

## MRINetwork Analysis of the BLS Employment Situation Report January 2011 Employment

BLS ANALYSIS

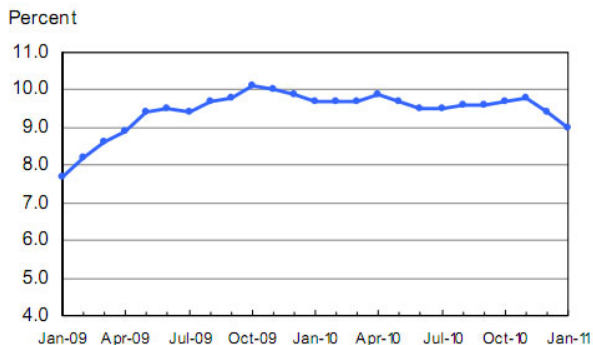
FEBRUARY | 2011

The full report can be seen here: <http://www.bls.gov/news.release/empsit.htm>.

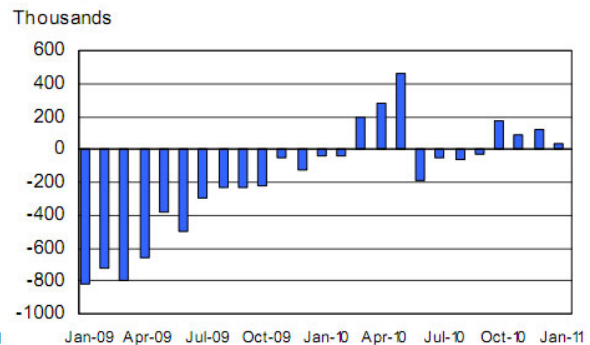
This morning, the Labor Department reported that the U.S. unemployment rate fell from 9.4 to 9.0 percent in January, while 36,000 jobs were created. The private sector accounted for 50,000 new jobs, while government payrolls shed 14,000 employees, mostly at the local level. A seasonally adjusted drop in the total number of unemployed people by more than 600,000—possibly a result of winter storms discouraging job seekers—drove the unemployment rate to its lowest level since the spring of 2009. With the improving momentum of many economic indicators, including both manufacturing and non-manufacturing activity, common wisdom says participation should begin increasing, causing at least a temporary jump in the unemployment rate.

The management, professional and related occupation unemployment rate was down to 4.7 percent in January from 5.0 percent a year earlier. On a seasonally adjusted basis, 227,000 jobs were created in January for those with a Bachelor's degree or higher and the unemployment rate for that group decreased from 4.8 to 4.2 percent. For those with a high school education or less the unemployment rate also slipped substantially, yet, at those levels, the decline was caused by the decrease in job seekers and total employment actually fell.

**Chart 1. Unemployment rate, seasonally adjusted, January 2009 – January 2011**



**Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, January 2009 – January 2011**



Revisions for all of 2010 were also released today, showing that 40,000 more jobs were added in November and December than previously reported. Revisions to earlier months, though, showed fewer jobs were added than originally thought. In net, the revisions show that just 948,000 positions were added during the year. Nearly two thirds of this growth—599,000 positions—were filled by workers with some level of college education.

For one of the first times in more than a year, temporary staffing levels slipped—by 11,400—which indicates the private employment market actually added a total of 61,400 permanent employees in January. Construction and couriers & messaging positions were among the hardest-hit disciplines according to the Labor Department, losing 32,000 and 44,800 positions respectively. The construction decline can easily be explained by the harsh winter in January while couriers & messaging positions receded from an unusually large spike in December.