

## The economy added 201,000 jobs last month; wages are finally starting to rise

August's jobs report shows that the economy is still expanding, despite an ongoing dispute over billions of dollars in trade tariffs.

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A worker assembles a Harley-Davidson motorcycle engine at the company's Powertrain Operations plant on June 1, 2018 in Menomonee Falls, Wisconsin. Scott Olson / Getty Images

The economy added a total of 201,000 jobs during the month of August — a stronger number than analysts predicted, underpinning the nation's solid economic expansion [and a 49-year low in unemployment](#) — and all but cementing an interest rate hike when the Federal Reserve meets later this month.

The monthly jobs report released Friday by the Department of Labor also showed unemployment remained unchanged at 3.9 percent.



Hourly wages finally saw some growth, ticking up to 2.9 percent — prompting immediate reaction from Wall Street, with Dow Jones futures tumbling by almost 100 points on investor fear that the Federal Reserve would fast track its rate hike plans.

August's robust payroll is all the more impressive since it's a month that is invariably under-reported due to the number of workers on vacation at the time the government administers its survey.

Monthly job gains for June and July were revised down, however, with the June total now 208,000 — a decrease from 248,000. July's figure dropped to 147,000, down from 157,000.

Wall Street has already priced in a rate hike when the Federal Open Market Committee meets September 25-26 for its monetary policy meeting, though the jury is still out on whether a December rate increase would start overheating the economy.

"The Federal Reserve continues to focus on removing accommodation by boosting interest rates, and the August employment numbers are consistent with the central bank's outlook," said Mark Hamrick, senior economic analyst at Bankrate.com. "The trajectory of future rate moves will be under scrutiny as the FOMC updates the summary of economic projections."

In its policy statement last month, the Fed acknowledged that "economic activity has been rising at a strong rate."

The August jobs report ratifies the fact that for the first time in at least a generation, the U.S. [has more open jobs than people out of work](#) and looking for a position. While that is a condition ripe for job hunters, it's a negative for the economy, with companies wondering where all the new workers will come from, as the U.S. faces a declining birth rate and a wave of retiring baby boomers.

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