

The April Review

As the current downturn in the Nation's economy continues, an examination of trends in labor force flows during recessions is particularly timely. Harley J. Frazis and Randy E. Ilg provide just such a review in this month's lead article.

As is widely recognized, during periods of economic weakness, unemployment rises and employment declines. However, the sources of the changes in these measures are not always readily apparent. The top-side figures are net outcomes resulting from millions of individual labor market decisions and developments. People shift in their labor force status between employment, unemployment, and out of the labor force. The authors use a research series extending from 1990 to the present produced by BLS of these monthly labor force status flows to compare and contrast periods just prior to the onset of recessions and the recessions themselves. The current economic downturn thus far, at least, has some interesting differences from its two most recent predecessors.

As this month's first article highlights, the U.S. labor market is epitomized by enormous aggregate changes at any point in time. Our second article, by Sheryl L. Konigsberg, James R. Spletzer, and David M. Talan, focuses on another aspect of this dynamism, namely, gross job gains and losses accounted for by employers. Through its Business Employment Dynamics (BED) program, BLS quantifies every quarter the levels of gross job gains resulting from opening and expanding private sector business establishments and gross job losses resulting from closing and contracting establishments. It tabulates the data

by industry and by firm size (number of employees). As the authors note, starting last fall BLS began publishing new BED data quantifying the distribution of the gains and losses grouped by the number of jobs gained or lost. Their article documents these new data and explains and illustrates their potential analytic value.

China's growing presence on the world stage has been a topic of intense interest in recent years. BLS has sponsored and published in the *Monthly Labor Review* a series of articles assessing that nation's data on manufacturing employment and labor compensation, and this month's article by Erin Lett and Judith Banister provides the latest update. The sources for manufacturing sector data are described, trends in employment from the late 1970s to 2006 are presented, and estimates of earnings for factory workers are updated. China continues to have far more manufacturing employees than any other country in the world, and their compensation, while rising, remains small compared to other developing Asian economies.

Consumer expenditures in 2007

Consumer units, which are similar to households, spent \$49,638, on average, in 2007, according to the latest annual report from the Bureau's Consumer Expenditure Survey. This amount represents a 2.6 percent increase from the year before, a more moderate change than the increase of 4.3 percent in 2006. Spending kept pace with inflation in 2007 as the increase in expenditures was close to the 2.8 percent rise in the annual average Consumer Price Index (CPI-U) over this period.

The major components of spend-

ing—food, housing, apparel and services, transportation, healthcare, entertainment, and personal insurance and pensions—accounted for about 90 percent of total expenditures, and all of these showed increases in 2007. Expenditures increased 3.4 percent for housing, 2.9 percent for transportation, 3.1 percent for healthcare, 13.6 percent for entertainment, 1.3 percent for personal insurance and pensions, and 0.4 percent for food, as well as apparel and services.

Consumer Expenditure Survey data include the expenditures and income of consumers, as well as the demographic characteristics of those consumers. Additional information about these data can be found online at <http://www.bls.gov/cex/>. The annual report for 2007 can be found at <http://www.bls.gov/cex/csxann07.pdf>.

Commissioner's Corner

Recently, BLS Commissioner Keith Hall unveiled a new feature on the BLS Web site. His "Commissioner's Corner" column is designed to highlight items of interest about BLS, its programs, products, and people. One specific goal he has is to help draw more attention to the wealth of information available at various places around the Web site. Dr. Hall also hopes the Commissioner's Corner will provide readers "with information on the many other areas in which BLS is involved such as our testimony before Congressional Committees, stories generated by media interviews, public speeches by BLS leadership, and awards and recognitions, among others."

The Commissioner's Corner will be updated regularly, so check for updates online at <http://www.bls.gov/bls/commissionerscorner.htm>. □