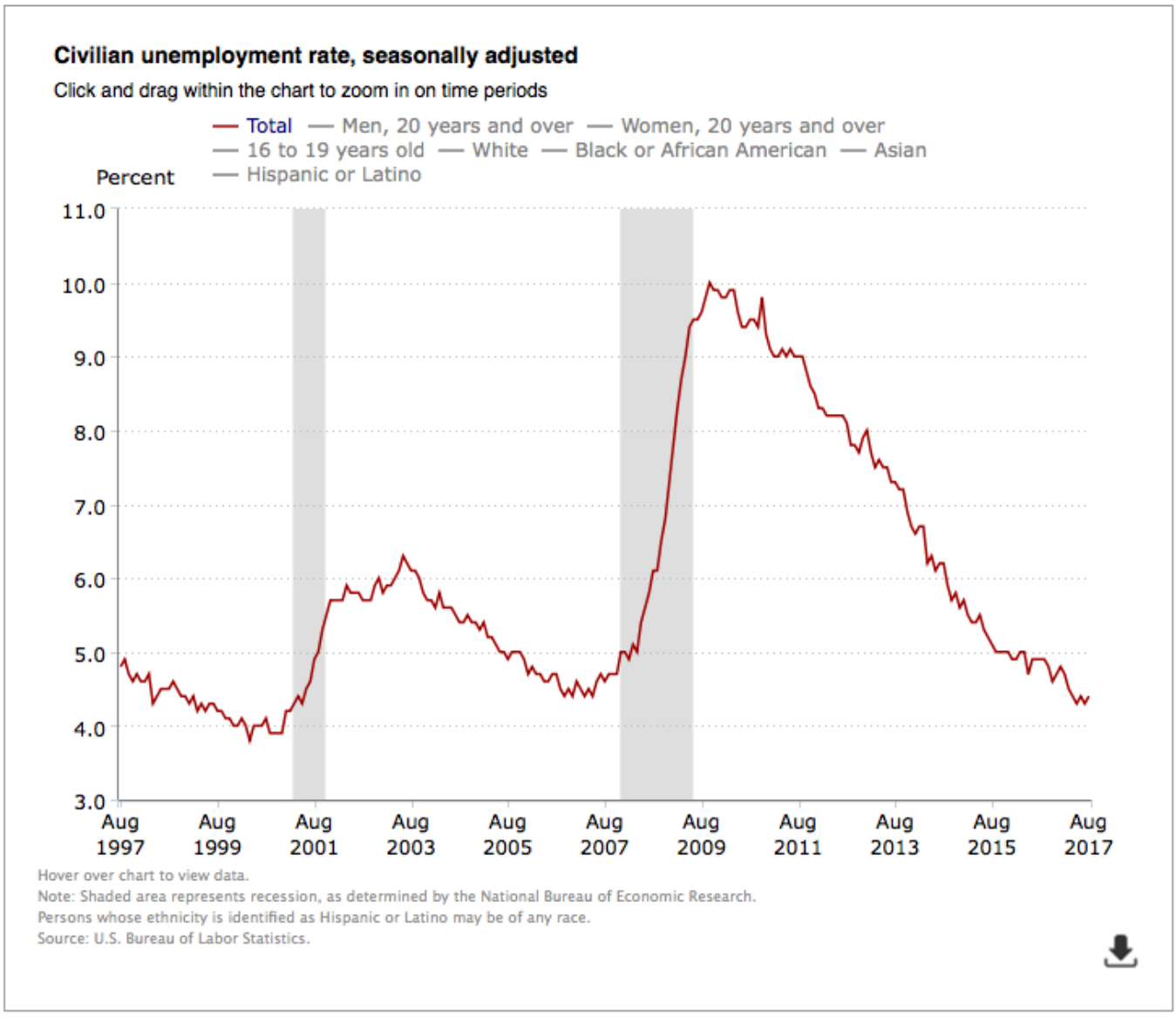
New construction strengthens in August BLS jobs report

The July housing market has been deeply impacted by low inventory, which landed a one-two punch on existing-home and pending home sales. But the August 2017 Employment Situation Summary from the Bureau of Labor Statistics (BLS) signaled there may be some help on the way.

The report shows that total non-farm payroll employment rose by 156,000 jobs last month and that the market experienced a considerable boost in construction jobs.



The unemployment rate is at 4.4 percent, and the number of unemployed persons at 7.1 million,

which is essentially unchanged from previous month's 4.3 percent unemployment rate and 7 million unemployed persons.

Zillow Chief Economist Svenja Gudell was especially glad to see those 30,000 additional construction jobs. "A number of factors point to continued strength in construction work over the next several months and beyond, through the generally slower winter months," she said in a statement.

"Overall home construction activity is falling well short of demand, and the relatively mild winter climates in some of the nation's hottest housing markets — the Bay Area, Pacific Northwest, Texas and parts of the Southeast, in particular — suggests building season could be extended in these areas."

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Gudell also addressed the possible impact Hurricane Harvey will have on directly impacted areas.

“While it’s still far too soon to fully measure the impact of Hurricane Harvey on Houston and the surrounding Gulf Coast region, it’s already clear that rebuilding efforts there will extend well into the coming months, if not years,” she said. “Over the next year, the Houston area could reasonably be expected to add almost 20,000 new construction jobs alone, assuming a rebuild proportional to that experienced in New Orleans after Hurricane Katrina.”

The BLS didn’t provide any predictions on how Hurricane Harvey will impact the upcoming jobs reports, but it guided readers to the Frequently Asked Questions section of the site for statistics about past natural disasters.

Digging into the details

In August the pool of unemployed individuals was unchanged at 7 million.

Diving into the major worker groups, the unemployment rates experienced nominal increases:

- Adult men (4.1) and women (4.0) unemployment rates were unchanged from July.
- Teenager unemployment ticked up 0.4 percentage points to 13.6 percent.
- Black unemployment rates increased 0.3 percentage points to 7.7 percent.
- Asian unemployment rates increased 0.2 percentage points to 4 percent.
- Hispanic unemployment rose 0.2 percentage points to 5.3 percent.
- White unemployment rose 0.1 percentage points to 3.9 percent.

The number of long-term unemployed individuals decreased by 100,000 to 1.7 million, making up 24.7 percent of the unemployed total.

The labor force participation rate (62.9 percent) and the employment population ratio (60.2 percent) remain essentially unchanged from July.

Workers employed part-time for economic reasons — in other words, individuals who would prefer to find full-time employment — is unchanged at 5.3 million.

Last month, there were 1.5 million people considered marginally attached to the labor force, meaning they are available for work and want a job, but are not currently in the labor force.

The number of discouraged workers, who have indicated that they are not looking for work because they do not believe jobs are available for them, is at 448,000 — down 128,000 from last year.

The BLS surveys approximately 146,000 businesses and government agencies each month as part of its Current Employment Statistics (CES) program. These businesses and agencies represent approximately 623,000 individual worksites, and the CES collects data on employment, hours and

earnings of workers on nonfarm payrolls.

Email Marian McPherson.

Source: click here