



U6 Fix

March Jobs Like DC Weather — Runs Hot and Cold

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Hopes that the March report would deliver blockbuster job creation were disappointed. But the news was not all bad. The top-line job growth — 192,000 — fell a bit below the consensus of 200,000 and well below some optimists hopes for 300,000. However, the unemployment rate held steady at 6.7 percent despite the fact that the labor force grew by 503,000 and labor force participation rose by 0.2 percent. That is good news.

So let's rack up the score. On the good news:

- Labor force and labor force participation up strongly;
- Weekly hours were up from 34.3 to 34.5 (recovery from the bad weather); and
- The index of weekly hours was up 0.7 percent.

On the down side:

- The top-line jobs number was a bit on the soft side;
- Job growth was not as widespread as in past months — concentrated in a few services categories;
- Average hourly earnings declined slightly; and
- Part-time employment for economic reasons rose 225,000.

Reflecting the report as a whole the Hispanic unemployment rate fell to 7.9 percent from 8.1 percent even as the labor force participation rate rebounded from 65.9 to 66.3 percent.

Data junkies here's your fix: the March U-6 (the broadest measure of unemployment) rose from 12.6 percent to 12.7 percent because the number working part-time for economic reasons jumped.

The bottom line: The clouds have cleared and the labor market is still sending missed signals. The much-anticipated acceleration in 2014 is still not present. The labor market is moving up modestly and the data suggest GDP growth continues in the 2.0 to 2.5 percent range. Meh.