapidly in North Carolina during the past two years than was previously reported. Employers added 82,000 jobs in 2014 and 99,400 jobs in 2015. The prior data had reported gains of 85,700 jobs and 106,300 jobs, respectively.

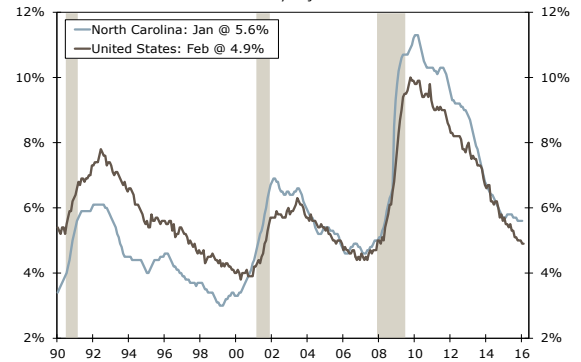
While the new employment data provide a clearer assessment of North Carolina's economy, January's spike in payroll growth may have been exaggerated by unusual seasonal factors. Milder than usual winter weather likely boosted hiring in construction, which added 3,800 jobs during the month. Restaurants hired more cautiously during the holiday season, not just in North Carolina but around the country, and as a result had fewer temporary positions to cut. The smaller than usual job loss resulted in a huge seasonally-adjusted job gain.

The year-to-year non-seasonally adjusted data likely provide a better assessment of North Carolina's labor market. The data show overall employment rising 2.3 percent year to year, with every key industry adding jobs. The largest employment gains continue to be in professional & business services, which added 23,600 jobs over the past year. Hiring in trade, transportation & utilities was close behind, with a gain of 22,300 jobs, while the leisure & hospitality sector added 13,500 jobs. Construction is another notable standout, with 10,600 new jobs, and manufacturers added 3,500 jobs over the past year.

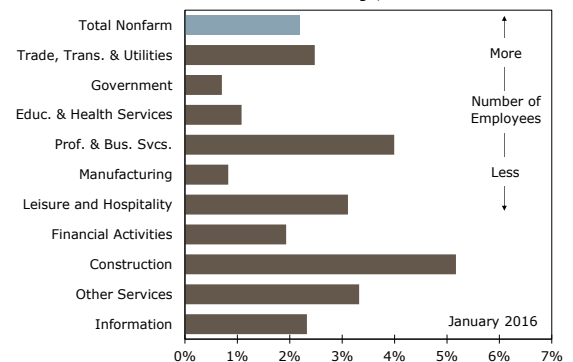
North Carolina Nonfarm Employment  
3-Month Moving Averages



North Carolina vs. U.S. Unemployment Rate  
Seasonally Adjusted



North Carolina Employment Growth By Industry  
Year-over-Year Percent Change, 3-MMA



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