

The March Review

This month brings about our annual look at national labor market developments for the previous calendar year. The long, lingering effects of a historically severe recession continued.

Unemployment, as Eleni Theodosiou and Steven F. Hipple succinctly point out in our first article, remained high in 2010. At 9.6 percent in the fourth quarter, the jobless rate was a little below its year-earlier level. That improvement, however, occurred almost completely in the first quarter of the year, as joblessness showed little or no change thereafter. By the end of 2010, nearly 15 million people were unemployed, a reduction of only about half a million from the high a year earlier. Most somberly, the share of unemployed workers experiencing long-term joblessness (spells of 27 weeks or longer) reached its highest level in 2010 since the data series began in 1948.

There was brighter news on the employment front. After falling by nearly 9 million between January 2008 and February 2010, the number of nonfarm jobs rose by a little over a million by the end of 2010. On average from March until December net job gains averaged 105,000 per month. As John Eddlemon shows in the second article this month, job losses moderated during the year in construction and in financial activities, while manufacturing, retail trade, and leisure and hospitality began to add jobs.

Relating to the measurement of nonfarm payroll employment during last year, Emily Richards' article is a guide to the employment impact of the coming and going of thousands of temporary, intermittent Decennial

Census workers. As she notes, "Historically—and most recently in 2010, a year following the end of one of the deepest U.S. recessions ever—the ability to accurately account for the impact of these temporary, intermittent census workers and gauge underlying employment trends has been vital." Although employment did grow during the year, the effect of 2010 Census employment masked underlying trends within the economy on a month-to-month basis, because a large number of workers were hired early in the year and then let go as work on the Census wound down.

In 2005, the Bureau of Labor Statistics sponsored a baseline research project to assess the quality of China's data on employment and labor compensation in manufacturing. The results of the project included two articles published in the *Monthly Labor Review* in 2005 containing estimates of compensation costs in China's manufacturing sector for the base year of 2002. The data sources and estimation procedures used then were the basis for updates published in the MLR in 2006 and 2009. This month's article by Judith Banister and George Cook documents and analyzes changes in China's manufacturing employment and hourly labor compensation costs through 2008.

BLS budget for 2012

On February 14, 2011, the President submitted his 2012 budget to Congress. This proposed budget includes almost \$650 million in funding to BLS for the fiscal year beginning October 1, 2011. This represents a requested increase of \$35.6 million over the 2010 appropriation for the

Bureau. (Note that at this time final Congressional action has not yet occurred on the BLS budget for 2011.)

The 2012 budget includes some notable program changes. An annual supplement to the Current Population Survey (CPS) was proposed. Such a data collection vehicle would enhance the capability of BLS to produce data on contingent work and alternative work arrangements, work schedules and other topics relating to workplace flexibility, and other issues. Another proposal is to establish a new youth cohort for the National Longitudinal Surveys (NLS). These surveys are panels that follow individuals over time and provide data on their labor market and other experiences.

The budget also proposes some program changes established in the previous budget. These include a number of efforts designed to improve the reliability and accuracy of the Consumer Price Index. Funding to continue an effort to develop a supplementary statistical poverty measure also is included. One proposed reduction to the BLS budget is the elimination of the International Labor Comparisons program. Restructuring initiatives for the Current Employment Statistics program and the development of alternatives to the Locality Pay Surveys are proposed to continue in fiscal year 2012. □

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