

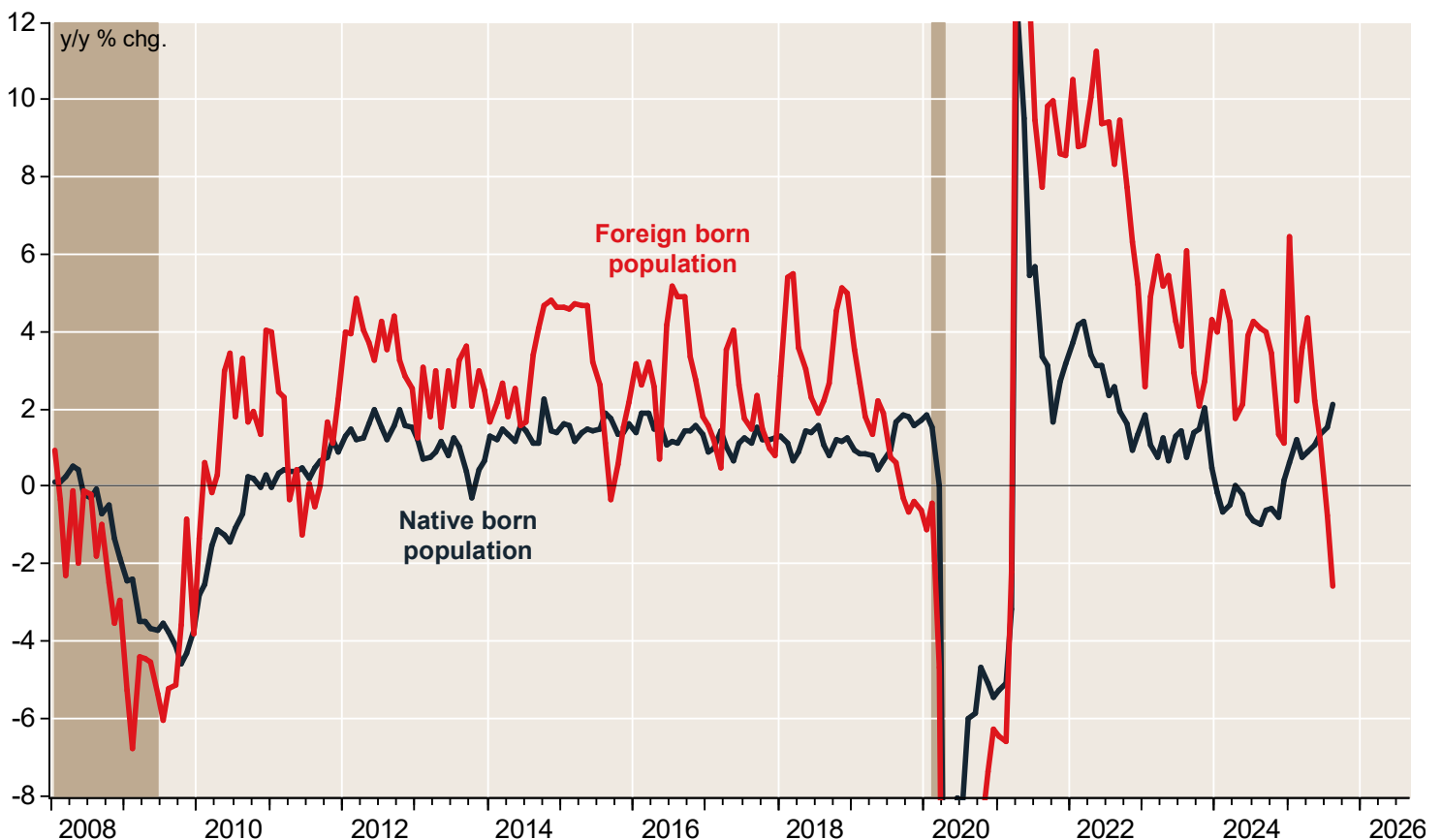
## U.S. Watch

By Jocelyn Paquet

To say that this morning's employment reports were disappointing would be an understatement, with most of the closely watched indicators coming in weaker than expected. Several comments written following the publication rightly emphasized the sectoral aspect of the employment slowdown, highlighting job losses in the public sector due to DOGE-related cuts and in the manufacturing sector amid tariff uncertainty. However, we found the demographic composition to be equally revealing. Data from the household survey indeed showed that young people are bearing the brunt of the labour market slowdown, with the unemployment rate for 20-24 year olds rising much more sharply than that of the prime age population in the past few months. As today's Hot Chart shows, the significant divergence between the employment prospects of native- and foreign-born populations was also striking, with employment increasing by 2.1% in the former group over the last twelve months and falling by 2.6% in the latter. This decline does not appear to be the result of mass layoffs but rather of a much more restrictive immigration policy. Indeed, the foreign-born population has declined by 0.6% in the last year according to data released this morning by the BLS. Another factor to consider is the acceleration of deportations, which seems to be discouraging many foreign-born individuals from seeking work. The participation rate of foreign-born Americans aged 16 and over has indeed fallen three times faster than that of the overall population over the past 12 months. It remains to be seen how the decline in the supply of foreign-born workers will impact wages and inflation in a context where the latter tend to be paid less on average than native workers.

### U.S.: Labour market weakness concentrated among foreign-born population

Employment



NBC Economics and Strategy (data via Bloomberg)



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