



FEBRUARY 2012

Monthly Employment Report

Released on March 9, 2012

SUMMARY

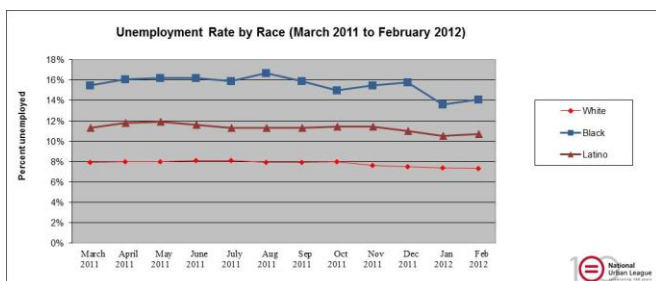
- **227,000 net total jobs added in February; private sector added 233,000 jobs**
- **Unemployment rate steady at 8.3% - down from 8.9% a year ago**
- **Black unemployment rate rose to 14.1% from 13.6%**

In February 2012, 227,000 net total jobs were added and the private sector added 233,000 jobs. Every major sector of the economy added jobs except construction (-13,000), retail trade (-7,400) and government (-6,000). The unemployment rate was unchanged at 8.3% and the participation rate rose slightly to 63.9% (from 63.7%).

Black unemployment rate rose to 14.1% (from 13.6%) and participation rate rose slightly to 61.7% (from 61.2%) – the increase in black unemployment seems to adjust an inexplicably large decline between December and January:

- Unemployment rate for adult black men rose to 14.3% (from 12.7%) and it fell slightly for adult black women at 12.4% (from 12.6%)
- Number of adult black men in the labor force was down 17,000 while number of adult black women in labor force was up 123,000
- Teen unemployment rose slightly to 23.8% (from 23.2%) and black teen rate was down to 34.7% (from 38.5%).

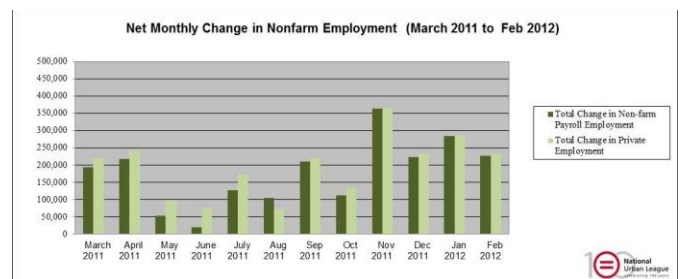
White unemployment rate was little changed at 7.3% (from 7.4%) and the Latino rate rose slightly to 10.7% (from 10.5%).



	Feb, 2011		Jan, 2012		Feb, 2012	
	Unemp	LFP	Unemp	LFP	Unemp	LFP
Black Men, 20+	16.2%	68.2%	12.7%	68.4%	14.3%	68.1%
White men, 20+	7.8%	73.9%	6.9%	73.8%	6.8%	73.9%
Black women, 20+	13.0%	63.1%	12.6%	62.0%	12.4%	62.8%
White women, 20+	7.1%	59.5%	6.8%	58.9%	6.8%	59.0%
Black teens, 16-19	38.4%	23.9%	21.1%	24.7%	34.7%	26.6%
White teens, 16-19	21.3%	36.1%	38.5%	36.5%	21.3%	36.1%

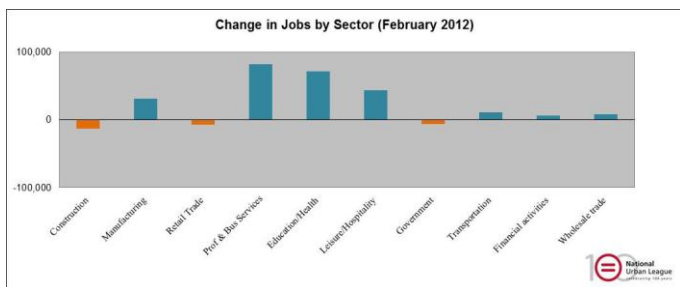
4th Consecutive Month of 200,000+ Job Growth

In February, net total job creation was +227,000 – in January, +284,000 net jobs were added (adjusted). The private sector added +233,000 jobs in February (compared to +285,000 jobs (adjusted) in Jan). This is the 4th consecutive month of over +200,000 jobs growth. Outside of construction, government and retail trade, all sectors had net job gains – construction lost -13,000 jobs after creating +21,000 jobs in Jan, which shows construction is still highly volatile. Government lost -6,000 jobs and this reflects a moderation of the rate of job losses in that sector. As with January, job growth was mostly in low to medium skilled jobs. Although this is a good result, about +320,000 net job gains are needed each month to get to full employment by 2016.



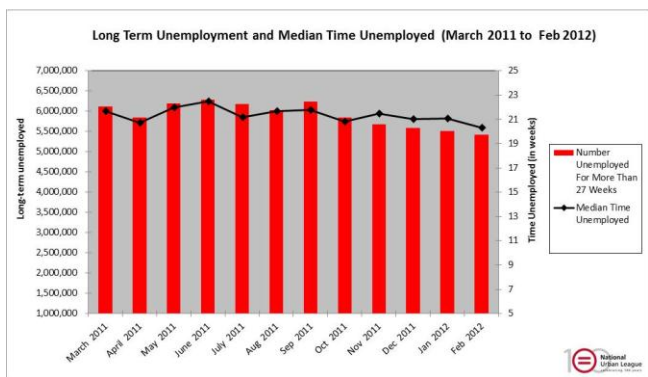
All Major Sectors Except Government, Construction and Retail Trade Had Net Increases

In February, construction (-13,000), retail trade (-7,400) and government (-6,000) had net job losses. Professional/business services had the most job gains (+82,000) followed by education/health (+71,000), leisure/hospitality (+44,000), manufacturing (+31,000), transportation (+10,600), wholesale trade (+8,400) and financial activities (+6,000).



Long-Term Unemployment Rate Remains High

In February, the total unemployed remained around 12.8 million. Long-term unemployment fell by -92,000 to 5.4 million as the rate also fell slightly to 42.6% (from 42.9%) -- when the recession started in Dec 2007, long-term unemployment was 17.5%. Since December 2009, long term unemployment has remained above 40% and highly volatile. The stubbornly high long-term unemployment rate was not seen in earlier recessions and indicates that there is a core group of unemployed who are unaffected by improvements. Given the ability to find a job decreases the longer the duration of unemployment, there are clear signs that a permanent underclass of unemployed is being created. For this group, the current pace of GDP growth has not generated employment opportunities, thus retraining and other services will be critical. The number of people working part-time for economic reasons fell by 111,000 to 8.1 million. If you count this group, marginally attached workers, and the officially unemployed, the under-employment rate for February was 14.9% -- this number has been gradually declining for 6 months..



Median Time Unemployed Still Over 5 Months

In February, the median time unemployed fell to 20.3 weeks (from 21.1 weeks). Further, 2.6 million workers were marginally attached to the labor force (not seasonally adjusted) – down -122,000 from a year ago. This population represents those who had looked for a

job sometime in the last 12 months, but not in the last month and therefore were not counted in the unemployment rate. Of these, 1 million were discouraged workers (people not looking for work because they believed no jobs were available for them) – down -14,000 from the previous year.

Real Hourly Wages Fall for the 12th Consecutive Month

In February, average hourly wages of nonsupervisory and production workers in the private nonfarm sector rose slightly to \$19.64 and average weekly earnings rose to \$663.83 (from \$660.86, adjusted). Average weekly hours were largely unchanged at 33.8 hours/week (from 33.7 hours/week in Jan). In the 12 months from February 2011 to February 2012, average hourly and weekly earnings both rose by 1.7% and 2.3%, respectively. The Consumer Price Index for Urban Wage Earners (CPI-W), a measure of inflation, increased by 2.9% from January 2011 to January 2011 (inflation is not yet available for the Feb 2011 – Feb 2012 period) -- because of this inflation rate, both real hourly and weekly earnings fell by -1.3% and -0.4%, respectively for that time period.



State Unemployment Situation for January 2012

In February, the annual state averages for 2011 were released – on March 13 the state unemployment rates for January will be released (Feb 2011 is not available yet). In 2011, the annual average unemployment rates declined in 48 states and rose in 2 states and the District of Columbia. The largest decrease in unemployment rate was in Michigan (-2.4 percentage points). Four other states had decreases above -1 percentage points: Ohio (-1.4 points), Utah (-1.3 points), Oregon (-1.2 points) and Indiana (-1.1 points). Nevada had the highest average unemployment rate (13.5%) followed by California (11.7%). The lowest was in North Dakota (3.5%).