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# WHAT'S UP WITH THE LABOR MARKET?

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*CEDBR – Kansas Economic Outlook  
Pittsburg, KS  
October 21, 2015*



# Agenda

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- About BLS
  - ▶ Key product: *The Employment Situation*
- National and regional labor market conditions
- What you can do to help

# What *is* the BLS?

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- Part of U.S. Department of Labor and an independent statistical agency
- Principal Federal agency responsible for measuring
  - Labor market activity
  - Working conditions
  - Price changes in the economy
- Mission: **Collect, analyze, and disseminate** essential economic **information** to support public and private decision-making
- Serve diverse user communities by providing **products** and **services** that are accurate, objective, relevant, timely and accessible

# BLS values in action

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- Is the glass half full or half empty?
  - ▶ It is an 8 oz. glass with 4 oz. of liquid
- Equal access to data for all users

# The Employment Situation



## NEWS RELEASE



Transmission of material in this release is embargoed until  
8:30 a.m. (EDT) Friday, October 3, 2014

USDL-14-1796

### Technical information:

Household data: (202) 691-6378 • cpsinfo@bls.gov • www.bls.gov/cps

Establishment data: (202) 691-6555 • cesinfo@bls.gov • www.bls.gov/ces

Media contact: (202) 691-5902 • PressOffice@bls.gov

### THE EMPLOYMENT SITUATION — SEPTEMBER 2014

Total **nonfarm payroll employment** increased by 248,000 in September, and the **unemployment rate** declined to 5.9 percent, the U.S. Bureau of Labor Statistics reported today. Employment increased in professional and business services, retail trade, and health care.

Chart 1. Unemployment rate, seasonally adjusted, September 2012 – September 2014

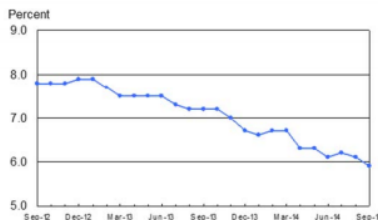


Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, September 2012 – September 2014



### Household Survey Data

In September, the **unemployment rate** declined by 0.2 percentage point to 5.9 percent. The number of **unemployed persons** decreased by 329,000 to 9.3 million. Over the year, the unemployment rate and the number of unemployed persons were down by 1.3 percentage points and 1.9 million, respectively. (See table A-1.)

Among the **major worker groups**, unemployment rates declined in September for adult men (5.3 percent), whites (5.1 percent), and Hispanics (6.9 percent). The rates for adult women (5.5 percent), teenagers (20.0 percent), and blacks (11.0 percent) showed little change over the month. The jobless rate for Asians was 4.3 percent (not seasonally adjusted), little changed from a year earlier. (See tables A-1, A-2, and A-3.)

- Brief text, two charts, plus many tables and technical notes
- Commissioner's statement issued also
- Released at 8:30 a.m., usually on first Friday of month
  - Schedule depends on reference week of surveys
  - Schedule posted a year in advance



# What's inside?

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- Two independent perspectives
  - ▶ Current Population Survey (household data)
  - ▶ Current Employment Statistics (establishment data)
- Why two?
  - ▶ More complete picture—employers and employees
  - ▶ Compensating advantages

# *The Employment Situation's* **two headline indicators**

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## ■ **Unemployment rate**

- ▶ From household survey
- ▶ Share of people in labor force that are unemployed (by official definition)
- ▶ Detail by demographics, occupation, duration of unemployment, etc.

## ■ **Payroll growth**

- ▶ From establishment survey
- ▶ Change in jobs during period, not people
- ▶ Detail by industry

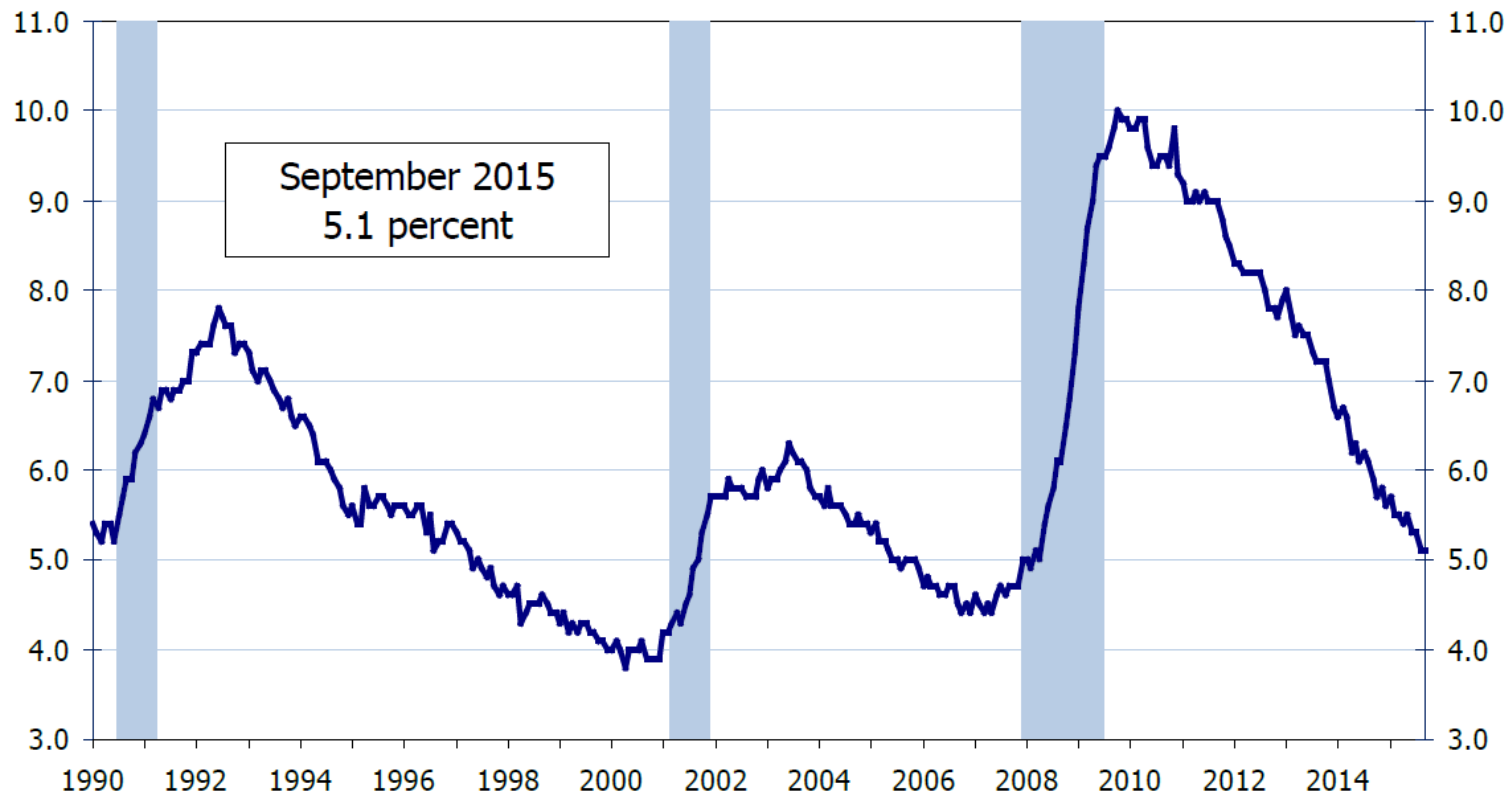
# NATIONAL CONDITIONS: HOUSEHOLD VIEW



# Unemployment rate was 5.1 percent in September

Seasonally adjusted

Percent

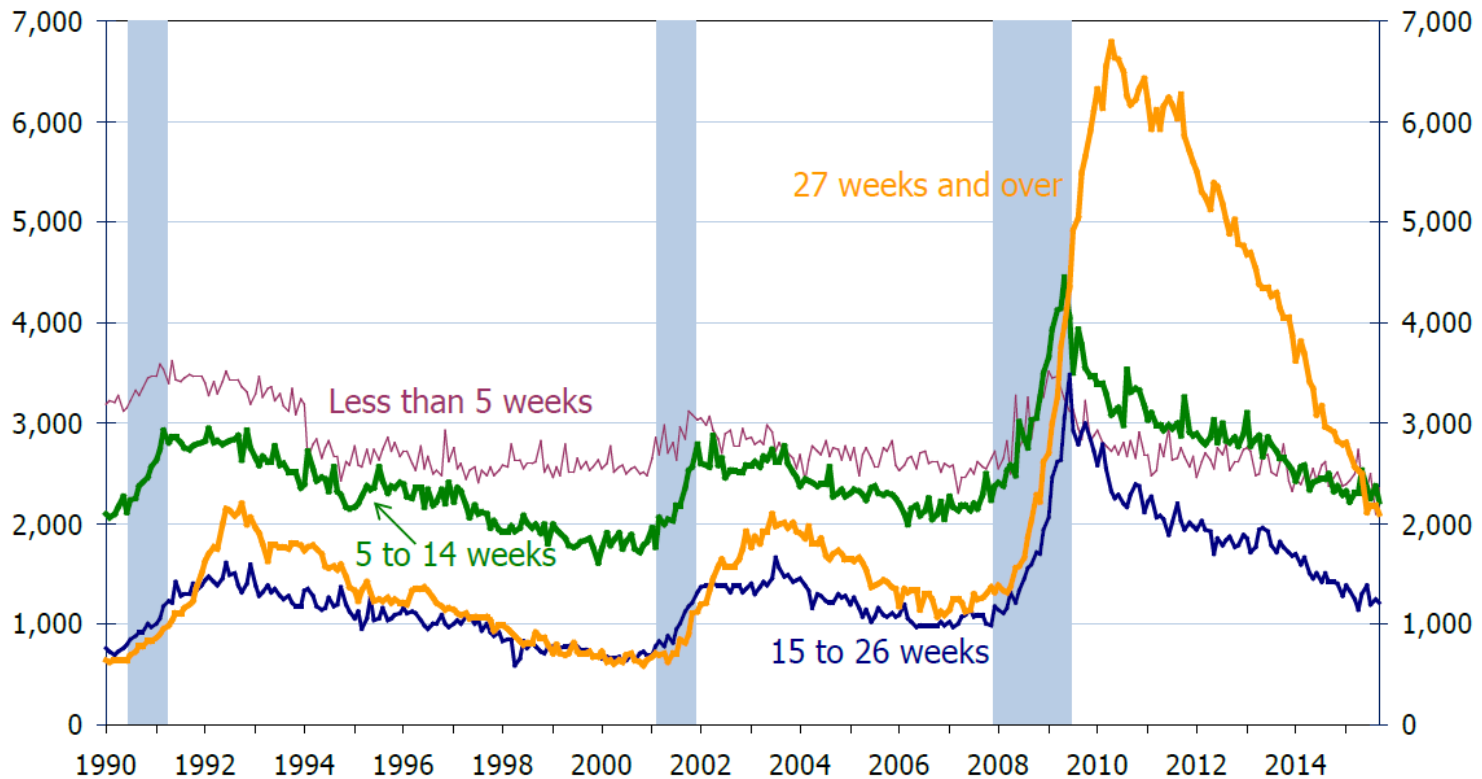


Note: Shaded areas represent recessions as determined by the National Bureau of Economic Research (NBER). Data online at <http://data.bls.gov/timeseries/LNS14000000>.

Source: Bureau of Labor Statistics, Current Population Survey, October 2, 2015.

# Long-term unemployment declining, but still historically high

Seasonally adjusted  
Numbers in thousands



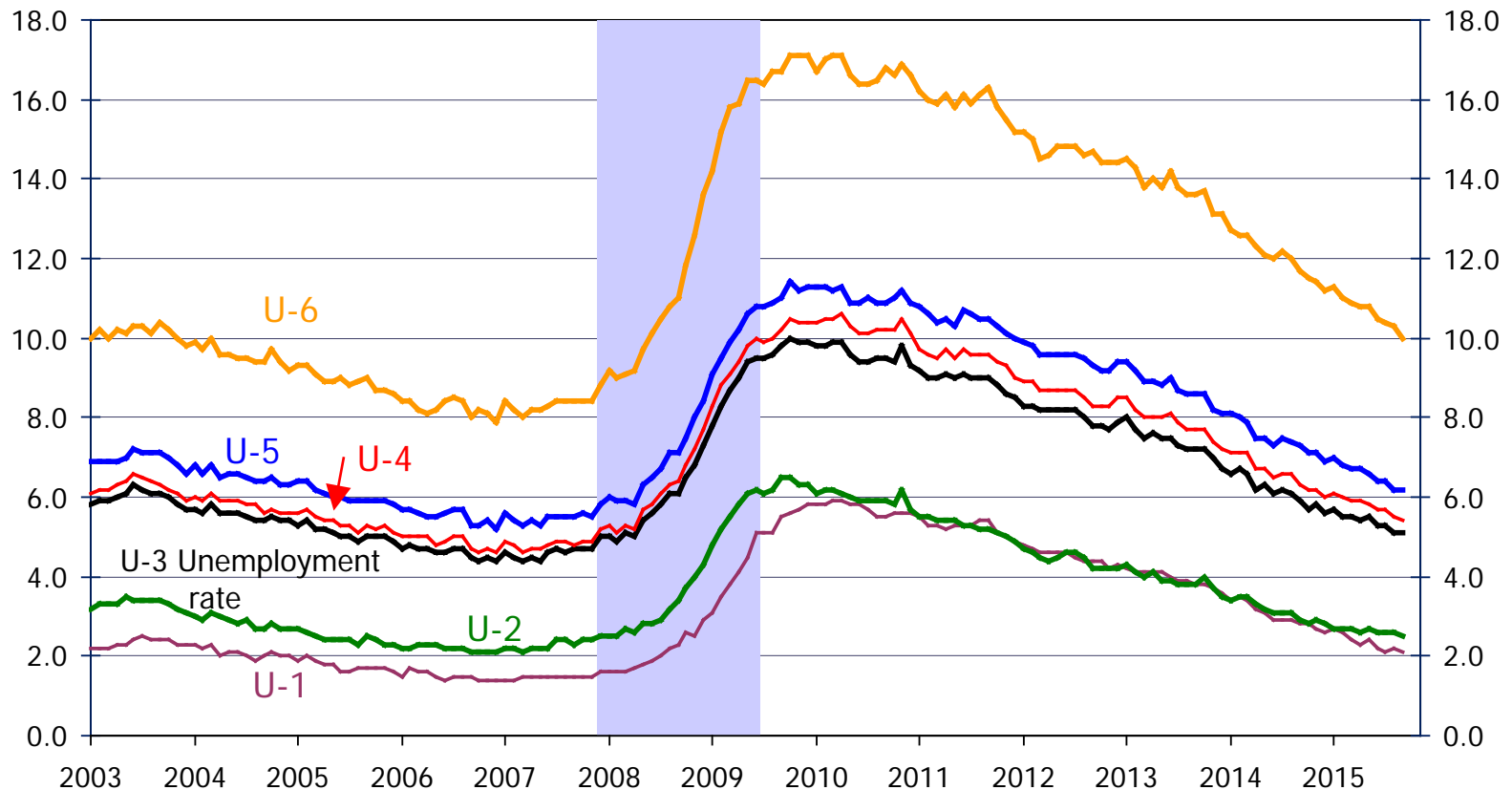
Note: Shaded areas represent recessions as determined by the National Bureau of Economic Research (NBER). Data online at [http://data.bls.gov/timeseries/LNS13008396&series\\_id=LNS13008756&series\\_id=LNS13008876&series\\_id=LNS13008636](http://data.bls.gov/timeseries/LNS13008396&series_id=LNS13008756&series_id=LNS13008876&series_id=LNS13008636).

Source: Bureau of Labor Statistics, Current Population Survey, October 2, 2015.

# Alternative labor underutilization measures tell similar story about the recession and recovery

U-6: Adds marginally attached workers and persons employed part-time for economic reasons, as a percent of labor force plus marginally attached workers.

Percent of the labor force



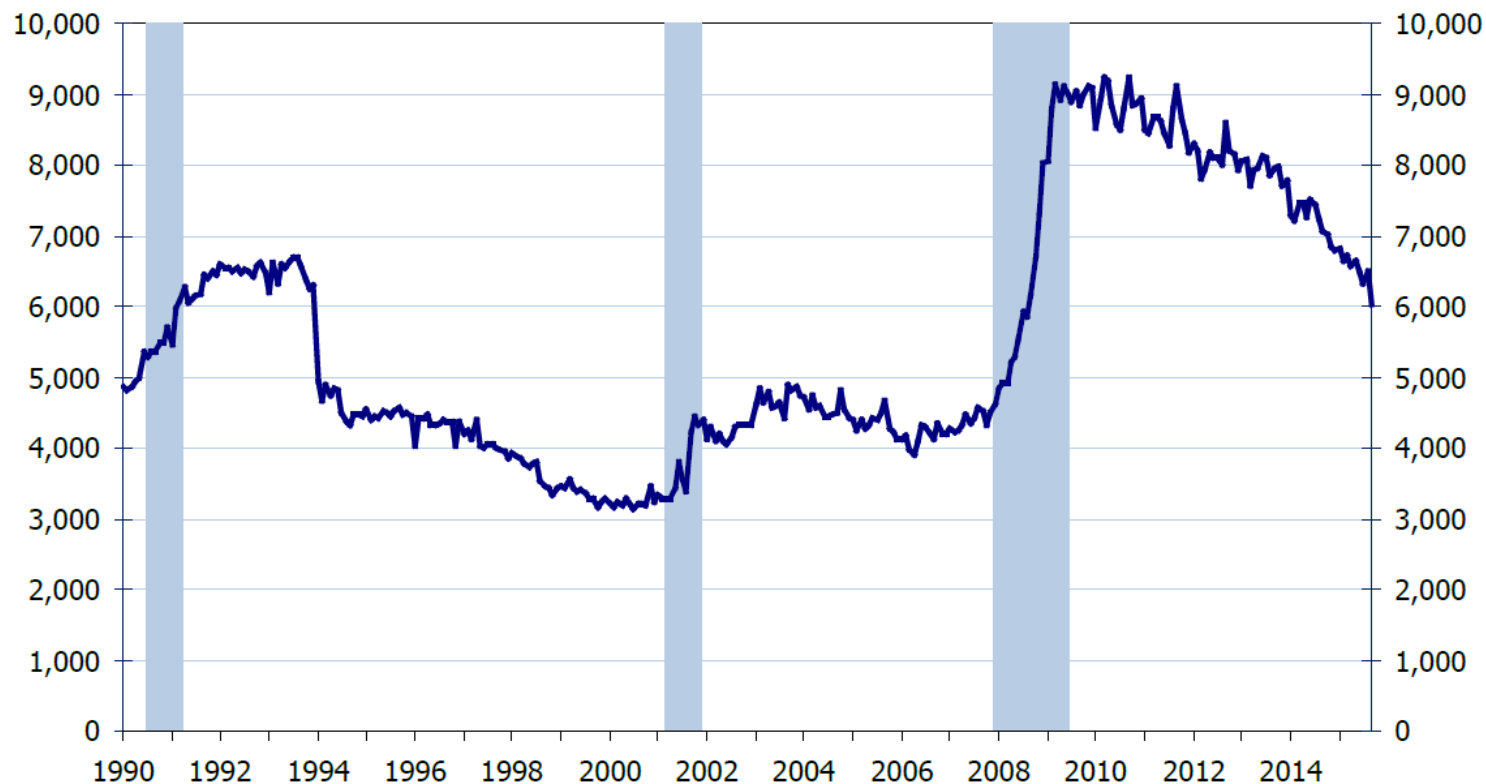
Note: Shaded areas represent recessions as determined by the National Bureau of Economic Research (NBER). Data online at [http://data.bls.gov/timeseries/LNS13025670&series\\_id=LNS14023621&series\\_id=LNS14000000&series\\_id=LNS13327707](http://data.bls.gov/timeseries/LNS13025670&series_id=LNS14023621&series_id=LNS14000000&series_id=LNS13327707) and at [http://data.bls.gov/timeseries/LNS13327708&series\\_id=LNS13327709](http://data.bls.gov/timeseries/LNS13327708&series_id=LNS13327709).

Source: Bureau of Labor Statistics, Current Population Survey, October 2, 2015.



# Involuntary part time work declining, but still high

Numbers in thousands

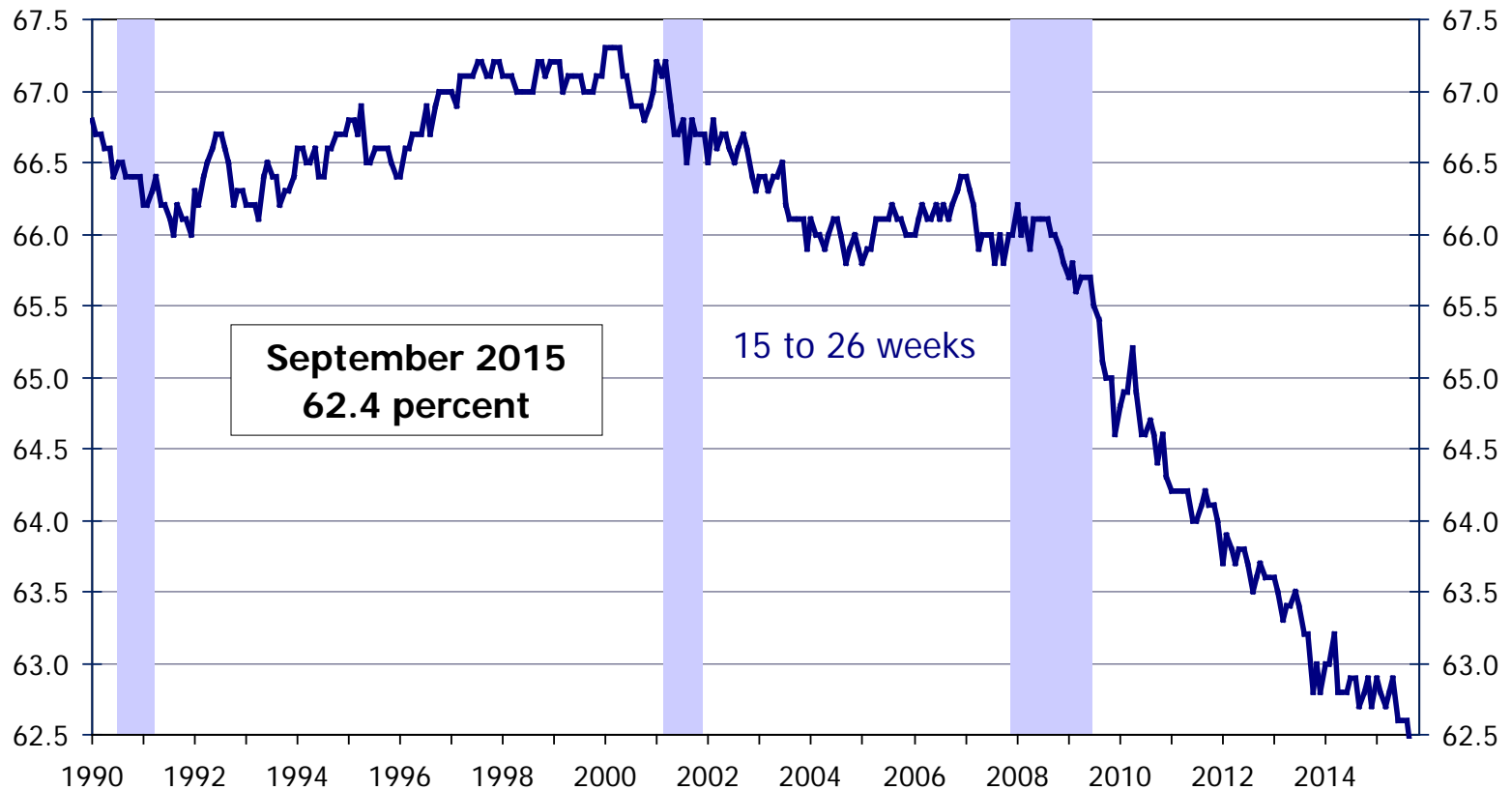


Note: Shaded areas represent recessions as determined by the National Bureau of Economic Research (NBER). Beginning in 1994, data reflect the introduction of a major redesign of the Current Population Survey. Data online at <http://data.bls.gov/timeseries/LNS12032194>.

Source: Bureau of Labor Statistics, Current Population Survey, October 2, 2015.

# Labor force participation down sharply since end of Great Recession

Percent of the adult population working or looking for work



Civilian labor force participation rate, seasonally adjusted, 1990–2014

Note: Shaded areas represent recessions as determined by the National Bureau of Economic Research (NBER). Data online at <http://data.bls.gov/timeseries/LNS11300000>.

Source: Bureau of Labor Statistics, Current Population Survey, October 2, 2015.

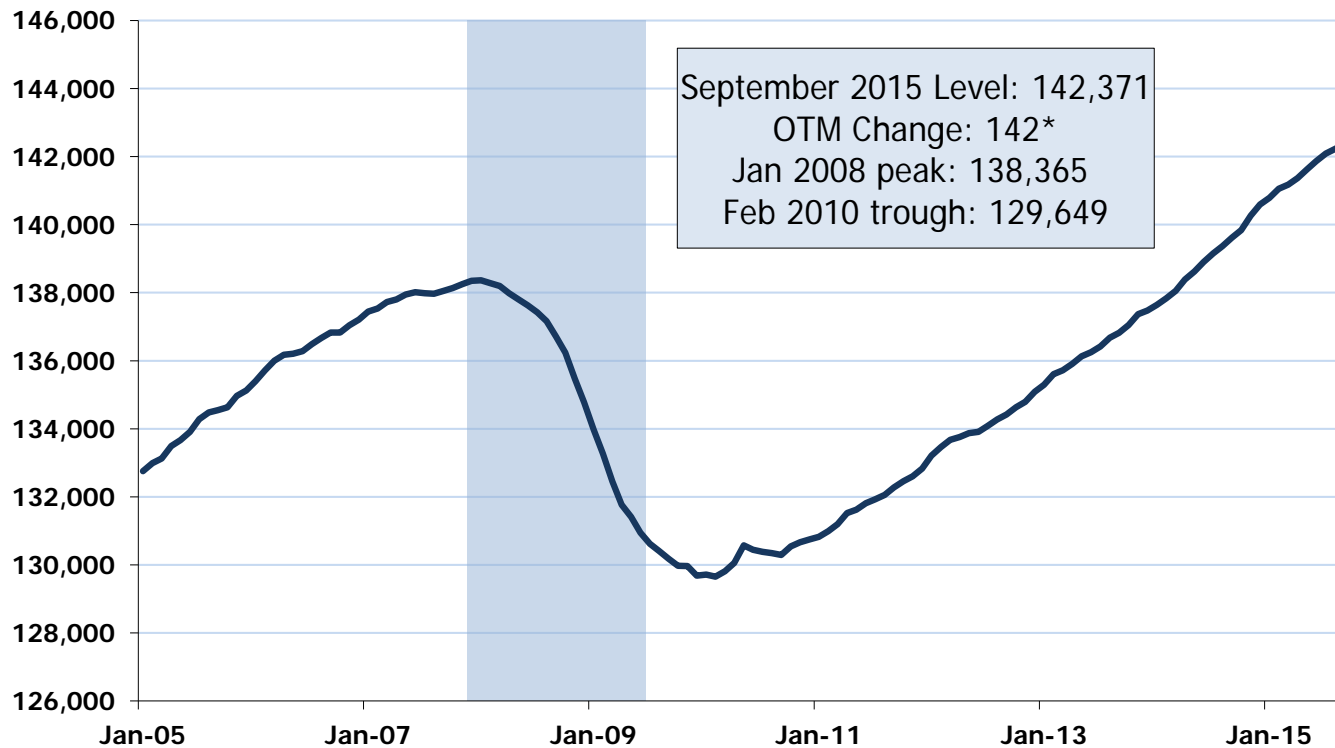


# **NATIONAL CONDITIONS: ESTABLISHMENT VIEW**

# Nonfarm payroll employment rose by 142,000 in September

## Employment in total nonfarm January 2005–September 2015

Seasonally adjusted, in thousands



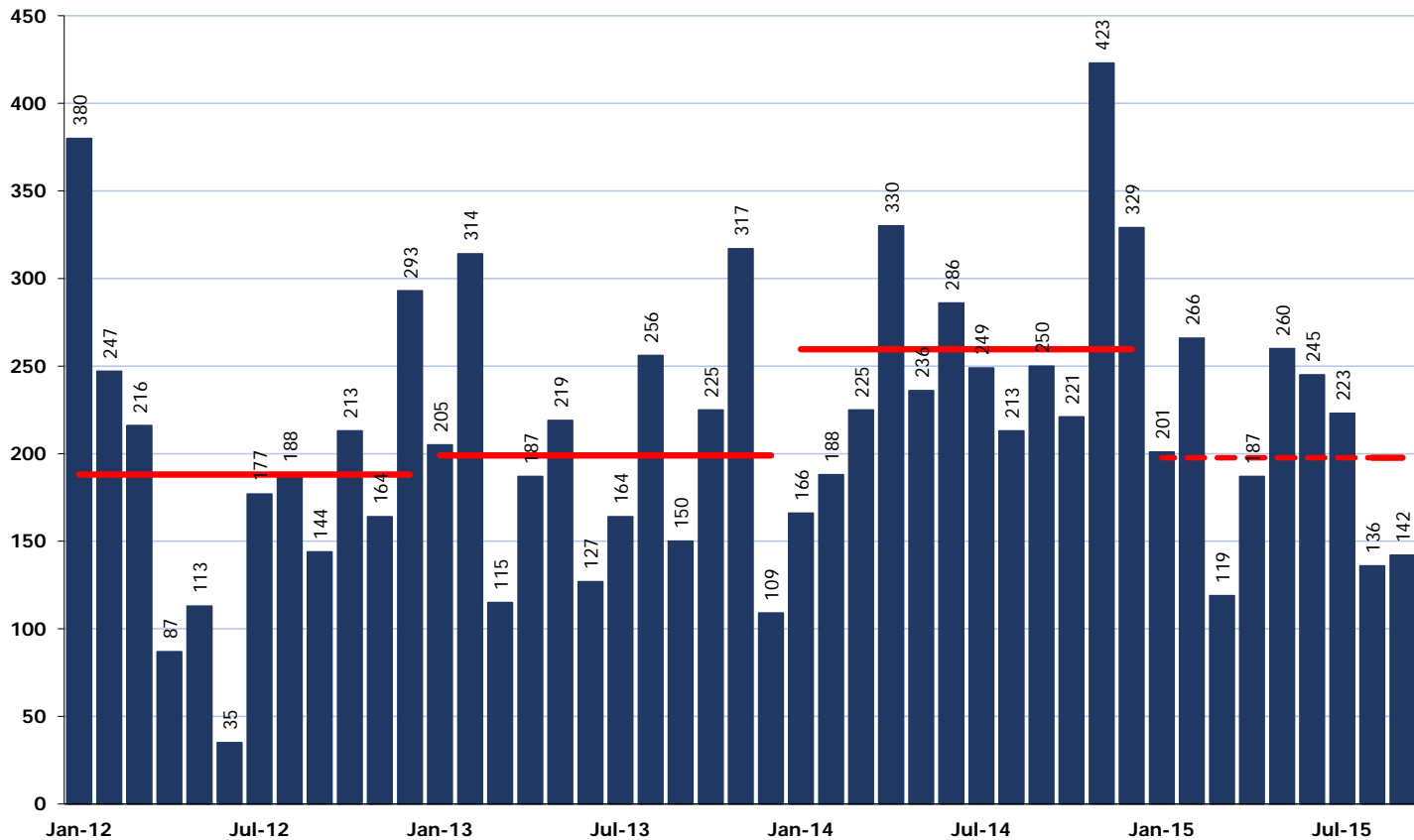
Bureau of Labor Statistics, Current Employment Statistics survey, October 02, 2015.  
Shaded area represents recession as denoted by the National Bureau of Economic Research.  
Most recent 2 months of data are preliminary.  
\* denotes significance.

# Job growth has averaged about 200,000 per month in 2015

## Employment in total nonfarm

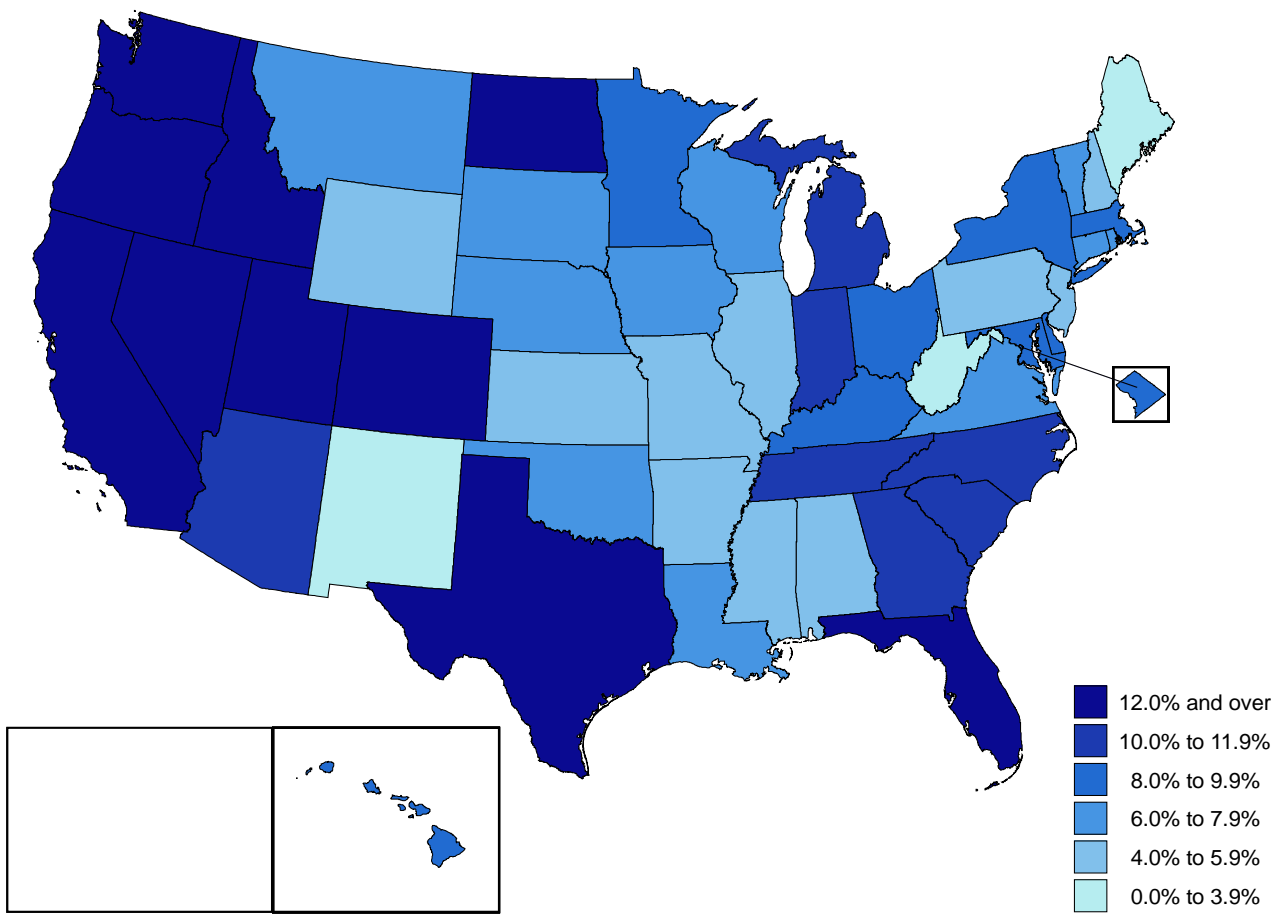
Over-the-month change, January 2012 - September 2015

Seasonally adjusted, in thousands



Bureau of Labor Statistics, Current Employment Statistics survey, October 02, 2015.  
Most recent 2 months of data are preliminary.

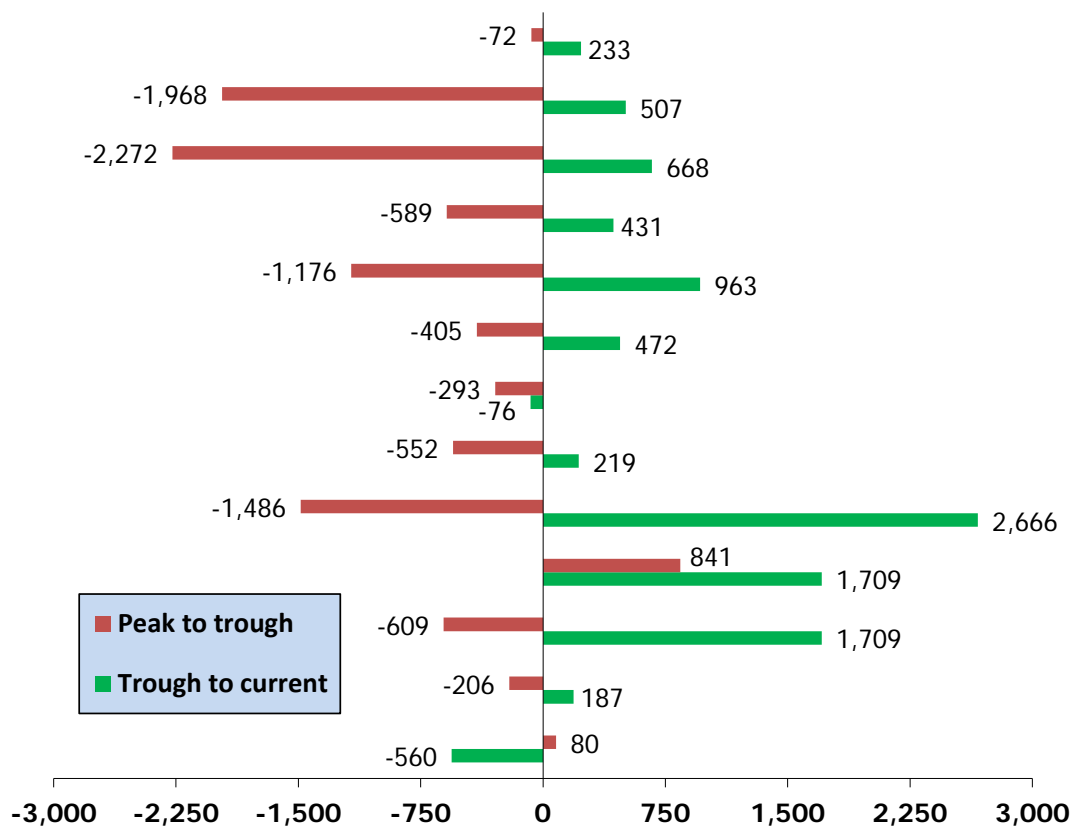




# Recovery led by private-service industries

Total nonfarm peak to trough and trough to current†  
Seasonally adjusted, in thousands

Total nonfarm  
peak to trough: -8,710  
trough to current: 9,125



- Mining and logging
- Construction
- Manufacturing
- Wholesale trade
- Retail trade
- Transportation and warehousing
- Information
- Financial activities
- Professional and business services
- Education and health services
- Leisure and hospitality
- Other services
- Government

† The total nonfarm employment peak was in January 2008; The total nonfarm employment trough was in February 2010.

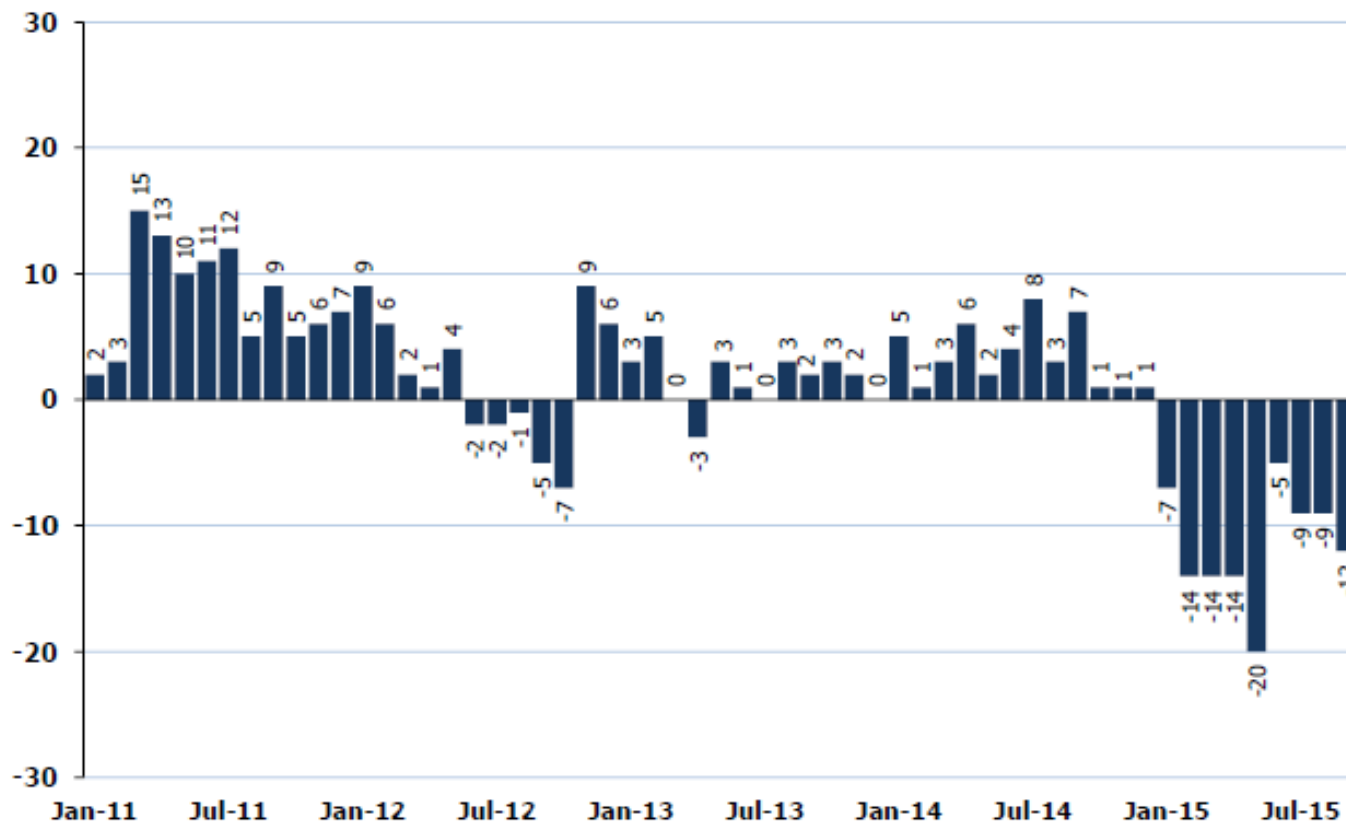
Source: Bureau of Labor Statistics, Current Employment Statistics Survey, July 3, 2014.

Note: Most recent 2 months of data are preliminary.

# Mining and logging lost jobs every month in 2015

Over-the-month change, January 2011–September 2015

Seasonally adjusted, in thousands

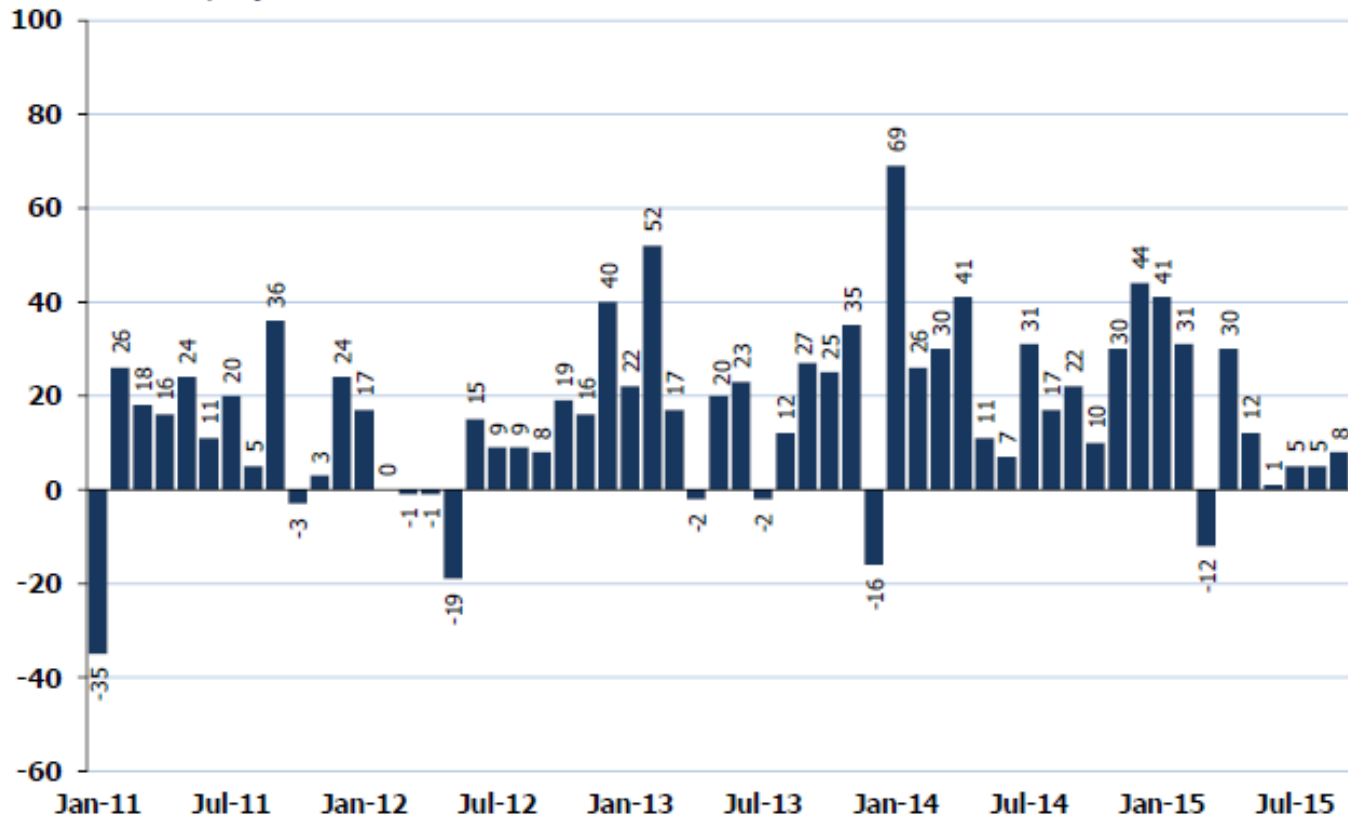


Bureau of Labor Statistics, Current Employment Statistics survey, October 02, 2015.  
Most recent 2 months of data are preliminary.

# Construction growth has slowed in 2015

Over-the-month change, January 2011–September 2015

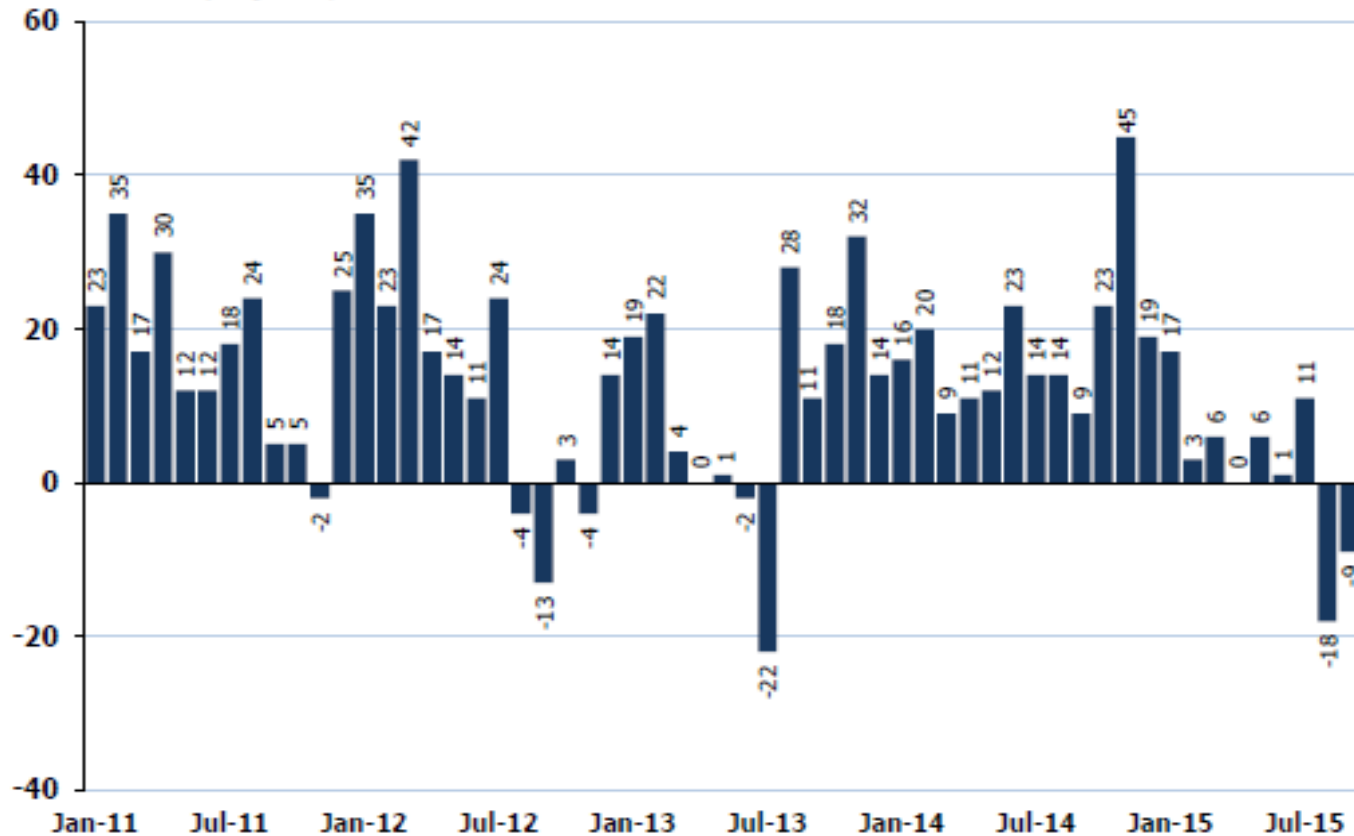
Seasonally adjusted, in thousands



Bureau of Labor Statistics, Current Employment Statistics survey, October 02, 2015.  
Most recent 2 months of data are preliminary.

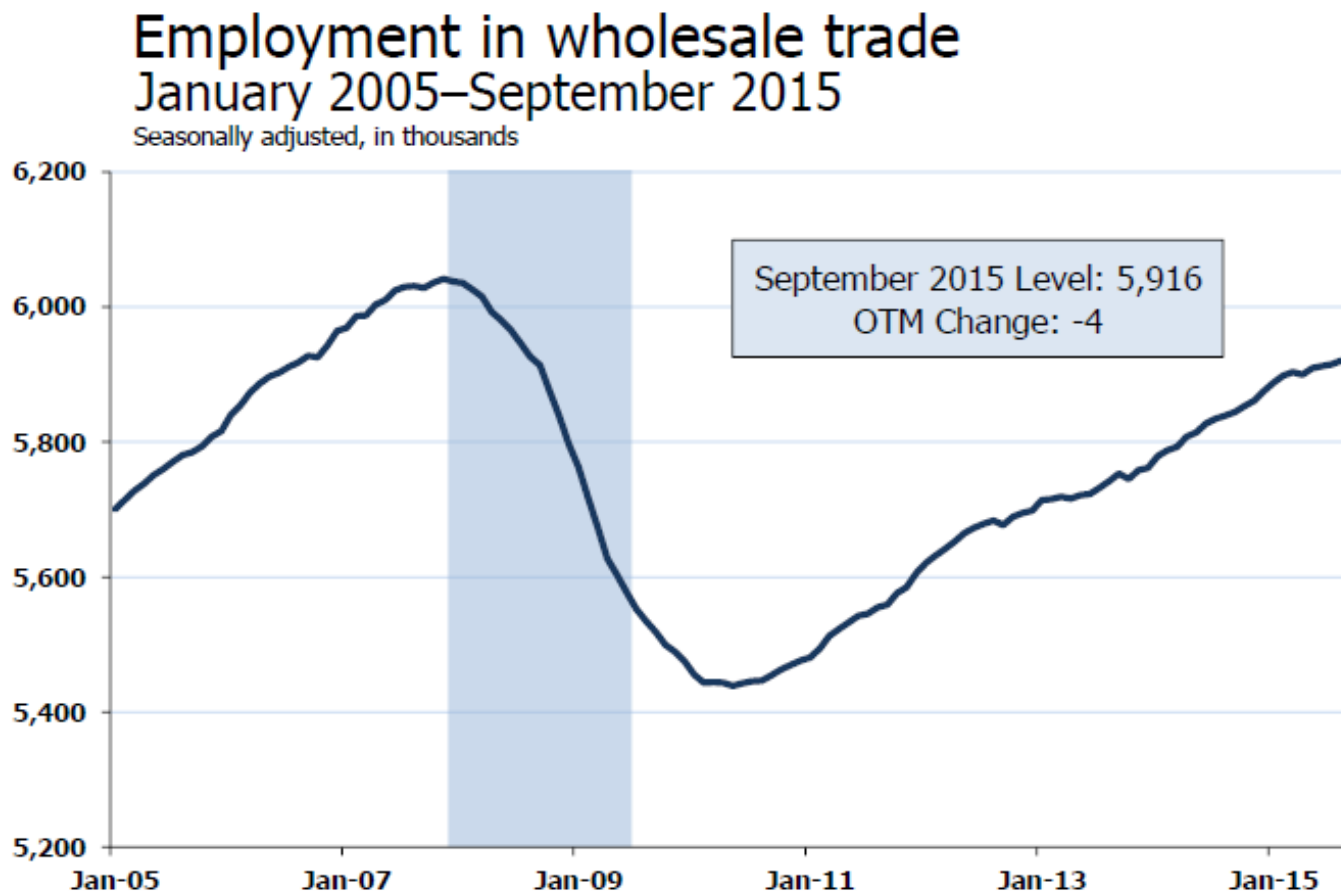
# Manufacturing lost jobs for the first time since 2013

Over-the-month change, January 2011–September 2015  
Seasonally adjusted, in thousands



Bureau of Labor Statistics, Current Employment Statistics survey, October 02, 2015.  
Most recent 2 months of data are preliminary.

# Wholesale trade has not yet regained lost jobs

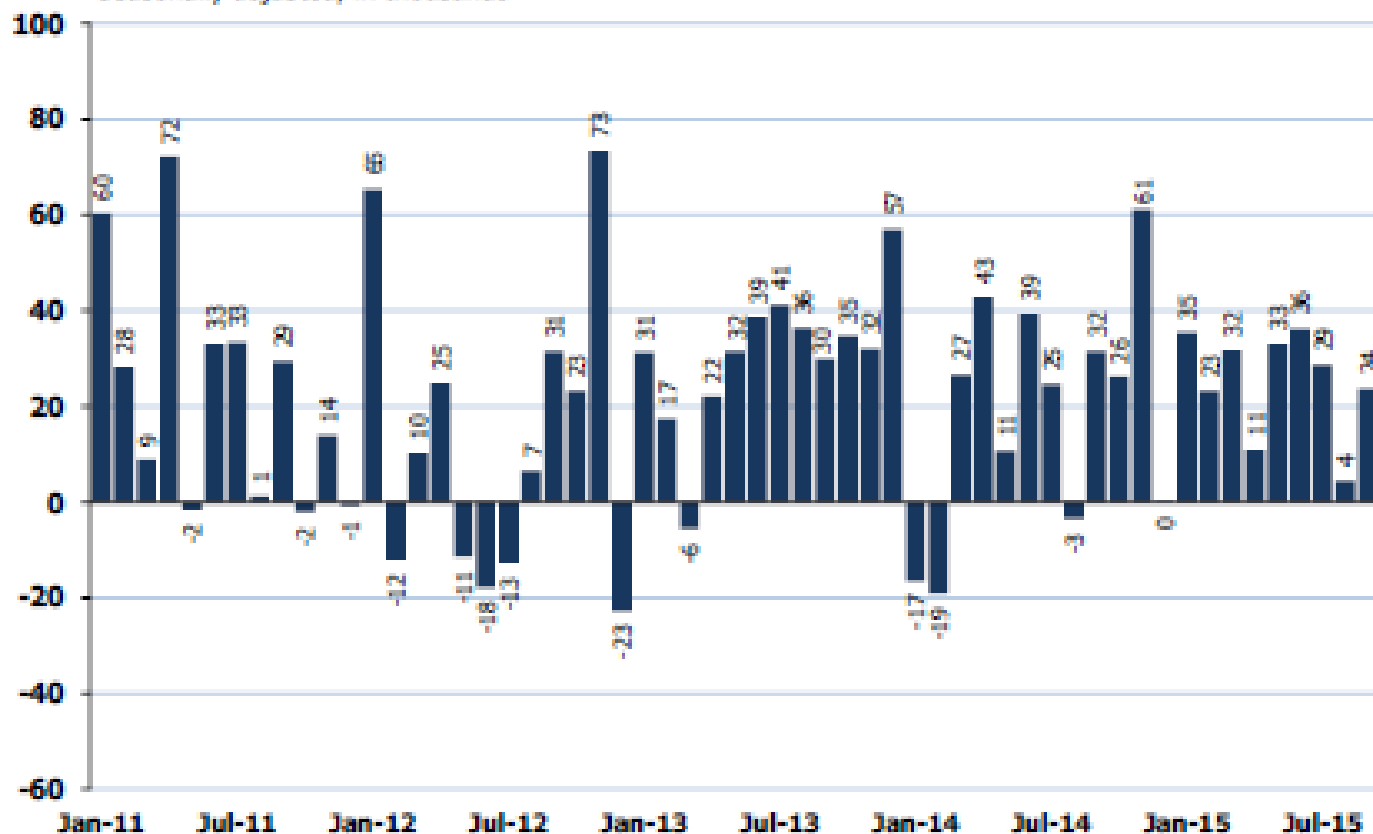


Bureau of Labor Statistics, Current Employment Statistics survey, October 02, 2015.  
Shaded area represents recession as denoted by the National Bureau of Economic Research.  
Most recent 2 months of data are preliminary.

# Employment in retail trade continued to trend upward

Over-the-month change, January 2011–September 2015

Seasonally adjusted, in thousands

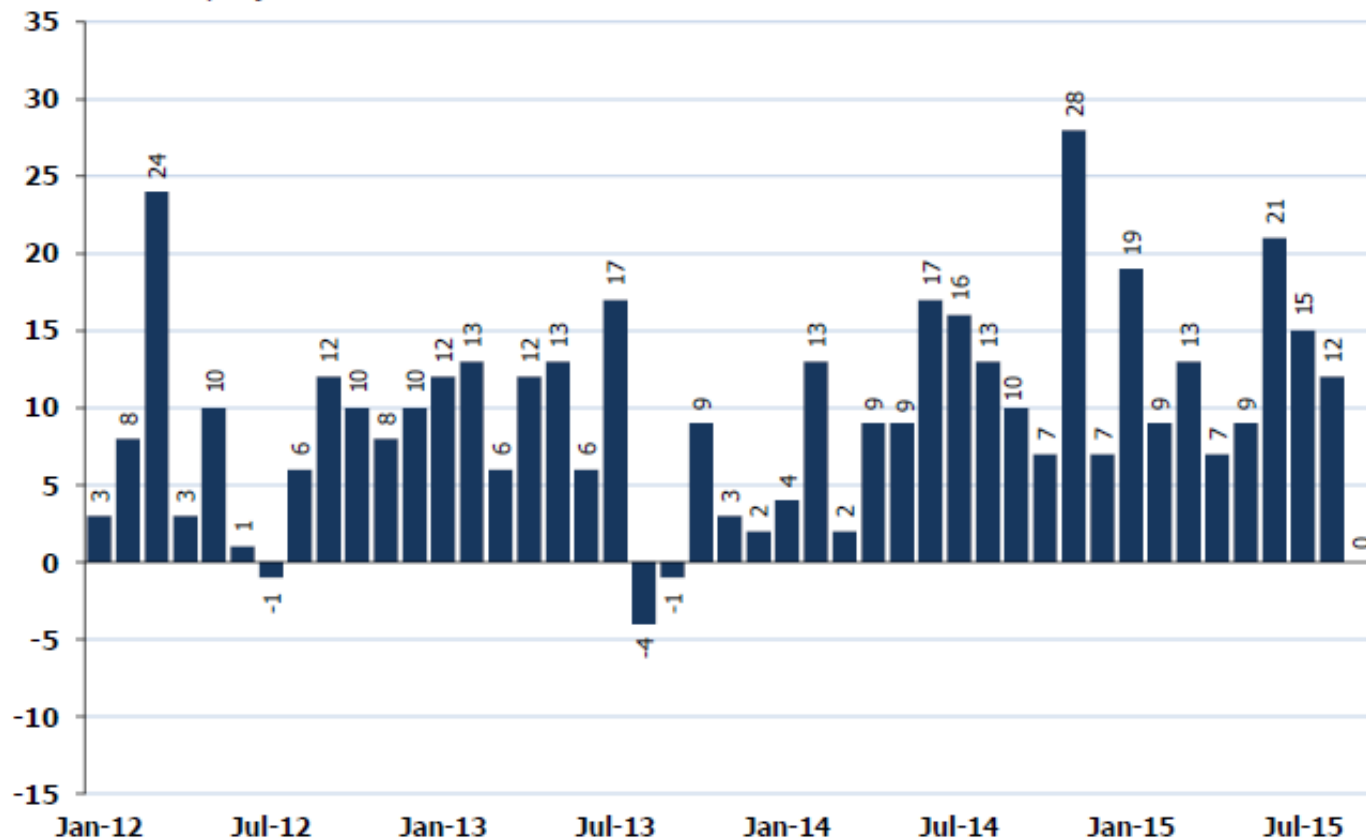


Bureau of Labor Statistics, Current Employment Statistics survey, October 02, 2015.  
Most recent 2 months of data are preliminary.

# Financial activities averaged monthly growth of 13,000 over the year

Over-the-month change, January 2012–September 2015

Seasonally adjusted, in thousands



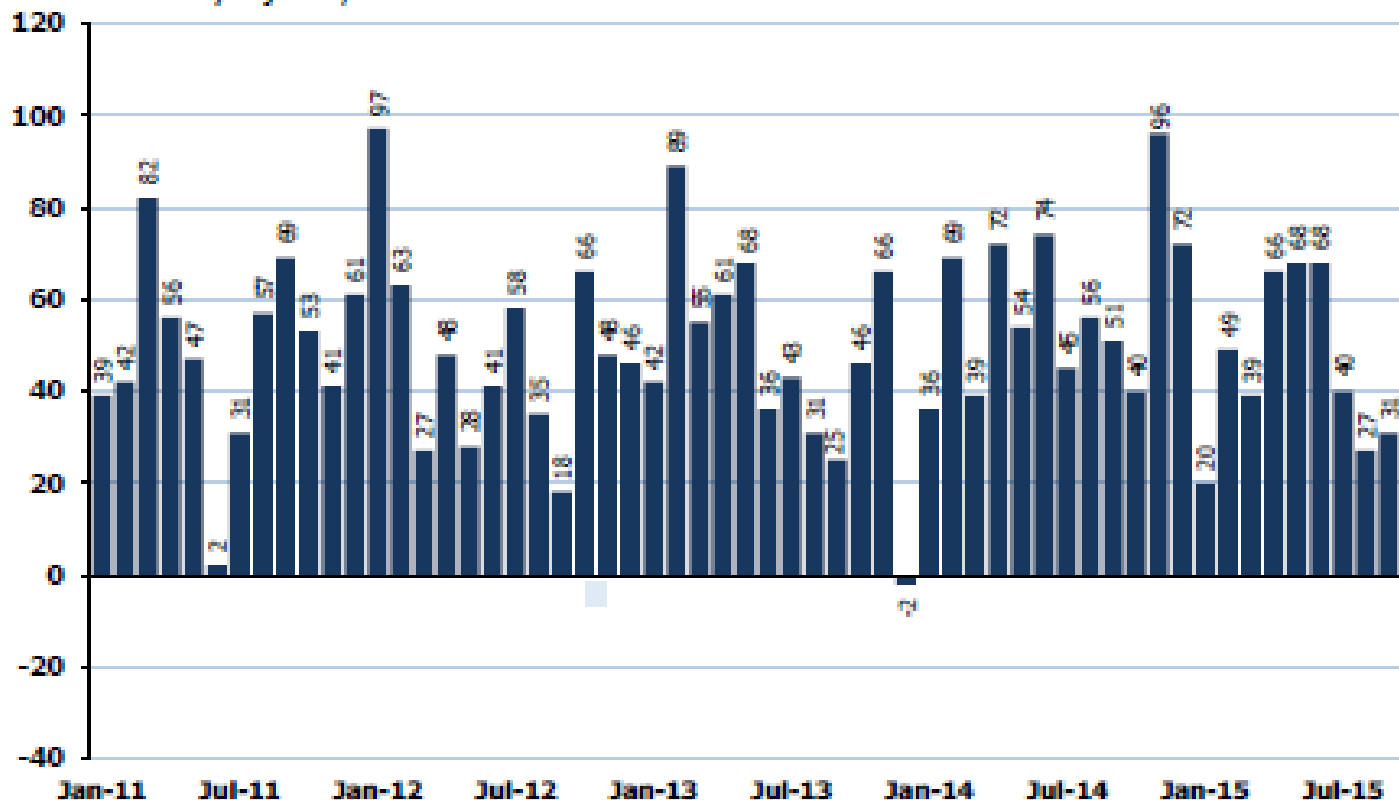
Bureau of Labor Statistics, Current Employment Statistics survey, October 02, 2015.  
Most recent 2 months of data are preliminary.



# Professional and business services growth strong

Over-the-month change, January 2011–September 2015

Seasonally adjusted, in thousands



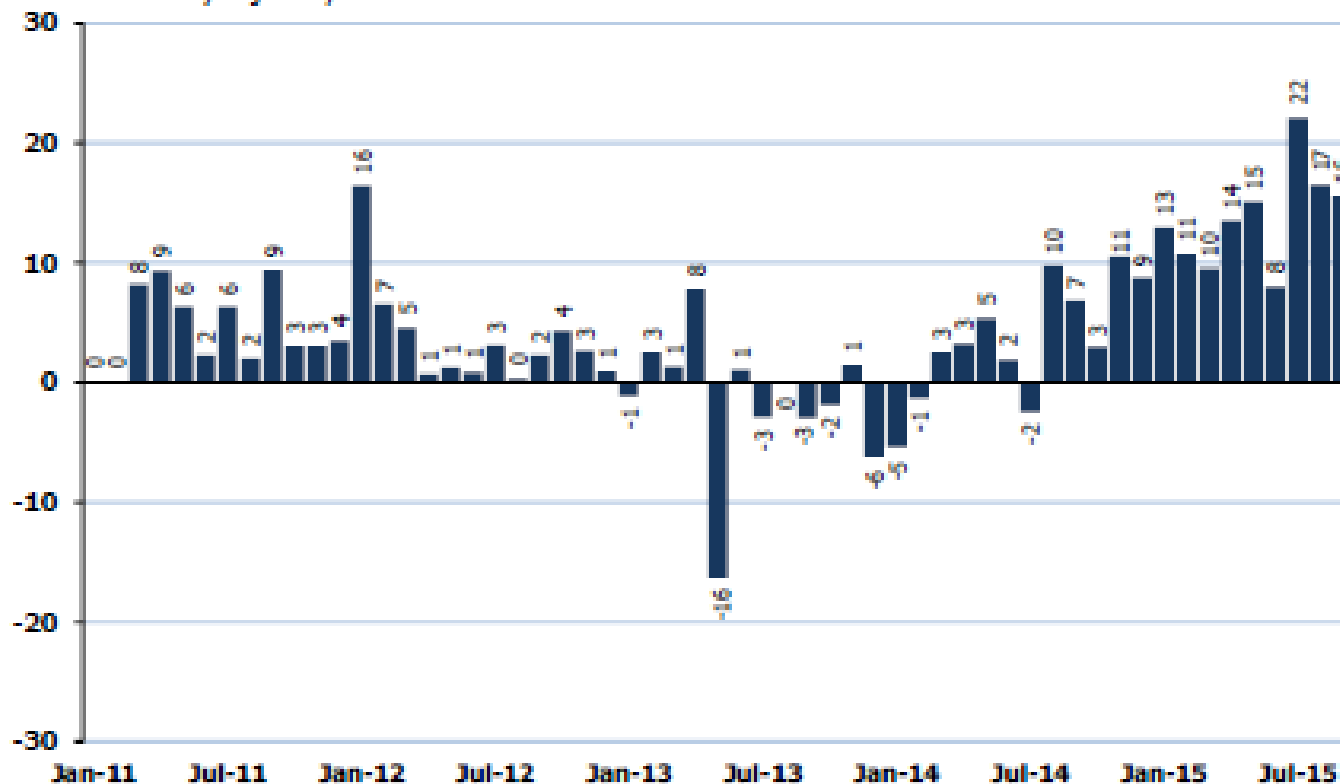
Bureau of Labor Statistics, Current Employment Statistics survey, October 02, 2015.  
Most recent 2 months of data are preliminary.

# Hospitals lead health care employment growth

## Employment in hospitals

Over-the-month change, January 2011–September 2015

Seasonally adjusted, in thousands

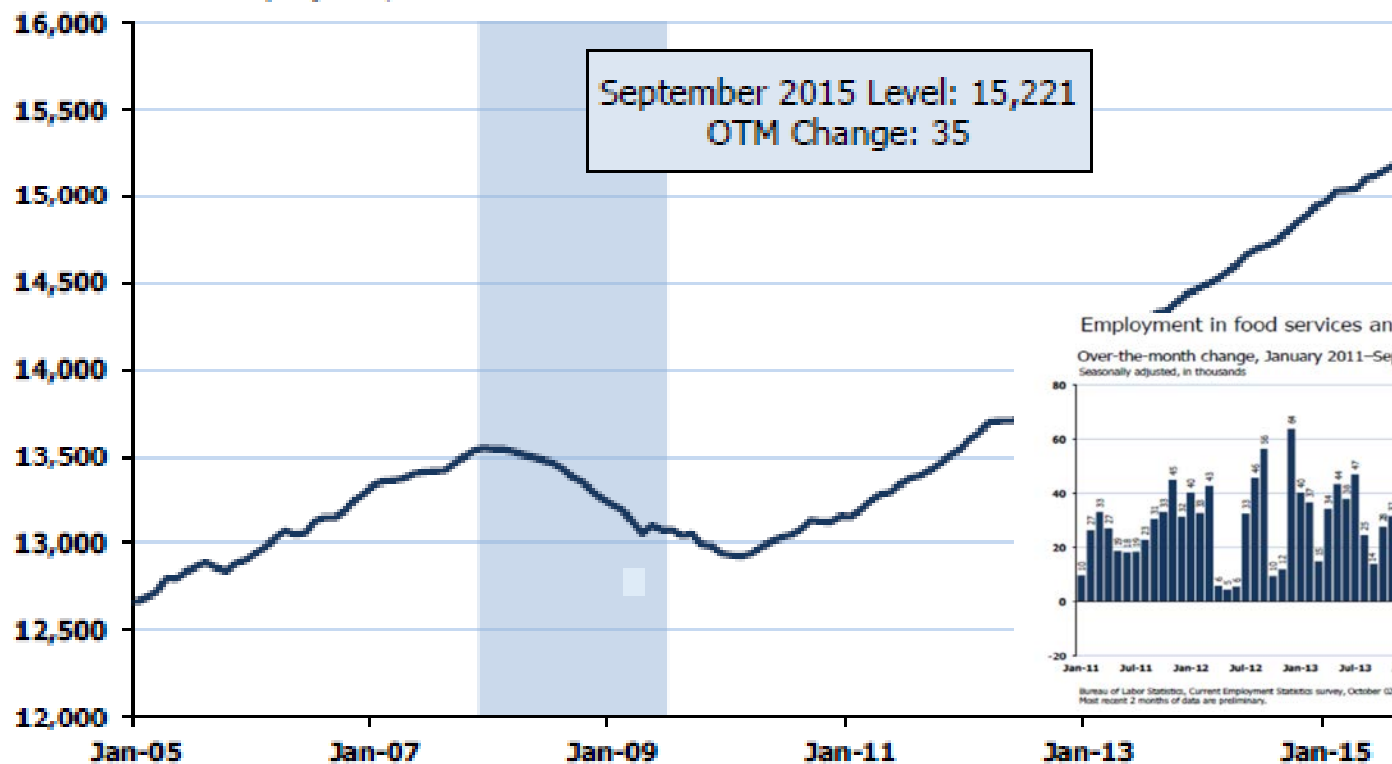


Bureau of Labor Statistics, Current Employment Statistics survey, October 02, 2015.  
Most recent 2 months of data are preliminary.

# Leisure and hospitality continues to expand

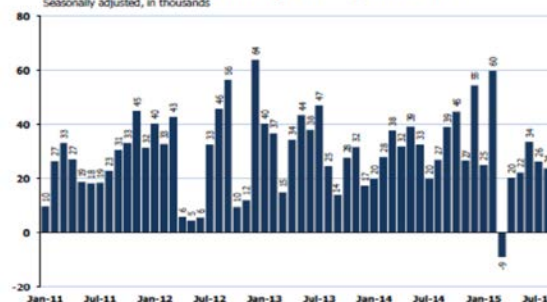
January 2005–September 2015

Seasonally adjusted, in thousands



Employment in food services and drinking places

Over-the-month change, January 2011–September 2015  
Seasonally adjusted, in thousands



Bureau of Labor Statistics, Current Employment Statistics survey, October 02, 2015.  
Most recent 2 months of data are preliminary.

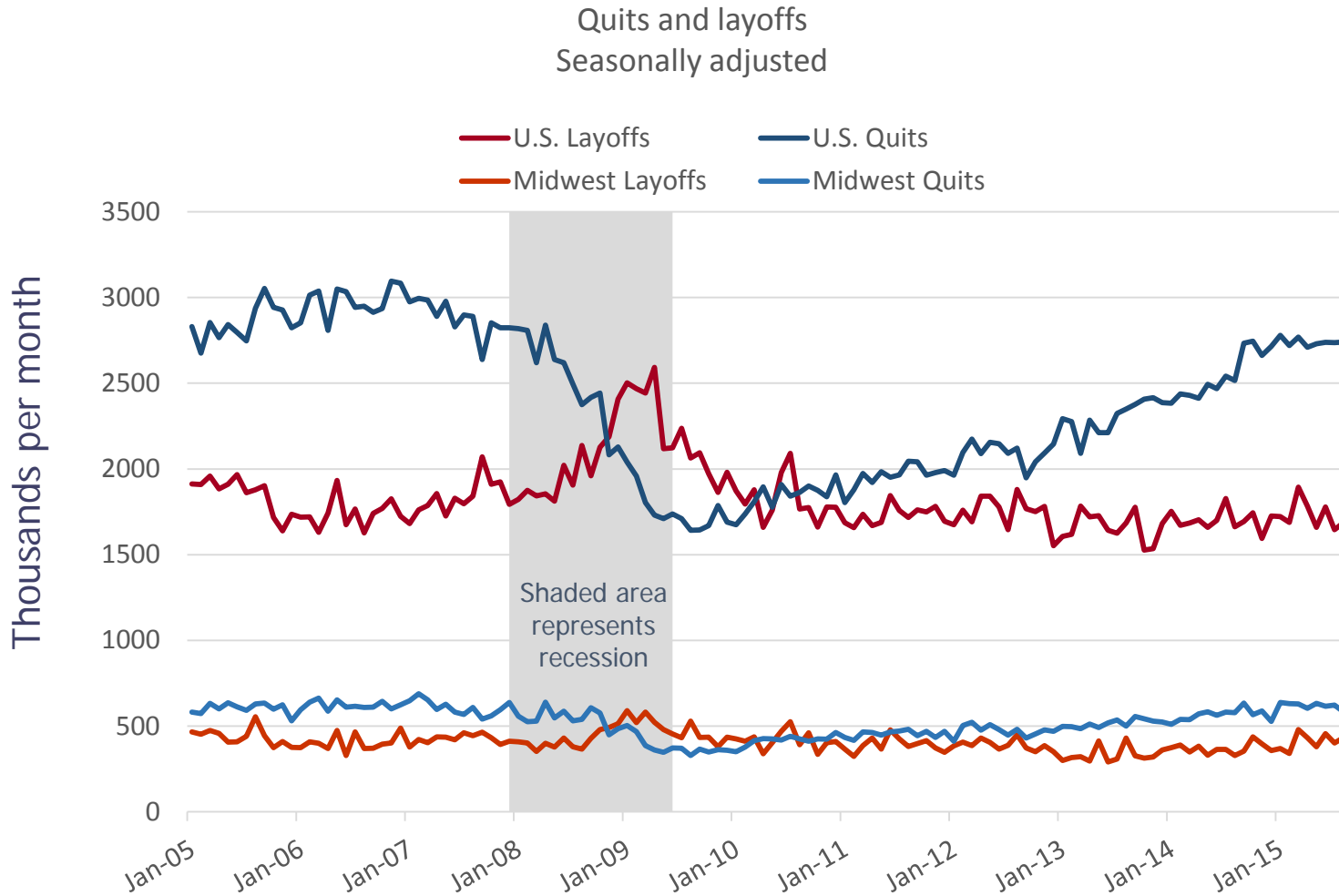
Bureau of Labor Statistics, Current Employment Statistics survey, October 02, 2015.

Shaded area represents recession as denoted by the National Bureau of Economic Research.

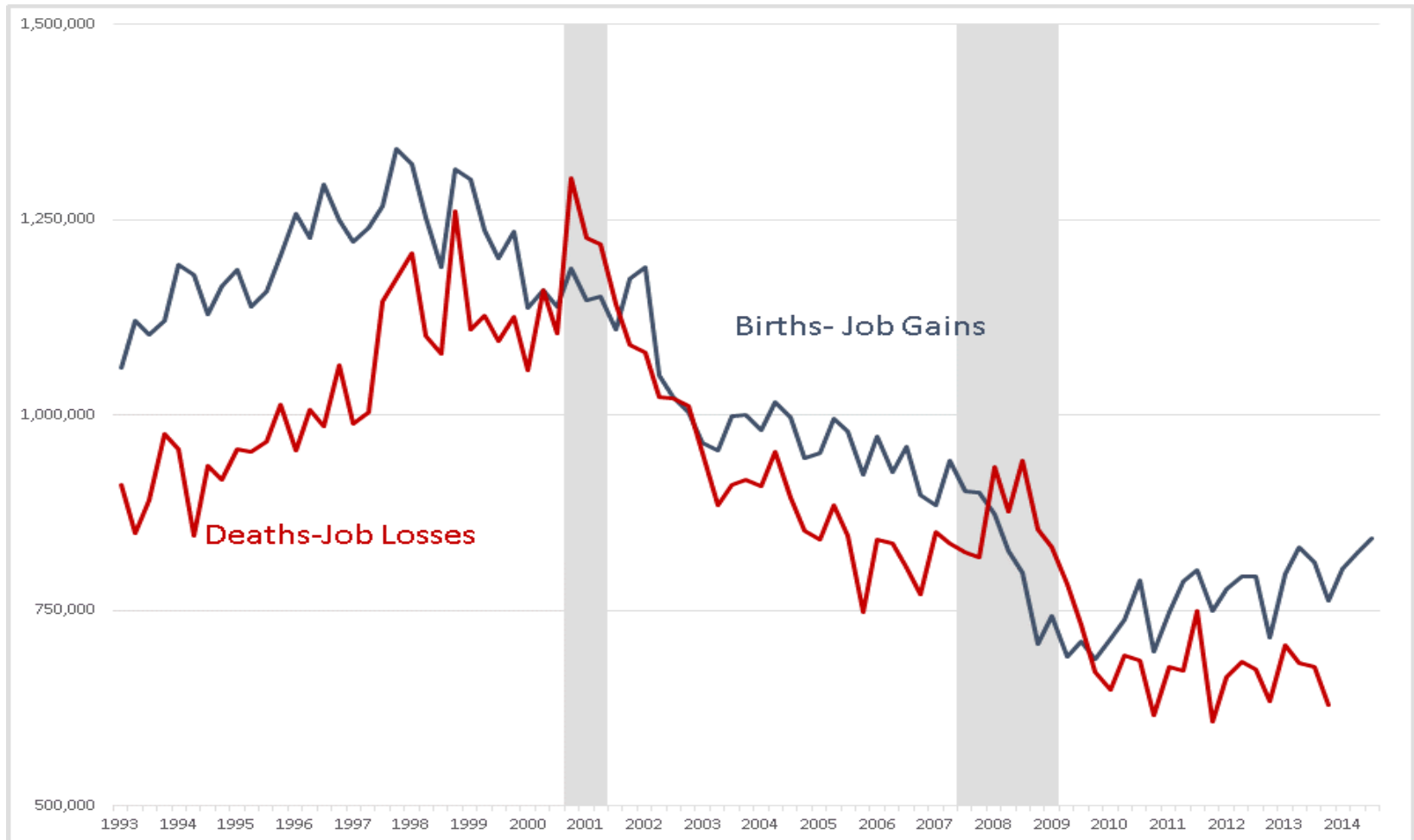
Most recent 2 months of data are preliminary.

# OTHER INDICATORS

# Quits rising, but still below pre-recession levels for the U.S.



# Employment gains from establishment births have declined since March 1998

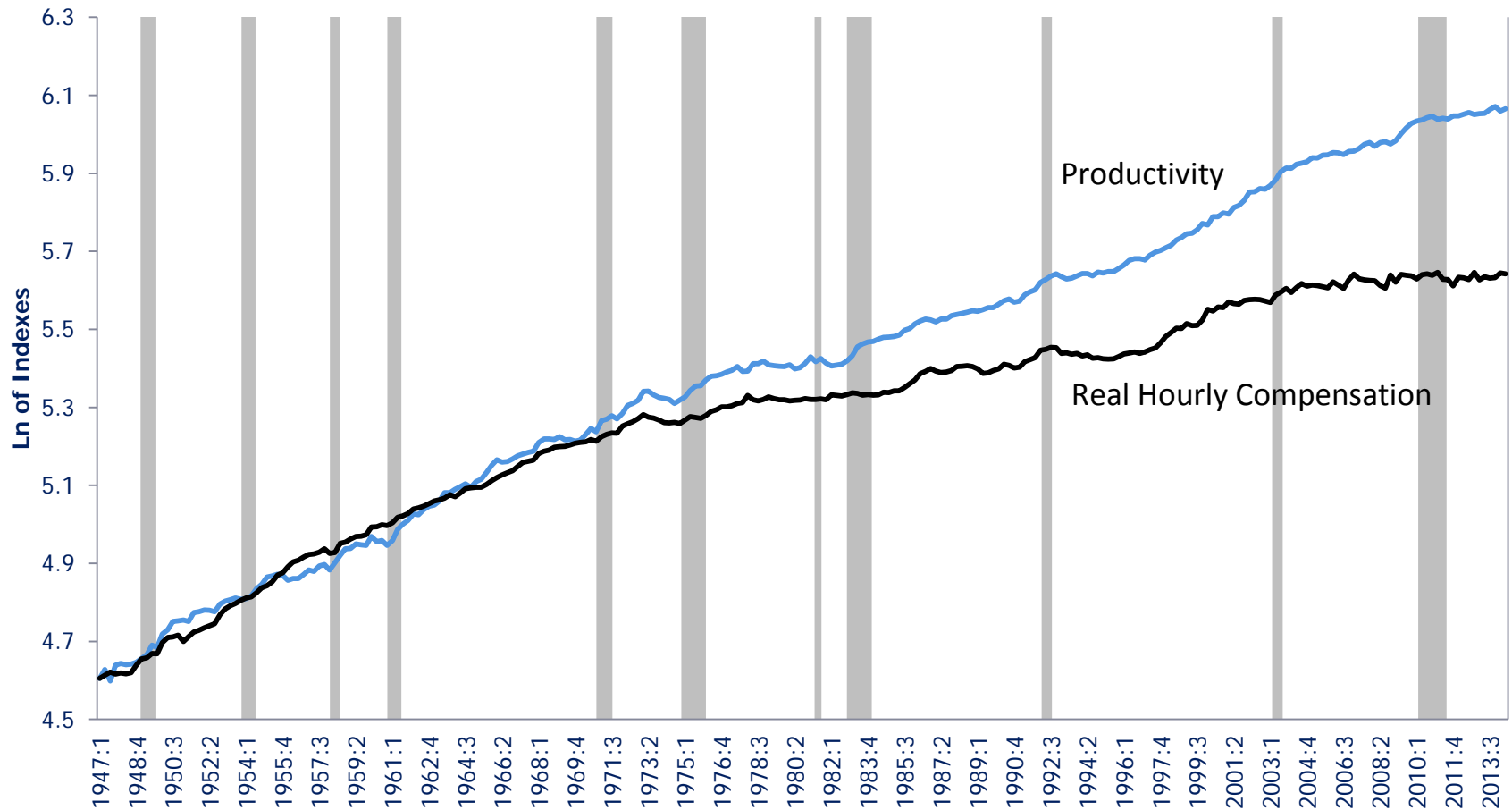


Source: U.S. Bureau of Labor Statistics, Business Employment Dynamics, U.S. total private sector, seasonally adjusted.

Note: Shaded area represents NBER defined recession period

**Quarterly Job Gains and Losses from Establishment Births and Deaths.**

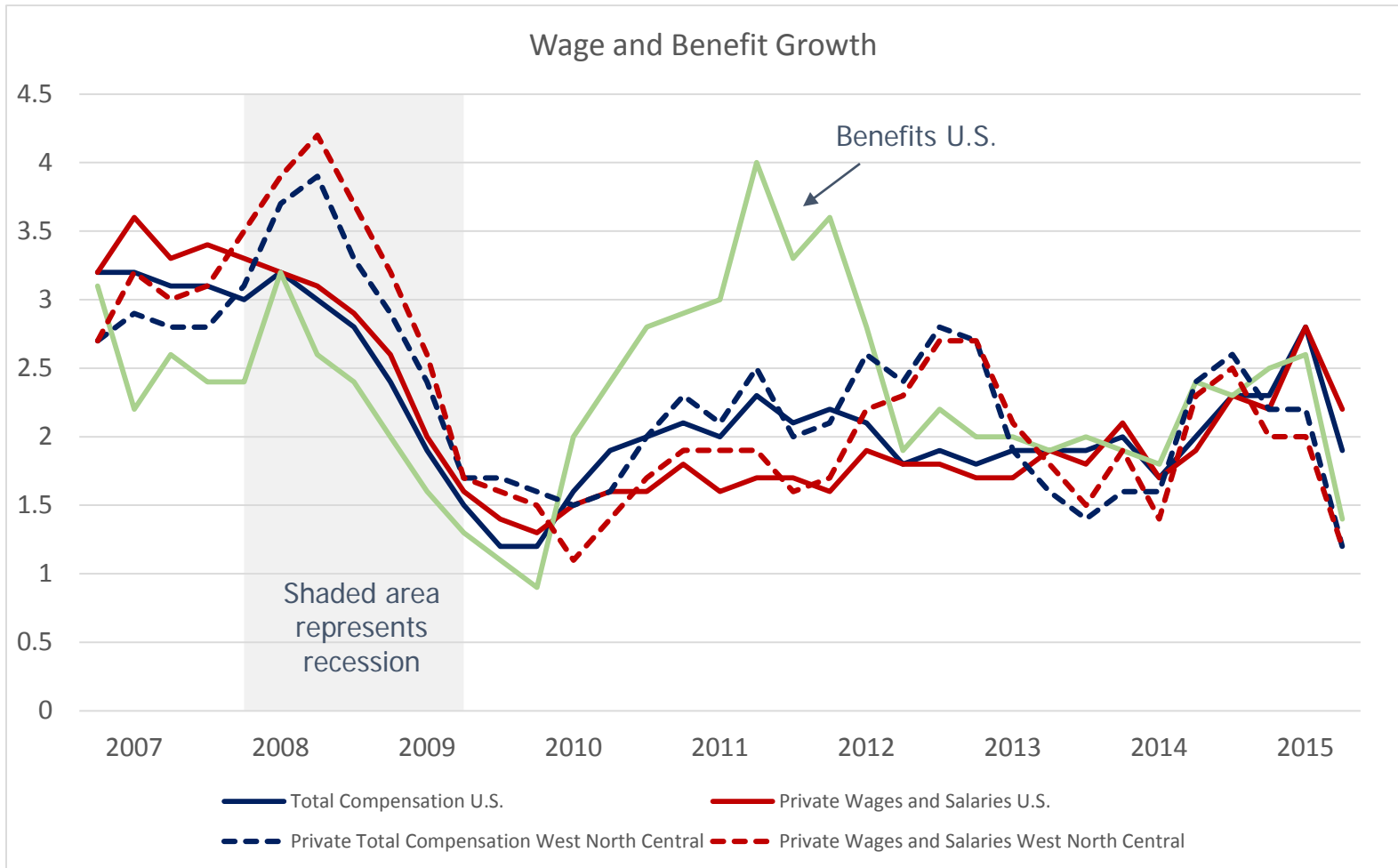
# Productivity has risen faster than real hourly compensation



Source: Bureau of Labor Statistics, **Productivity and Costs** news release, October 8, 2014.

# Wage and benefit growth remain low

12-month percent change





# BLS has extensive regional, state and local area data



## NEWS RELEASE



MIDWEST INFORMATION OFFICE  
Chicago, Ill.

For release: Tuesday, April 1, 2014

14-526-CHI

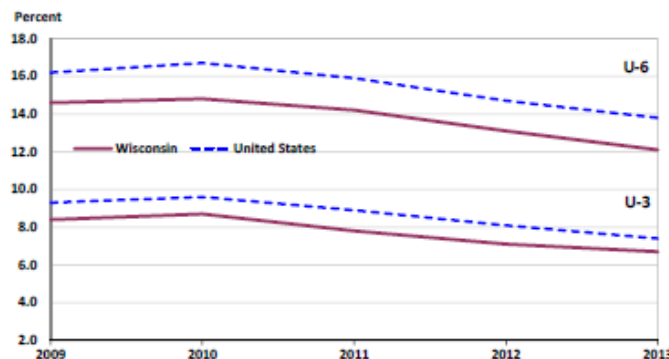
Technical information: (312) 353-1880 • BLSInfoChicago@bls.gov • www.bls.gov/ro5  
Media contact: (312) 353-1138

### ALTERNATIVE MEASURES OF LABOR UNDERUTILIZATION, WISCONSIN – 2013

In 2013, the broadest measure of labor underutilization, designated U-6 (which includes the unemployed, workers employed part time for economic reasons, and the marginally attached to the labor force), was 12.1 percent in Wisconsin, down from 13.1 percent in 2012, the U.S. Bureau of Labor Statistics reported today. (See table 1.) Regional Commissioner Charlene Peiffer noted that the U-6 rate peaked at 14.8 percent in 2010, one year after the national recession officially ended. (See chart 1.) Nationally, the U-6 rate averaged 13.8 percent in 2013.

The official concept of unemployment (U-3 in the U-1 to U-6 range of measures) includes all jobless persons who are available to take a job and have actively sought work in the past four weeks. In Wisconsin, 6.7 percent of the labor force was unemployed, as measured by U-3 in 2013. By comparison, 7.4 percent were jobless nationwide. (The official measure of unemployment in states is derived using a statistical model that incorporates data from the Current Population Survey [CPS] and other sources, and this model-based estimate can differ from the direct CPS estimate discussed here.)

Chart 1. Two measures of labor underutilization, Wisconsin and the United States, 2009-2013 annual averages



Source: U.S. Bureau of Labor Statistics.



## NEWS RELEASE



MIDWEST INFORMATION OFFICE  
Chicago, Ill.

For release: 7:30 a.m. CT, Thursday, May 15, 2014

14-830-CHI

Technical information: (312) 353-1880 • BLSInfoChicago@bls.gov • www.bls.gov/ro5  
Media contact: (312) 353-1138



## NEWS RELEASE



MIDWEST INFORMATION OFFICE  
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For release: Tuesday, February 19, 2013

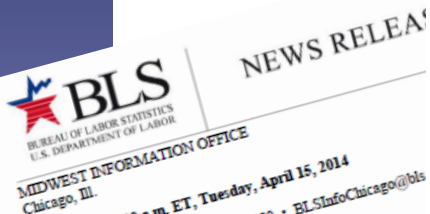
13-69-CHI

Technical information: (312) 353-1880 • BLSInfoChicago@bls.gov • www.bls.gov/ro5  
Media contact: (312) 353-1138

### CONSUMER EXPENDITURES FOR THE CLEVELAND AREA: 2010-2011

Households in the Cleveland-Akron, Ohio, metropolitan area spent an average of \$45,768 per year on consumer expenditures in 2011, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Charlene Peiffer noted that this figure was 6.5 percent lower than the \$48,926 average expenditure level for a typical household in the United States. Although households in the Cleveland area spent less than the national average, they spent more on many of the eight major categories with the largest share of their dollars, such as housing, health care, and transportation. For example, the share of expenditures for personal insurance and health care was 11.8 percent of a typical household's budget in the Cleveland area, was not significantly different from the nationwide average of 11.0 percent. (See chart 1 and table 1.)

Chart 1. Average annual expenditures for eight major categories in Cleveland-Akron, Ohio, and the United States, 2010-2011



## NEWS RELEASE

MIDWEST INFORMATION OFFICE  
Chicago, Ill.

For release: 8:30 a.m. ET, Tuesday, April 15, 2014  
Technical information: (312) 353-1880 • BLSInfoChicago@bls.gov • www.bls.gov/ro5  
Media contact: (312) 353-1138

### CONSUMER PRICE INDEX, CLEVELAND

The Cleveland-Akron, Ohio, Consumer Price Index for All Urban Consumers rose 0.1 percent from January to March, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Charlene Peiffer noted that the index was 1.2 percent higher than a year earlier.



## NEWS RELEASE

MIDWEST INFORMATION OFFICE  
Chicago, Ill.

For release: Tuesday, May 20, 2014  
Technical information: (312) 353-1880 • BLSInfoChicago@bls.gov • www.bls.gov/ro5  
Media contact: (312) 353-1138

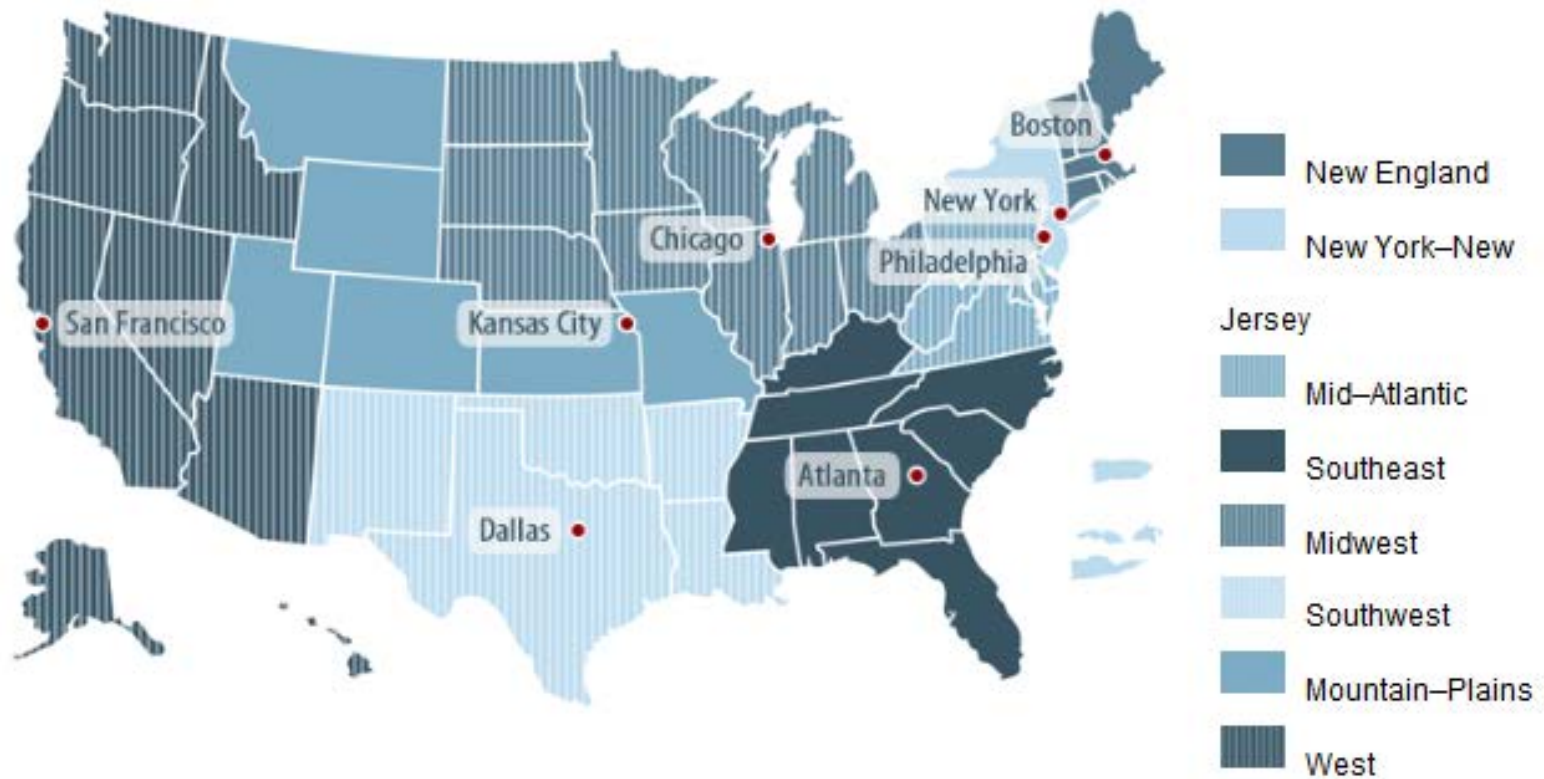
### AVERAGE ENERGY PRICES, CLEVELAND

Gasoline prices averaged \$3.670 a gallon in the Cleveland-Akron, Ohio, metropolitan area in April 2014, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Charlene Peiffer noted that this figure was 12.6 cents per gallon higher than the average price of \$3.260 a gallon in April 2013. Utility prices were 1.0 percent higher than a year earlier, and the average price of a gallon of regular gasoline was 1.0 percent higher than a year earlier. Local prices for a gallon of regular gasoline were 1.0 percent higher than a year earlier, and the average price of a gallon of regular gasoline was 1.0 percent higher than a year earlier. (See chart 1.)

Chart 1. Average Prices for Selected Energy Products in Cleveland-Akron, Ohio, and the United States, 2013-2014



# BLS Regional Offices



# What you can do for us

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- Use BLS data
  - ▶ Wages, benefits, injuries, prices, careers...
  - ▶ Visit [BLS.gov](https://www.bls.gov), sign up for tweets, call us, etc.
- Promote high response rates from your employer, business associates and others
- Give us feedback
  - ▶ As respondents—to reduce burden
  - ▶ As users—to improve products and accessibility
- Speak up for national statistics
  - ▶ Trustworthy
  - ▶ Needed

# Conclusion

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- We've come a long way from the recession's trough
- However, many indicators suggest that we haven't recovered fully
  - ▶ Wage and benefit growth
  - ▶ Quits
  - ▶ Long-term unemployment
- We know much of what we do thanks to government statistics
  - ▶ We need this information and you can help

# APPENDIX

# Official definition of unemployment

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- To be counted as unemployed, a person must
  - ▶ Be without work
  - ▶ Be available for work
  - ▶ Have *actively* searched for work in last 4 weeks
- Key advantages of definition
  - ▶ Objective
  - ▶ Comparable historically and internationally (broadly applicable)
  - ▶ Correlates well with other key measures of business cycle
- Official definition has stood the test of time
  - ▶ Several internal and external reviews resulted in only minor tweaks to definition since inception in 1940

# Alternative measures of labor underutilization

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- U-1 Persons unemployed 15 weeks or longer, as a percent of the civilian labor force
- U-2 Job losers and persons who completed temporary jobs, as a percent of the civilian labor force
- U-3 Total unemployed, as a percent of the civilian labor force (**official unemployment rate**)
- U-4 Total unemployed plus discouraged workers, as a percent of the civilian labor force plus discouraged workers
- U-5 Total unemployed, plus discouraged workers, plus all persons marginally attached to the labor force, as a percent of the civilian labor force plus all marginally attached workers
- U-6 Total unemployed, plus all persons marginally attached to the labor force, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached to the labor force