

# Research Note

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## U.S. Employment Situation February 2017

Frank Conte, Editor

### OVERVIEW

- Nonfarm payroll employment increased by 235,000. Over the last three months, the economy added on average 209,000 jobs per month.
- The unemployment rate rang in at 4.7 percent.
- The number of long-term unemployed was unchanged at 1.8 million in February.
- Over the year, average hourly earnings rose by 2.8 percent.
- Over the year, the number of long-termed unemployed declined by 358,000.
- The Labor Force Participation Rate did not move remaining at 63.0 percent with the Employment-Population Ratio at 60.0 percent.
- The number of persons working part-time who want more hours was unchanged at 5.7 million.
- The number of persons marginally attached to the labor force was the same as the previous month: 1.7 million.
- Construction employment increased by 58,000. Over the past six months, construction has added 177,000 jobs.
- December's initial report was revised downward from 157,000 to 155,000 while the January report was revised upward from 227,000 to 238,000.

### ANALYSIS

The payroll employment beat [Wall Street consensus](#) of 205,000 jobs. Manufacturing added 28,000 jobs in February while Construction increased by 58,000. Health Care employment rose by 27,000 jobs and in a sign of mild resilience, the mining (energy) sector increased by 8,000 jobs. Professional and Business services rose by 37,000 jobs. Over the past year, this sector has nearly 600,000 jobs. Month over month there was no increase in the government sector. Employment in the Retail Trade sector declined by 26,000 jobs with 19,000 of those jobs in the general merchandise store sub-sector. The average work week for all employees in the private sector was unchanged at 34.4 hours. Despite analyses underscoring full employment in the U.S. economy, the LFP rate remained near historic lows. The Trump administration has inherited an economy with a low unemployment rate diminished by a low LFP rate. [The LFP rate of 63.0](#) has changed little since February 2016. For workers with less than a high school diploma, the LFP rate over the last 10 years fell from 48.0 to 46.1 percent; for high school grads without any college education, the rate fell from 62.9 to 57.9; for those with some college experience. 71.3 to 65.8 and for bachelor's degree and higher from 78.7 to 73.5. [In the past 10 years, nearly 6 million workers](#) with less than college-experience dropped out of the labor force.

President	Year	February Unemployment Rate	LFP Rate
Carter	1977	7.6	61.9
Reagan I	1981	7.4	63.9
Reagan II	1985	7.2	64.7
GHW Bush	1989	5.2	66.3
Clinton I	1993	7.1	66.2
Clinton II	1997	5.2	66.9
Bush	2001	4.2	67.1
Bush II	2005	5.4	65.9
Obama I	2009	8.3	65.8
Obama II	2013	7.7	63.4
Trump	2017	4.7	63.0