



U6 Fix

March Jobs: Omen or Aberration?

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The March jobs report was quite weak. There were 126,000 jobs created and downward revisions of 69,000 in January and February. The unemployment rate stayed unchanged at 5.5 percent because the labor force fell by 96,000 as the labor force participation rate declined by 0.1 percentage points to 62.7 percent.

Turning to hours and earnings, average weekly hours of work declined. As a result, even though average hourly earnings rose at an annualized rate of 3.4 percent – the one bright spot – average weekly earnings declined.

Unemployment rates rose for some of the most vulnerable: teens (0.4 percent), those with less than a high school education (0.2 percent) and Hispanics (0.2) percent.

Data junkies here's your fix: the March U-6 (the broadest measure of unemployment) fell from 11.0 percent to 10.9 percent, driven by a decline in the long-term unemployed.

The bottom line: The March jobs report was awful. The headwinds of cold weather, higher dollar, and low oil prices are all good excuses for a bad month. But once again the economy has failed to shift to an anticipated higher gear – an ominous development.