

MRINetwork Analysis of the BLS Employment Situation Report February 2011 Employment

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 9.0 to 8.9 percent in February. The private sector added 222,000 jobs, while the state and local level governments shed 30,000 positions. The gains were in line with economists' estimates, and combined with positive revisions to the data of previous months, mark a sizable improvement in the rate of recovery to the labor market. This improvement is being strongly driven by those with four-year degrees, a segment of the population in which employment rose by 266,000 positions in February after having added 227,000 in January, a month where there were 63,000 net job gains.

The management, professional and related occupation unemployment rate fell from 4.8 to 4.4 percent year-over-year. The unemployment rate for construction and extraction related occupations—traditionally high in the winter—fell from 26.5 percent from a year ago to 22 percent this February. The sales and related occupations unemployment rate also fell from 10.2 to 9.0 percent year-over-year.

Chart 1. Unemployment rate, seasonally adjusted, February 2009 – February 2011

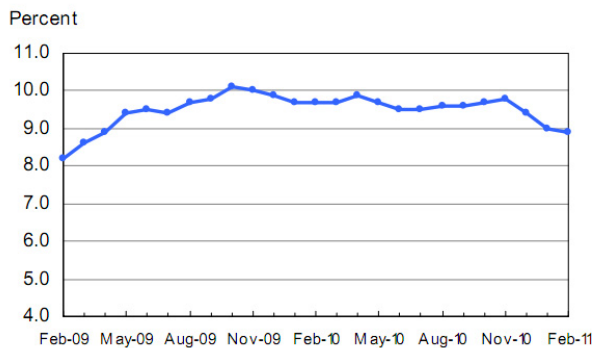
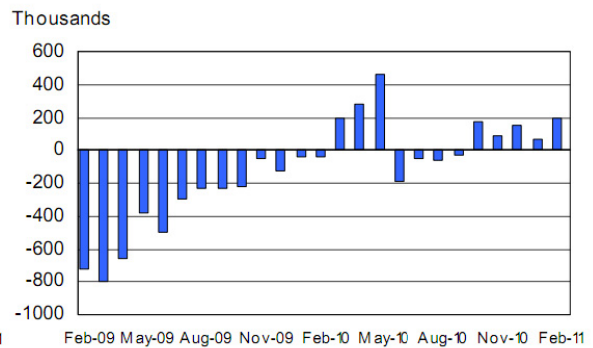


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, February 2009 – February 2011



By industry, job growth was well distributed with gains in several industries said to be harbingers of wider economic growth, such as construction, 33,000, durable goods manufacturing, 30,000, transportation and warehousing, 22,000, and accommodations and food service, 15,500. Health care also continued to grow, adding 34,000 jobs during the month and nearly a quarter million jobs in the last year.

A sustained growth rate of approximately 200,000 positions per month is what the U.S. needs to make up for population gains to see a gradual, fundamental reduction in the unemployment rate. Revisions show that in three of the last five months we have very nearly approached that level and there is every reason to expect that such growth will continue in the near term. Job growth, however, is only taking place among workers with some college and mostly those with four-year degrees and higher. For workers without any higher education, the employment picture isn't changing as fast. Among the long-term unemployed, this barrier to entry will continue to be an issue. The average length of unemployment reached 37.1 weeks in February, an increase of 7.3 weeks from a year ago.