

MRINetwork Analysis of Today's Bureau of Labor Statistics (BLS) Report

The full report can be seen here: <http://www.bls.gov/news.release/empsit.htm>.

In January, unemployment took an unexpected dip from 10 percent to 9.7 percent, falling further from late last year's highs, according to the U.S. Labor Department. Total U.S. employment fell by 20,000 to 153,170,000 positions, or virtually unchanged. Revisions that came out for 2009 showed the depths of the job market to have been even deeper, with nearly 1.4 million more job losses than previously reported. These numbers come from more complete and accurate data such as final unemployment numbers and tax information. With the revisions, the first three months of 2009 averaged job losses in excess of 750,000.

The unemployment rate for management, professional and related occupations rose from 4.6 to 5 percent. However, this seasonally unadjusted number has risen in nine of the last ten Januarys. Temporary help services had its third consecutive significant gain — 52,000 positions — though this is still a slightly slower rate than in the last two months, which may have been disproportionately bolstered by the holiday season.

Chart 1. Unemployment rate, seasonally adjusted, January 2008 – January 2010



Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, January 2008 – January 2010



Retail trade, a massive segment with 14.4 million positions in total, added 42,000 positions with the most notable gains in food and beverage (14,300), clothing and clothing accessories (13,300) and department stores (10,300). Auto parts manufacturers saw a strong boost of 22,700 to 651,500 positions in December, possibly a result of "Cash for Clunkers" related restocking rippling through to suppliers.

The number of long-term unemployed, those unemployed for over 27 weeks, reached 6.3 million in January, having increased by 5 million since December 2007. Such a large population of unemployed workers is worrisome because long-term unemployment can result in a dramatic decrease in future earning potential. In addition, as savings and unemployment benefits begin to run out for this group, a significant slice of the population is being forced to dramatically cut spending. As a percentage of total unemployment, the long-term unemployed now account for 39.8 percent, up from 21.1 percent a year ago. The average length of unemployment has been on the rise since the late 1960s when it averaged between seven and ten weeks. January's 30.2 weeks of average unemployment is the longest on record since records started being kept in 1948.