

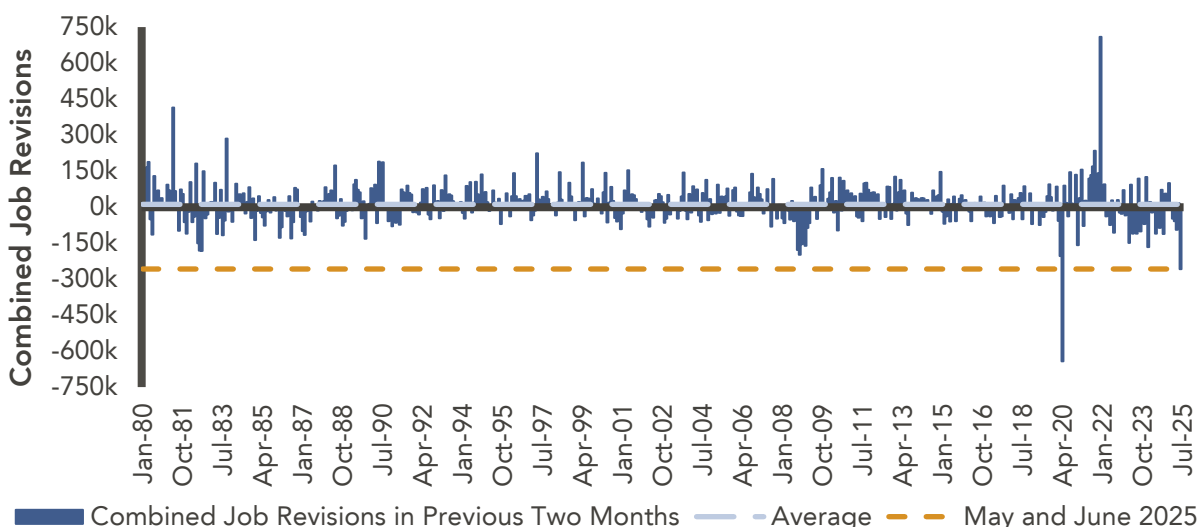
Chart of the Week

August 4, 2025

Reversal of Fortune

EVAN FRAZIER, CFA, CAIA, SENIOR RESEARCH ANALYST

➤ The July jobs report included one of the most significant revisions to nonfarm payroll statistics on record



Source: Bureau of Labor Statistics, The Wall Street Journal as of August 4, 2025. Seasonally adjusted. Chart shows combined revisions to the first estimate for the most recent month and revisions to the second estimate for the prior month.

The U.S. employment report released last Friday by the Bureau of Labor Statistics (“BLS”) painted a significantly weaker picture of the current labor market. While the domestic economy added roughly 73,000 jobs in July and the unemployment rate ticked up only slightly to 4.2%, the publication included the sharpest downward revisions to previously reported job growth statistics since the COVID-19 pandemic. Specifically, estimates for nonfarm payrolls in May and June were reduced by 260,000. A large share of this downgrade came from state and local government education payrolls, which initially appeared to drive job growth in June but accounted for roughly 40% of recent revisions according to Bloomberg.

Notably, revisions to payroll statistics throughout this year have been consistently downward, with job counts adjusted lower for every month in 2025 to this point. Economists attribute these adjustments to both seasonal recalculations and the growing challenge of lower response rates from surveyed businesses. Indeed, initial response rates to BLS surveys, which sat at around 70% before the pandemic, have slipped below 60% in recent months, which could reflect fatigue or waning trust in institutions on the part of participants. It is also important to note that the government agencies tasked with conducting surveys of businesses and consumers are operating under increasingly tighter budgets, making it more difficult to create an accurate representation

[CONTINUED >](#)

of the economic landscape. For instance, the BLS recently disclosed that roughly 15% of the sample used to compile the consumer price index, a key inflation gauge, was suspended from collection due to resource constraints.

President Donald Trump was quick to respond to Friday's jobs report, dismissing BLS Commissioner Erika McEntarfer and alleging that the publication was manipulated for political reasons. Additionally, Federal Reserve Governor Christopher Waller pointed to labor market data revisions as a key reason for his recent vote to lower interest rates. While the Fed ultimately opted to keep its policy rate unchanged at its July meeting, further deterioration of labor market data may require more expeditious easing from the central bank in the months ahead. ■

PREPARED BY MARQUETTE ASSOCIATES

180 North LaSalle St, Ste 3500, Chicago, Illinois 60601 PHONE 312-527-5500
CHICAGO BALTIMORE MILWAUKEE PHILADELPHIA ST. LOUIS WEB marquetteassociates.com

CONFIDENTIALITY NOTICE: This communication, including attachments, is for the exclusive use of the addressee and contains proprietary, confidential and/or privileged information; any use, copying, disclosure, dissemination, or distribution is strictly prohibited. Marquette Associates, Inc. retains all proprietary rights they may have in the information.

Marquette Associates, Inc. ("Marquette") has prepared this document for the exclusive use by the client or third party for which it was prepared. The information herein was obtained from various sources, including but not limited to third party investment managers, the client's custodian(s) accounting statements, commercially available databases, and other economic and financial market data sources.

The sources of information used in this document are believed to be reliable. Marquette has not independently verified all of the information in this document and its accuracy cannot be guaranteed. Marquette accepts no liability for any direct or consequential losses arising from its use. The information provided herein is as of the date appearing in this material only and is subject to change without prior notice. Thus, all such information is subject to independent verification and we urge clients to compare the information set forth in this statement with the statements you receive directly from the custodian in order to ensure accuracy of all account information. Past performance does not guarantee future results and investing involves risk of loss. No graph, chart, or formula can, in and of itself, be used to determine which securities or investments to buy or sell.

Forward-looking statements, including without limitation any statement or prediction about a future event contained in this presentation, are based on a variety of estimates and assumptions by Marquette, including, but not limited to, estimates of future operating results, the value of assets, and market conditions. These estimates and assumptions, including the risk assessments and projections referenced, are inherently uncertain and are subject to numerous business, industry, market, regulatory, geopolitical, competitive, and financial risks that are outside of Marquette's control. There can be no assurance that the assumptions made in connection with any forward looking statement will prove accurate, and actual results may differ materially.

The inclusion of any forward-looking statement herein should not be regarded as an indication that Marquette considers forward-looking statements to be a reliable prediction of future events. The views contained herein are those of Marquette and should not be taken as financial advice or a recommendation to buy or sell any security. Any forecasts, figures, opinions or investment techniques and strategies described are intended for informational purposes only. They are based on certain assumptions and current market conditions, and although accurate at the time of writing, are subject to change without prior notice. Opinions, estimates, projections, and comments on financial market trends constitute our judgment and are subject to change without notice. Marquette expressly disclaims all liability in respect to actions taken based on any or all of the information included or referenced in this document. The information is being provided based on the understanding that each recipient has sufficient knowledge and experience to evaluate the merits and risks of investing.

This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any interest in any investment vehicle, and should not be relied on as such. Targets, ranges, and expectations set forth in this presentation are approximations; actual results may differ. The information and opinions expressed herein are as of the date appearing in this material only, are subject to change without prior notice, and do not contain material information regarding the Marquette Model Portfolio, including specific information relating to portfolio investments and related important risk disclosures. The descriptions herein of Marquette's investment objectives or criteria, the characteristics of its investments, investment process, or investment strategies and styles may not be fully indicative of any present or future investments, are not intended to reflect performance and may be changed in the discretion of Marquette. While the data contained herein has been prepared from information that Marquette believes to be reliable, Marquette does not warrant the accuracy or completeness of such information. Client account holdings may differ significantly from the securities in the indices and the volatility of the index may be materially different from client account performance. You cannot invest directly in an index.

About Marquette Associates

Marquette was founded in 1986 with the sole objective of providing investment consulting at the highest caliber of service. Our expertise is grounded in our commitment to client service — our team aims to be a trusted partner and as fiduciaries, our clients' interests and objectives are at the center of everything we do. Our approach brings together the real-world experience of our people and our dedication to creativity and critical thinking in order to empower our clients to meet their goals. Marquette is an independent investment adviser registered under the Investment Advisers Act of 1940, as amended. Registration does not imply a certain level of skill or training. More information about Marquette including our investment strategies, fees and objectives can be found in our ADV Part 2, which is available upon request and on our website. For more information, please visit www.MarquetteAssociates.com.