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## Market Commentary

### What Does Payroll Growth Tell Us About the Economy Today?

By Michael Crook, CAIA, Chief Investment Officer

The US economy added a blistering 115k jobs in April, compared to expectations of 65k. Significant job growth is great news for the economy, and the S&P 500 hit a new all-time high on Friday. The Atlanta Fed [continues to track](#) 2Q GDP growth at 3.7%.

In our opinion, however, the labor market picture isn't quite as straightforward as it might seem.

- We've only added 251k jobs over the last 12 months, reflecting the near-zero population growth in the US right now (Fig. 1) (See: [Profits Without People](#)).
- Over the same time period, aggregate income growth (total wages for everyone in the economy) has been just over 4% (Fig. 2).

If these trends hold, we're likely to start seeing even more inflation pressure, particularly for services and labor-intensive parts of the economy. The Fed is unlikely to cut rates in such an environment and might even have to consider hiking the Fed Funds rate later this year or in 2027.

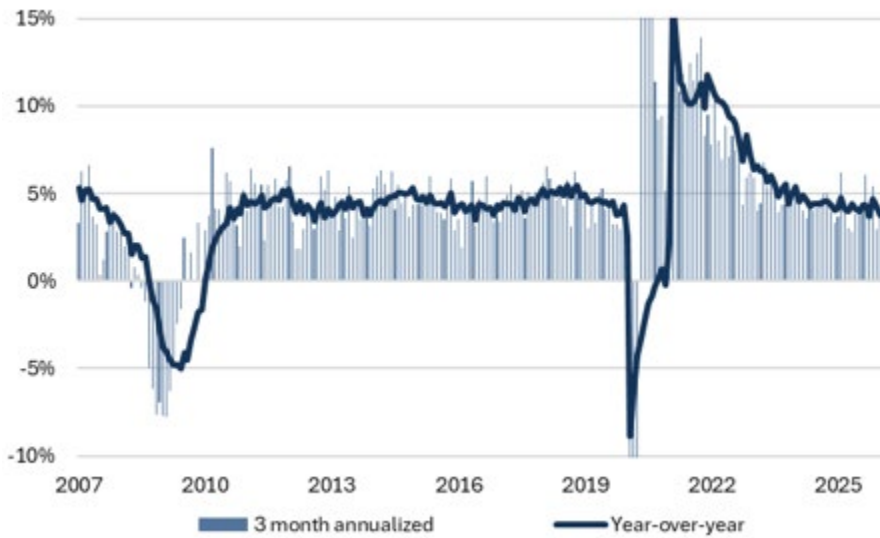
Finally, as a reminder, [all-time-highs are usually good times](#) to invest.

**Fig. 1: Payroll growth and GDP Growth**



Source: Bloomberg, Mill Creek. As of 05/08/2026.

**Fig. 2: US Index of Aggregate Weekly Payrolls (% change)**



Source: Bloomberg, Mill Creek. As of 05/08/2026.

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