

# Research Note

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## U.S. Employment Situation: 4.5% Nonfarm payrolls expand by 98,000

### OVERVIEW

- The unemployment rate declined to 4.5 percent in March while payrolls expanded by 98,000, [according to the Bureau of Labor Statistics](#).
- The Labor Force Participation (LFP) rate remained at 63.0 percent.
- The number of persons working part-time for economic reasons was little changed at 5.6 million.
- The number of those individuals “marginally attached to the labor force,” also remained unchanged.
- Retail jobs lost 30,000 positions in March. General merchandise stores declined by 35,000.
- Following gains of 219,000 in February and 216,000 in January, March employment only edged up by 98,000.
- Mining added 11,000 bouncing back from an October 2016 low.
- Professional and Business Services led the gains by adding 56,000 jobs. BLS reports the growth in this sector has kept pace with the average monthly gain over the past 12 months.
- The previous two months’ figures were revised downward. January’s report was revised downward from 238,000 to 216,000 and February’s report was revised downward from 235,000 to 219,000 jobs.

### ANALYSIS

The unexpectedly weak jobs report— along with the downward revisions to January and February numbers — suggest there may be something more at work than last month’s weather. [Wall Street expected a gain of 175,000 jobs](#). Moreover, today’s report stands in stark contrast with [the ADP report released this week estimated the addition of 263,000 jobs in March](#). Professional and Business Services continued to notch gains on the strength of “services to buildings and dwellings (+17,000) and architectural and engineering services (+7,000). The Health Care sector continues to post jobs gains with 20,000 per month for 2017. Construction employment changed little, however today’s report noted that jobs have “been trending up since late last summer, largely among specialty trade contractors and in residential building.” The average workweek was unchanged at 34.3 hours. Average hourly earnings for all private sector employees increased by 5 cents to \$26.14, following a 7-cent increase in February. Over the past year, these earnings have increased by 2.7 percent. The retail sector continues to struggle, with major firms announcing job cuts and store closings. Approximately 15.8 million workers have jobs in the retail sector, overall. Of that number, 3.1 million are in general merchandise stores representing 19.6 percent of the retail workforce. The slowly growing but influential and tech-driven “non-store” retail sector comprises 3.5 percent of the retail workforce. In March 2016 nonstore retailers employed 521,800 workers compared to 555,700 workers today, a gain of 33,900 workers.

