



U6 Fix

February Jobs Report: A Doughnut

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Doughnuts look good. Doughnuts even taste good. But doughnuts have a hole in the middle and really can't nourish you.

The February employment report is a doughnut. The topline numbers are wonderful. Jobs are up 295,000 and the unemployment rate fell to 5.5 percent (down by 0.2 percent). But.....

- The labor force fell by 178,000,
- The labor force participation rate fell by 0.1 percent,
- Average weekly hours was flat, and
- Average hourly earnings rose at an annualized rate of 1.5 percent – flat real wage growth.

Consistent with the household survey, Hispanic labor force participation fell by 0.2 percent, while unemployment fell from 6.7 to 6.6.

Of some interest, the teen unemployment rate fell by 1.7 percentage points to 17.1 percent.

Data junkies here's your fix: the February U-6 (the broadest measure of unemployment) fell from 11.3 percent to 11.0 percent.

The bottom line: The February jobs report was a return to a familiar pattern: strong headline numbers with less satisfying details.