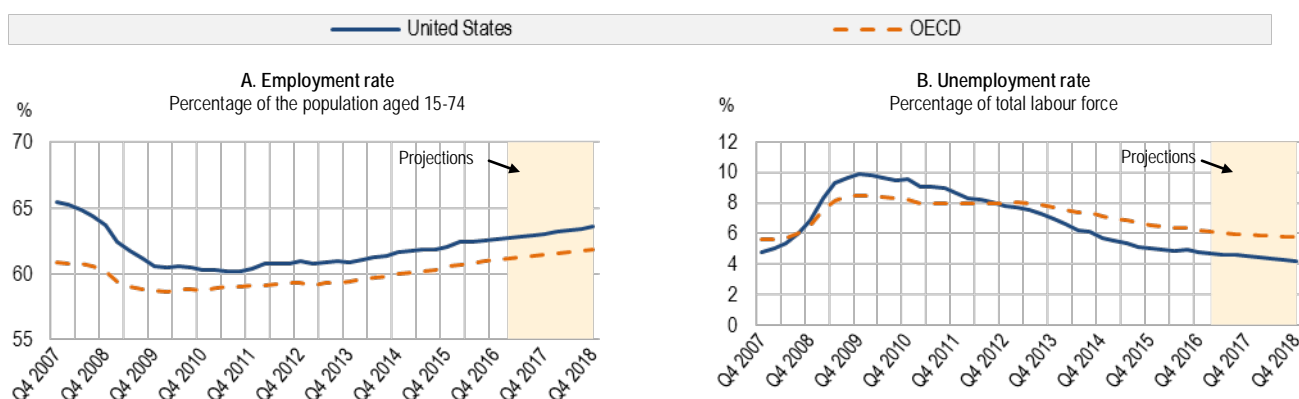


The 2017 edition of the OECD Employment Outlook provides an international assessment of recent labour market trends and short-term prospects. It also contains chapters on: benchmarking labour market performance based on the new OECD Jobs Strategy scoreboard; labour market resilience in the wake of the global crisis; the role of technological change and globalisation in transforming labour markets; and key country differences in collective bargaining arrangements.

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### Labour market developments in the United States



Note: OECD weighted average. US data refer to ages 16-74 years.

Source: OECD calculations based on OECD Economic Outlook Database (No. 101), June 2017.

### RECENT LABOUR MARKET TRENDS AND PROSPECTS

Labour market conditions continue to improve and the OECD average employment rate finally returned to its pre-crisis rate in 2016, nearly ten years after the global financial crisis erupted. The OECD-average unemployment rate continues its slow descent, but remains slightly above its pre-crisis level because employment has not increased enough to fully offset a rising trend in participation rates. The unemployment rate is projected to fall back to its pre-crisis level in late 2018 or early 2019. The recovery remains very uneven across countries and different groups within the workforce.

- Unemployment has fallen faster in the US than on average across OECD countries. At 4.3% in May, it is now below its pre-crisis level in 2007.
- However, employment in the US, as a share of the population aged 15-74, remains 2.4 percentage points below its pre-crisis value in 2007. This reflects the fact that the participation rate has not bounced back following a sharp fall during the Great

Recession. In contrast, participation rates are now above their pre-crisis level in the majority of OECD countries.

- OECD projections suggest that US employment and participation rates will continue to rise slowly through the end of 2018, leaving the unemployment rate more or less unchanged at its current level.
- While the jobs gap that opened during the Great Recession has now largely closed, the mix of jobs has shifted, continuing a longer-term trend towards a rising share of service sector jobs and a declining share of employment in manufacturing. These shifts have also been accompanied by a polarisation in jobs by skill levels. The share of middle-skill/middle-wage jobs has declined, while the shares of low- and high-skill jobs have increased.

## Scoreboard of labour market performance for the United States



Note: An upward ↗ (downward ↘) pointing arrow for an indicator means that higher (lower) values reflect better performance.

**Earnings quality:** Gross hourly earnings in USD adjusted for inequality. **Labour market insecurity:** Expected monetary loss associated with the risk of becoming unemployed as a share of previous earnings. **Job strain:** Percentage of workers in jobs characterised by a combination of high job demands and few job resources to meet those demands. **Low income rate:** Share of working-age persons living with less than 50% of median equivalised household disposable income. **Gender labour income gap:** Difference between average per capita annual earnings of men and women divided by average per capita earnings of men. **Employment gap for disadvantaged groups:** Average difference in the employment rate for prime-age men and the rates for five disadvantaged groups (mothers with children, youth who are not in full-time education or training, workers aged 55-64, non-natives, and persons with disabilities) as a percentage of the employment rate for prime-age men.

Source and definitions: OECD calculations using data for 2015 or latest year available from multiple sources. See [OECD Employment Outlook 2017](#),

Table 1.2. for further details.

### NEW OECD SCOREBOARD SHOWS RELATIVE STRENGTHS AND WEAKNESSES OF THE US LABOUR MARKET

The 2017 issue of the *OECD Employment Outlook* presents a comparative scoreboard of labour market performance that provides a rich overview of the strengths and weaknesses of different national labour markets, going well beyond the standard measures of employment and unemployment rates. These include measures of job quality (pay, employment security, working environment) and labour market inclusiveness (income equality, gender equality, employment access for potentially disadvantaged groups). Some countries score well on most or all indicators, implying that there are no hard trade-offs that prevent countries from performing well in all areas.

- The US labour market generally scores in the middle of the pack, for example as regards employment rates, and how well women and potentially disadvantaged groups, such as working-age persons with partial disabilities, fare in the labour market. However, the US also shows areas of relative strength and weakness.

- Two US strengths are a below average unemployment rate and the relatively low share of workers experiencing high levels of job strain. Earning quality is also above average in the United States, but only modestly so because its relatively high average wage is largely offset by high wage inequality.
- The most pronounced weakness is the high share of working-age persons living in poor households, that is with incomes adjusted for household size of less than one-half the median income. The US also has a slightly higher than average gender labour income gap.
- None of the performance indicator for the US labour market showed much change during the past decade. By contrast, the majority of OECD countries manage to better integrate women and disadvantaged groups into the labour market and improve the quality of the working environment.

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