

MRINetwork Analysis of the BLS Employment Situation Report February 2012 Employment

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

According to the Labor Department, the U.S. economy added 227,000 jobs in February, the third month in a row of job gains in excess of 200,000 positions. Unemployment remained at 8.3 percent, its lowest point since early 2009. Revisions to previous months showed that January added 41,000 more jobs than previously reported and December added 20,000 more.

Growth was concentrated in the services sector, however, there was meaningful growth in important segments of manufacturing—including machinery, fabricated metals, and transportation equipment—all three harbingers of a manufacturing economy spinning up. In the services sector, the only significant loss was of 35,000 positions from general merchandise stores, though it was likely a continuation of the ramp down from holiday hiring, rather than a sign of changing tides for retail.

BLS ANALYSIS

MARCH | 2012

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

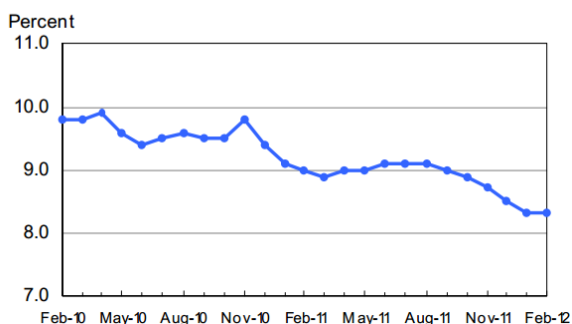
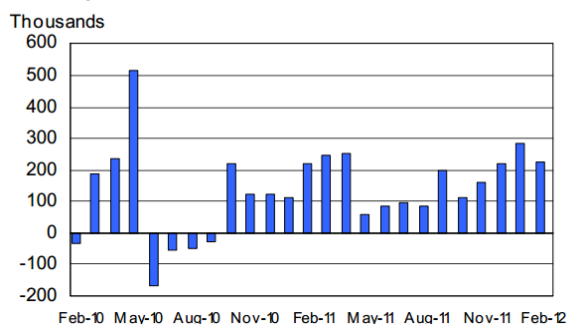


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, February 2010 – February 2012



Professional and business services were responsible for more than a third of all job growth in February, with growth in accounting and bookkeeping services (7,300), architectural and engineering services (4,300), computer system design services (10,200), and managing and consulting services (7,400). Healthcare services accounted for more than a quarter (61,100) of jobs produced during the month. Lastly, food services and drinking places added more than 40,000 positions as workers with a bit more disposable income and more confidence in the stability of that income have begun to go out to eat and drink a bit more.

On an education level-basis, new positions created were exclusively being filled by those with 4-year degrees and up. The total number of employees holding a 4-year degree or higher rose by more than 380,000 during the month. The professional and managerial unemployment rate fell from 4.9 to 4.2 percent year-over-year.

Unfortunately for trend spotters, February, March, and April of 2011 also saw 200,000+ job growth before decelerating during the summer months. The reasons blamed for job growth falling—such as rising gas prices, a European debt crisis, and Middle East instabilities—all remain on the horizon. Yet, this round of job reports adding in excess of 200,000 at a time started two months earlier than last time around, and is being met more strongly with rising consumer confidence.

While the trend may seem similar to the one that fizzled a year earlier, it may also be just positive enough to have reached an “escape velocity”, as Patrick O’Keefe, the director of economic research at consulting firm J. H. Cohn, characterized it to *The New York Times*. Enough jobs are being created to add enough consumers to the market to necessitate more employees be hired.