

The March Review

Although recessions are painful in the scope and magnitude of their effects on economies and societies, they also create added business for agencies in the labor statistics field. Articles in this month's *Monthly Labor Review* focus exclusively on the effects of the recession that began in December 2007.

BLS economists Megan M. Barker and Adam A. Hadi study data from the Bureau's Current Employment Statistics (CES) Survey to provide a narrative for the year 2009. They find that nonfarm payroll employment fell by 4.7 million last year, the largest calendar-year loss in the history of the series—which dates back to 1939! Three and a half percent of payroll jobs were lost over the year, which is the highest rate of decline since 1945. Thus far, the largest 1-month job loss registered for the most recent recession occurred in January 2009, when employers shed 779,000 jobs from their payrolls. The rest of the year saw continued job declines, but of a more moderate nature as the second half of the year unfolded.

Manufacturing and construction accounted for nearly half of all jobs lost last year. Together, their employment declined by 2.3 million. The number of jobs in manufacturing, which has been on a long-term downward slope, reached its lowest

point since 1941. Employment in the construction sector, declining by 15 percent over the year, reached its lowest level since 1997.

Amid the painful news, there were some bright spots. The education and health services industry added more than 300,000 jobs in 2009, averaging growth of 26,000 per month. The health care industry, long a reliable job gainer, added 215,000 jobs. In the temporary help services industry, employment losses started to moderate during 2009, and the industry actually began to add jobs in the last few months of the year. Hiring practices in this industry have received increasing scrutiny over time to ascertain the industry's usefulness as a bellwether of changes in the business cycle, given that firms often purchase the services of temporary help services companies before making permanent hires.

The other side of job loss, of course, is growth in unemployment. The unemployment rate in 2009 reached double digits by the last quarter of the year and was higher than at any time since the severe recession of the early 1980s. At 10 percent, it represented nearly 15.5 million jobless workers. Steven F. Hipple, an economist in the Bureau's Division of Labor Force Statistics, examines a series of labor market measures in his article analyzing data from the Current Population Survey, measures including not just the unemployment rate but also the employment-population ratio, the

number of discouraged and part-time workers, numbers of unemployed workers by reason for unemployment, and usual weekly earnings. He also examines the employment status during the year of various groups, including veterans, the foreign- and native-born populations, and people with a disability.

Our March issue also offers two program reports. The first, by Angie Clinton, John Coughlan, and Brian Dahlin, describes the expansion of CES data to include hours and earnings data for all employees in private sector nonfarm business establishments, instead of just production and nonsupervisory workers in those establishments. The development of the new series is described, along with some of the issues that arose during the implementation process. The report concludes by comparing hours and earnings data for all employees with the subset previously collected. The second report, by Dante DeAntonio, describes the extension of the new all-employee hours and earnings data to include statistics on U.S. States and metropolitan areas. □

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