

September 15, 2025

## Weekly Market Commentary



### Charts of the week: The Labor Market is Slowing

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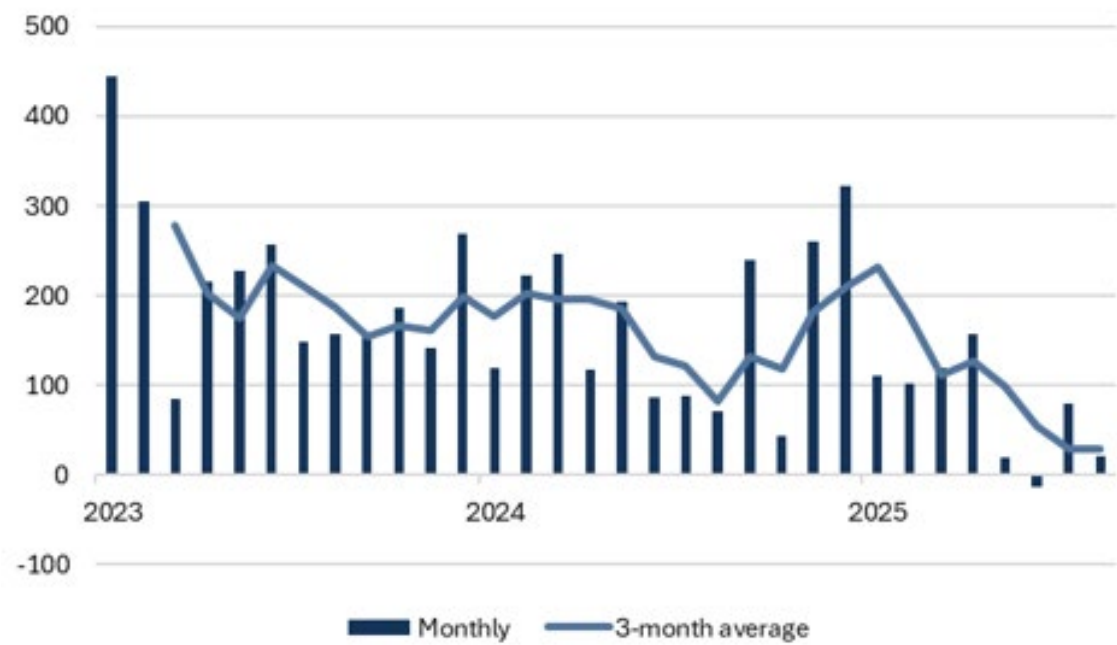
The Bureau of Labor Statistics (BLS) publishes a widely watched monthly labor market report known as the *Establishment Survey*. The Establishment Survey includes employment and earnings data collected from about 125,000 businesses across that are meant to be a representative sample of employment across the US. The Non-Farm Payroll report, which is part of the Establishment Survey, has shown a clear slowdown in hiring this year (Fig. 1).

One reason for the slowdown in payroll growth has been the near sudden stop of net immigration, which has potentially fallen by 200,000 or more per month (Fig. 2).

Once a year, the BLS reconciles the Establishment Survey with unemployment insurance tax records, which are considered more accurate but take longer to compile. Adjustments are usually small, but last week's preliminary revision indicated that job growth between April 2024 and March 2025 was likely overstated by 911,000 jobs. This will be the second year in a row that the Establishment Survey overestimated job growth by an unusually high amount (Fig. 3).

In sum, the labor market wasn't as strong in 2024 as US economic data indicated, and it slowed even further this year.

**Fig. 1: Non Farm Payroll Growth (Thousands, January 2023 – August 2025)**



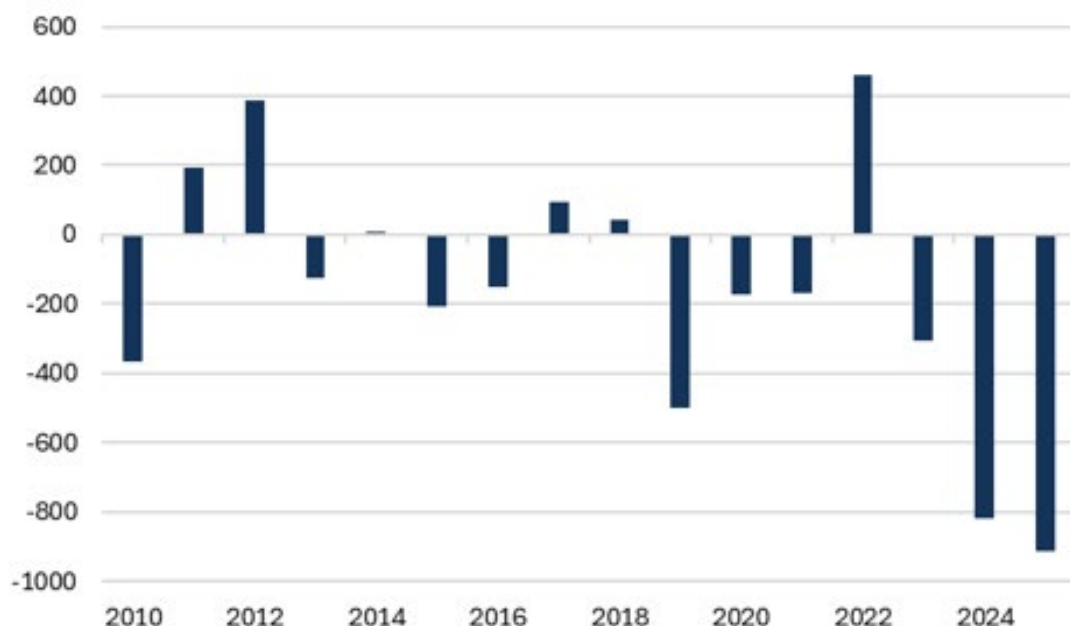
Source: Bloomberg, Mill Creek.

**Fig. 2: US Border Control encounters (Thousands, January 2023 – July 2025)**



Source: Bloomberg, Mill Creek.

**Fig. 3: Benchmark Payroll Revisions (Thousands, 2010-2025)**



Source: Bloomberg, Mill Creek.

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