



Macroeconomic Indicators

Nonfarm Payroll Employment Data (“Nonfarm Payrolls”)

Definition

Nonfarm payroll employment data provide employee data from nonfarm businesses such as factories, offices, and stores, as well as from federal, state, and local government entities. The data are captured by the establishment survey. For purposes of the establishment survey, employees are those who received pay for any part of the reference pay period (pay period including the 12th of the month), including persons on paid leave. Persons are counted in each job they hold. The data are collected from the payroll records of a sample of nonagricultural business establishments. The sample includes approximately one-third of all nonfarm payroll employees. The establishment survey provides information on employment, hours, and earnings. The indicator most widely watched is the month-over-month change in nonfarm payroll employment. A month-over-month employment change of about 100,000 is statistically significant in the establishment survey.

Who Releases the Indicator?

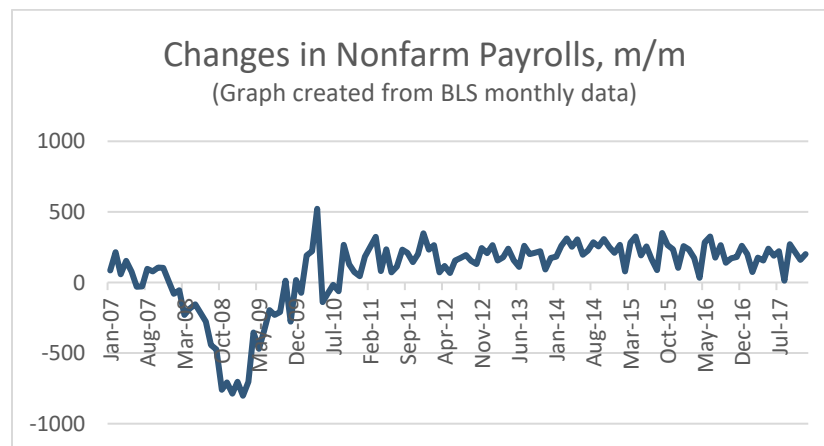
Bureau of Labor Statistics (BLS), U.S. Department of Labor

Available to the public: <https://www.bls.gov/news.release/pdf/empsit.pdf>.

What Does the Indicator Tell Investors?

Nonfarm payrolls and the other labor market indicators provided by the establishment survey are widely watched by investors, politicians, and the Fed. They provide information not only on the employment situation, but also provide insights into wage trends and wage inflation. The monthly labor market indicators are key indicators for gauging the current state and trend of the economy.

The chart below shows the sharp decline in nonfarm payrolls during the Great Recession.



**Type of Indicator**

Nonfarm payrolls is a coincident economic indicator.

How Often Is the Indicator Released?

Once a month, generally on the first Friday of the month. The reference period used is the pay period that includes the 12th of the month.

Is the Indicator Revised?

Yes.