



**U6 Fix**

# A Fine Report Already Forgotten

GORDON GRAY | MARCH 6, 2020

The February jobs report is an excellent economic story already forgotten. The economic and financial outlook is going to be dominated by coronavirus and presidential politics, both of which present considerable uncertainty for the balance of the year. But it is reassuring to know that the U.S. labor market, in its 11<sup>th</sup> year of recovery, can still add over 500,000 jobs to firm payrolls in just two months.

Payrolls in February grew by 275,000, with private sector payrolls growing by 228,000. The service-sector gained 167,000 jobs, while goods-producing industries saw a pick-up of 61,000 workers, including a gain of 15,000 manufacturing jobs. The unemployment rate dipped back to 3.5 percent. The labor force lost 60,000 workers, one of only two monthly declines since April of last year.

Average hourly earnings increased by 9 cents, a 3.1 percent increase over the year. Average hourly earnings for production and non-supervisory workers increased by 8 cents for a 3.4 percent gain over the year.

By educational attainment, changes in the unemployment were mixed. Rates for both those with less than a high school diploma and those with some college or an associate degree rose by 0.2 percentage points, while high school graduates and those with at least a college degree saw their rates drop by 0.2 and 0.1 points, respectively. (Finish school, kids.) By race, unemployment ticked down 0.2 percentage points for African Americans and 0.5 points for Asians but increased 0.1 points for Hispanics. The unemployment rate remained the same for white workers.

**Data junkies here's your fix: The February U-6 (the broadest measure of unemployment) increased to 7.0 percent, reflecting slight increases in the contribution of discouraged workers and those working part-time for economic reasons.**