



U6 Fix

Would You Like Jobs With Your February?

GORDON GRAY | MARCH 5, 2021

The February employment report was stronger than expected, with leisure and hospitality picking up a substantial share of the half million jobs lost in that sector in December. That industry remains about 3.5 million workers short of pre-COVID-19 employment, however. The February employment picture is better than was expected, but as has been the case, the biggest moving piece of this puzzle was an industry particularly exposed to the virus. That remains the key determinant in the U.S. job market.

Employers in February added 379,000 jobs, with private sector payrolls essentially flat, picking up 465,000 jobs. The service sector picked up 513,000 new workers, while goods-producing industries lost 41,000 workers and construction losing 61,000 jobs. The leisure and hospitality industry gained 355,000 jobs. Government payrolls shrank by 86,000 jobs, largely concentrated in state and local education. Since May, the labor market has recovered 56 percent of the 22 million net employment loss in March and April – leaving employment about 9.9 million below February levels.

The unemployment rate fell 0.1 percentage point to 6.2 percent. The labor force picked up 40,000 workers, leaving the labor force participation rate unchanged at 61.4 percent. Since February, about 4.3 million workers have left the workforce, reflected in a labor force participation rate that remains 1.7 percentage points below the average that prevailed for the year prior to February.

Education levels were positively correlated with job gains, a shift from last month. The unemployment rates for those without a high school diploma and high school graduates without any college rose by 1.0 and 0.1 percentage point, respectively. In contrast, workers with some college or an associate degree and those with a bachelor's degree or higher saw their rates drop by 0.3 and 0.2 percentage point, respectively. The unemployment rate decreased for most races, but it increased for African Americans by 0.7 percentage point. Unemployment decreased by 0.1 percentage point for both Whites and Hispanics, and it decreased the most for Asians, falling by 1.5 percentage points.

Average hourly earnings gained 7 cents, reflecting a 5.6 percent yearly gain. Average hourly earnings for production and non-supervisory workers similarly jumped by 4 cents for a 5.1 percent gain over the year.

Data junkies here's your fix: The February U-6 (the broadest measure of unemployment) stayed flat at 11.1 percent.