

MRINetwork Analysis of the BLS Employment Situation Report January 2011 Employment

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

In January, total employment in the United States grew in excess of 200,000 jobs for the second consecutive month. The Labor Department reports 243,000 positions were added in the month and revisions show 203,000 were added in December. The U.S. unemployment rate fell from 8.5 to 8.3 percent despite an influx of more than 500,000 workers into the civilian labor market.

Furthermore, revisions to previous numbers, based on more complete data, show the employment situation may not have been as bad as first reported. Unemployment peaked at 10 percent for a single month in October 2009 before starting to fall. Past reports had unemployment remaining at or above 10 percent for three months. Revisions to 2011's establishment data also show nearly 266,000 more jobs were created during the year than previously reported, accounting for nearly a 20 percent improvement.

Chart 1. Unemployment rate, seasonally adjusted, January 2010 – January 2012

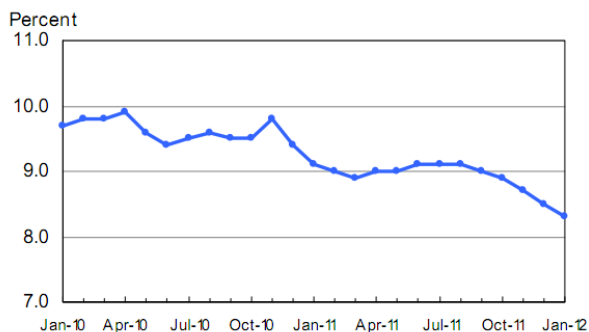
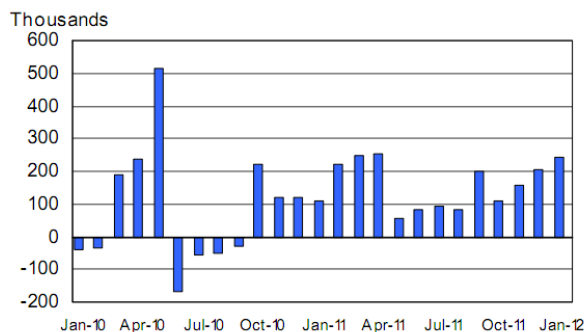


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, January 2010 – January 2012



Growth did not appear overly clustered in any specific sector in January, but rather it was spread throughout many sectors. Manufacturing added 50,000 positions, mostly in durable goods, likely an extension of holiday spending which seemed to disproportionately lean towards such items. Food services and drinking places added 33,000 positions, healthcare added 31,000 and construction added 21,000. In the temporary help or contract staffing space, employment grew by 20,100 after having been relatively flat in recent months.

The unemployment rate among those who hold a four-year degree rose from 4.1 to 4.2 percent in January, but that was mostly driven by an increase in those who hold such a degree looking for work. Actual employment by those with a four-year degree rose by 291,000 in January. The management, professional and related occupations unemployment rate fell year over year from 4.7 percent to 4.3 percent. The unemployment rate for those in sales or related occupations also fell, from 9.1 to 8.2 percent from a year ago.

The recovery from the Great Recession has been characterized by fits and starts. Indeed, when comparing the speed of the labor market's recovery to past recessions, our current path is both longer and slower than any recovery over the last half century. The improvements seen over the last few months though, point to the beginning of a virtuous cycle, with an unemployment rate falling more precipitously than would have been projected just a few months ago.