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Jobs Data Points to Higher Wages, Participation

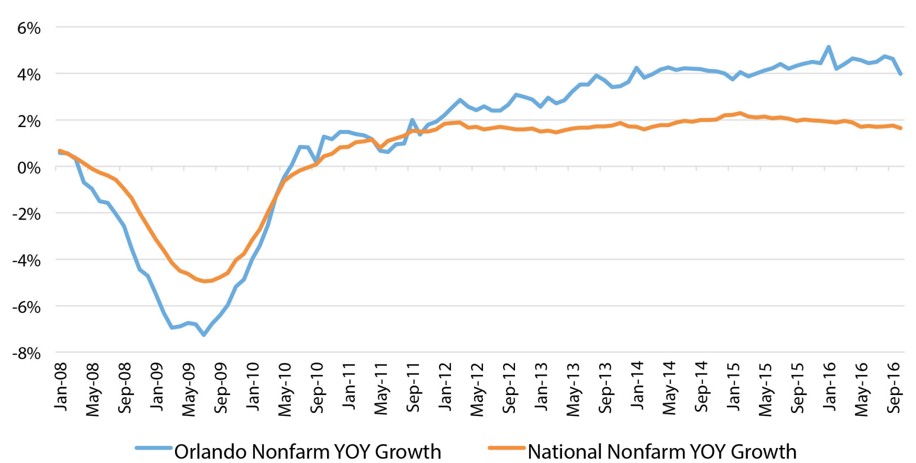
October's national jobs report may have seemed uninspiring on the surface, but data released about metros in the subsequent weeks depict a slightly healthier image of the U.S. labor market, providing heartening signs for the commercial real estate industry.

Employment gains were middling for the second straight month in October, as the economy added 161,000 jobs and the unemployment rate stood still at 4.9%. The slowdown in job creation should be expected: As the unemployment rate hovers near what economists consider full employment, there will be less and less room for expansion of the labor market. What's more, the longer the labor market sits near full employment, the less the total number of jobs added in a month will be as a measuring stick of employment health, because there are fewer people seeking to join the workforce.

Consequently, there are other measures of employment that must be examined to assess the state of the labor market. The first measure involves wage growth. Is the tightening labor market causing employers to compete for talent, bringing long-awaited pay raises to workers? Average hourly earnings increased 10 cents in October to $25.92, a 2.8% year-over-year increase.

An encouraging sign was that these gains were broad based, going both to workers in the highest-paying sectors, such as information (5.2%) and utilities (4.2%), as well as the lowest-paying sector, leisure and hospitality (4.6%). These wage increases should drive consumption

Orlando Labor Market Continues to Exceed National Average



Sources: U.S. Bureau of Labor Statistics, Current Employment Statistics and Moody's Analytics