



U6 Fix

February Jobs: Polar Vortex Wins

DOUGLAS HOLTZ-EAKIN | MARCH 7, 2014

February Jobs: Polar Vortex Wins

Whatever you believed last month, continue to believe it. The February jobs report did not have much news. The core story in the February report is likely the impact of bad weather on hours worked, no surprise to all of us with mental scars from days inside and snow drifts outside. Jobs were up surprisingly strongly — 175,000 — and average hourly earnings rose a sharp 4.5 percent (annual rate). Weekly earnings were flat because hours were down by 0.2 percent. Workers are making more per hour, but working less.

The unemployment rate drifted north from 6.6 to 6.7 percent as labor force participation was unchanged and the number of unemployed rose by 223,000.

Given the weather-related noise, the only real message is that the economy does not appear to be accelerating significantly.

The Hispanic unemployment rate fell to 8.1 percent from 8.4 percent in part because the participation rate fell from 66.0 percent to 65.9 percent.

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

The bottom line: Putting aside the surprising top-line number, the February report did not provide much news. After a November report that was strong from stem to stern, December through February have been disappointing. There does not appear to be any significant acceleration in the economy, but no downward pressure either.