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Media contact: 691-5902 For release: 10:00 A.M. EDT  
Wednesday, April 4, 2007

## **METROPOLITAN AREA EMPLOYMENT AND UNEMPLOYMENT: FEBRUARY 2007**

Unemployment rates were lower in February than a year earlier in 249 of the 369 metropolitan areas, higher in 94 areas, and unchanged in 26 areas, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Eighteen metropolitan areas registered jobless rates below 3.0 percent. Seven areas, six of which are located in California, recorded jobless rates of at least 10.0 percent. The national unemployment rate in February was 4.9 percent, not seasonally adjusted, down from 5.1 percent a year earlier.

### Metropolitan Area Unemployment (Not Seasonally Adjusted)

In February, 101 metropolitan areas recorded unemployment rates below 4.0 percent, up from 77 areas a year earlier, while 36 areas had jobless rates of at least 7.0 percent, down from 52 areas in February 2006. Honolulu, Hawaii, continued to report the lowest unemployment rate, 2.0 percent, followed by Logan, Utah-Idaho, 2.1 percent. Six heavily agricultural areas in California registered the highest rates in February—El Centro, 14.1 percent; Merced, 11.6 percent; Yuba City, 10.7 percent; Visalia-Porterville, 10.6 percent; and Hanford-Corcoran and Salinas, 10.5 percent each. The summer resort area of Ocean City, N.J., recorded the only other double-digit jobless rate, 10.1 percent. Overall, 191 areas posted unemployment rates below the U.S. figure of 4.9 percent, 168 areas had higher rates, and 10 areas had the same rate. (See table 1 and the map.)

Two Mississippi areas severely affected by Hurricane Katrina reported the largest over-the-year jobless rate decreases in February—Gulfport-Biloxi (-7.8 percentage points) and Pascagoula (-3.5 points). The hurricane struck in August 2005 and sharply raised unemployment rates in these areas in subsequent months. Seventeen additional areas recorded over-the-year rate decreases of 1.0 percentage point or more in February. El Centro, Calif., registered the largest unemployment rate increase from a year earlier (+1.5 percentage points). No other area posted an over-the-year jobless rate increase of 1.0 percentage point or more.

Of the 49 metropolitan areas with a Census 2000 population of 1 million or more, those recording the lowest jobless rates in February 2007 were Miami-Fort Lauderdale-Pompano Beach, Fla., and Orlando-Kissimmee, Fla., 3.1 percent each, and Jacksonville, Fla., and Washington-Arlington-Alexandria, D.C.-Va.-Md.-W.Va., 3.2 percent each. The large area with the highest rate again was Detroit-Warren-Livonia, Mich., 6.7 percent. The areas with the next highest rates were Cleveland-Elyria-Mentor, Ohio, and Louisville-Jefferson County, Ky.-Ind., 5.9 percent each. Thirty-three large areas reported lower unemployment rates than in February 2006, 12 registered higher rates, and 4 had no change. Among

these areas, New Orleans-Metairie-Kenner, La., posted the largest over-the-year jobless rate decrease (-1.9 percentage points). The next largest decreases were recorded in Houston-Sugar Land-Baytown, Texas, and Pittsburgh, Pa. (-1.0 percentage point each). No large area had an unemployment rate increase of 0.5 percentage point or more from February 2006.

#### Metropolitan Division Unemployment (Not Seasonally Adjusted)

Eleven of the most populous metropolitan areas are composed of 34 metropolitan divisions, which are essentially separately identifiable employment centers. Fort Lauderdale-Pompano Beach-Deerfield Beach, Fla., reported the lowest division unemployment rate in February, 2.9 percent. Bethesda-Gaithersburg-Frederick, Md., and Miami-Miami Beach-Kendall, Fla., recorded the next lowest rates, 3.1 percent each, followed by Washington-Arlington-Alexandria, D.C.-Va.-Md.-W.Va., at 3.2 percent, and West Palm Beach-Boca Raton-Boynton Beach, Fla., at 3.3 percent. Two additional divisions registered rates below 4.0 percent. The divisions with the highest unemployment rates were Lawrence-Methuen-Salem, Mass.-N.H., 8.4 percent, and Detroit-Livonia-Dearborn, Mich., 7.4 percent. (See table 2.)

Twenty-one of the 34 metropolitan divisions recorded over-the-year unemployment rate decreases in February, 11 had rate increases, and 2 had rates that were unchanged. The divisions posting the largest jobless rate decreases from a year earlier were Detroit-Livonia-Dearborn, Mich., and Philadelphia, Pa. (-0.8 percentage point each), followed by Camden, N.J., and Newark-Union, N.J.-Pa. (-0.7 point each). Five additional areas registered unemployment rate decreases of 0.5 percentage point or more from February 2006. Three divisions in the Boston-Cambridge-Quincy, Mass.-N.H., metropolitan area posted the largest jobless rate increases from a year earlier—Brockton-Bridgewater-Easton, Mass. (+0.7 percentage point), and Lowell-Billerica-Chelmsford, Mass.-N.H., and Taunton-Norton-Raynham, Mass. (+0.5 point each). No other division recorded an over-the-year rate increase greater than 0.3 percentage point.

In 4 of the 11 metropolitan areas that contain divisions, the ranges between the highest and lowest division jobless rates were 1.0 percentage point or more in February. The metropolitan area that had the largest rate difference among its divisions, 4.1 percentage points, was Boston-Cambridge-Quincy, Mass.-N.H. (Lawrence-Methuen-Salem, Mass.-N.H., 8.4 percent, compared with Nashua, N.H.-Mass., 4.3 percent). The next largest differences, 1.2 percentage points each, were recorded in Detroit-Warren-Livonia, Mich. (Detroit-Livonia-Dearborn, 7.4 percent, compared with Warren-Troy-Farmington Hills, 6.2 percent), and Los Angeles-Long Beach-Santa Ana, Calif. (Los Angeles-Long Beach-Glendale, 4.7 percent, compared with Santa Ana-Anaheim-Irvine, 3.5 percent). The divisions in Chicago-Naperville-Joliet, Ill.-Ind.-Wis., had a difference of 1.0 percentage point (Gary, Ind., 5.9 percent, compared with Chicago-Naperville-Joliet, Ill., 4.9 percent).

#### Metropolitan Area Nonfarm Employment (Not Seasonally Adjusted)

In February, 319 metropolitan areas recorded over-the-year increases in nonfarm payroll employment, 43 reported decreases, and 5 had no change. The largest over-the-year employment increases were reported in Dallas-Fort Worth-Arlington, Texas (+94,000), followed by Houston-Sugar Land-Baytown, Texas (+90,200), Phoenix-Mesa-Scottsdale, Ariz. (+89,200), New York-Northern New Jersey-Long Island, N.Y.-N.J.-Pa. (+86,700), Los Angeles-Long Beach-Santa Ana, Calif. (+60,100), and Seattle-Tacoma-Bellevue, Wash. (+49,500). The largest over-the-year percentage increases in employment were recorded in Gulfport-Biloxi, Miss. (+14.5 percent), New Orleans-Metairie-Kenner, La. (+8.7 percent), Houma-Bayou Cane-Thibodaux, La. (+8.1 percent), Myrtle Beach-Conway-North Myrtle Beach, S.C. (+7.6 percent), St. George, Utah (+7.2 percent), and Jacksonville, N.C. (+6.7 percent). (See table 3.)

The largest over-the-year decreases in employment occurred in Detroit-Warren-Livonia, Mich. (-32,500), Cleveland-Elyria-Mentor, Ohio (-5,400), Youngstown-Warren-Boardman, Ohio-Pa. (-4,300), Flint, Mich. (-3,500), Elkhart-Goshen, Ind. (-3,000), and Atlantic City, N.J. (-1,900). The largest over-the-year percentage declines in employment were reported in Anderson, Ind. (-3.9 percent), Elkhart-Goshen, Ind., and Flint, Mich. (-2.3 percent each), Weirton-Steubenville, W. Va.-Ohio (-2.1 percent), Lima, Ohio (-1.9 percent), and Monroe, Mich., and Youngstown-Warren-Boardman, Ohio-Pa. (-1.8 percent each).

Over the year, nonfarm employment increased in 35 of the 37 metropolitan areas with annual average employment levels above 750,000 in 2006. The largest over-the-year percentage increases in employment in these large metropolitan areas were recorded in Phoenix-Mesa-Scottsdale, Ariz. (+4.8 percent), Houston-Sugar Land-Baytown, Texas (+3.8 percent), Las Vegas-Paradise, Nev. (+3.6 percent), Charlotte-Gastonia-Concord, N.C.-S.C., and Dallas-Fort Worth-Arlington, Texas (+3.4 percent each). Among the largest areas, only two reported decreases in employment: Detroit-Warren-Livonia, Mich. (-1.6 percent) and Cleveland-Elyria-Mentor, Ohio (-0.5 percent).

#### Metropolitan Division Nonfarm Employment (Not Seasonally Adjusted)

Nonfarm payroll employment data were available in February 2007 for 32 metropolitan divisions, which are essentially separately identifiable employment centers within a metropolitan area. Thirty of the 32 metropolitan divisions reported over-the-year employment gains, while 2 reported losses. The largest over-the-year employment gains in the metropolitan divisions occurred in Dallas-Plano-Irving, Texas (+79,400), New York-White Plains-Wayne, N.Y.-N.J. (+64,200), Los Angeles-Long Beach-Glendale, Calif. (+44,600), and Seattle-Bellevue-Everett, Wash. (+44,200). (See table 4.)

The largest over-the-year percentage increases in employment among the metropolitan divisions were recorded in Dallas-Plano-Irving, Texas (+4.0 percent), Seattle-Bellevue-Everett, Wash. (+3.2 percent), San Francisco-San Mateo-Redwood City, Calif. (+2.7 percent), and Tacoma, Wash. (+2.0 percent). Over-the-year percentage decreases in employment were reported in Detroit-Livonia-Dearborn, Mich. (-2.3 percent) and Warren-Troy-Farmington Hills, Mich. (-1.2 percent).

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The Regional and State Employment and Unemployment release for March is scheduled to be issued on Friday, April 20. The Metropolitan Area Employment and Unemployment release for March is scheduled to be issued on Wednesday, May 2.

### **Hurricane Katrina**

For February, BLS and its state partners continued to make modifications to the usual estimation procedures for the LAUS program to reflect the impact of Hurricane Katrina on the labor force statistics in affected areas. These modifications included: (1) modifying the state population controls to account for displacement due to Katrina; (2) developing labor force estimates for the New Orleans-Metairie-Kenner metropolitan area using an alternative to the model-based method; and (3) not publishing labor force estimates for the parishes within the New Orleans-Metairie-Kenner metropolitan area or cities within those parishes where the quality of input data was severely compromised by the hurricane.

For more information on LAUS procedures and estimates for February 2007, see *Hurricane Information: Katrina and Rita* on the BLS Web site at <http://www.bls.gov/Katrina/home.htm> or call (202) 691-6392.

# Technical Note

This release presents labor force and unemployment data from the Local Area Unemployment Statistics (LAUS) program (tables 1 and 2) for 377 metropolitan statistical areas and metropolitan New England City and Town Areas (NECTAs), including those in Puerto Rico. Estimates for over 30 metropolitan and NECTA divisions also are presented. Nonfarm payroll employment estimates from the Current Employment Statistics (CES) program (tables 3 and 4) are provided for the same areas. State estimates were previously published in the news release, *Regional and State Employment and Unemployment*, and are republished in this release for ease of reference. The LAUS and CES programs are both federal-state cooperative endeavors.

## Labor force and unemployment—from the LAUS program

**Definitions.** The labor force and unemployment data are based on the same concepts and definitions as those used for the official national estimates obtained from the Current Population Survey (CPS), a sample survey of households that is conducted for the Bureau of Labor Statistics (BLS) by the U.S. Census Bureau. The labor force includes both the employed and the unemployed. Employed persons are those who did any work at all for pay or profit in the survey reference week (the week including the 12th of the month) or worked 15 hours or more without pay in a family business or farm, plus those not working who had a job from which they were temporarily absent, whether or not paid, for such reasons as labor-management dispute, illness, or vacation. Unemployed persons are those who did not work at all (in the reference week), had actively looked for a job (sometime in the 4-week period ending with the survey reference week), and were currently available for work; persons on layoff expecting recall need not be looking for work to be counted as unemployed.

**Method of estimation.** Effective January 2005, estimates for all census divisions, states, the District of Columbia, the Los Angeles-Long-Beach-Glendale metropolitan division, and New York City were produced using updated time-series models with real-time benchmarking. Model-based estimation was extended to the following areas and respective balances-of-state: Chicago-Naperville-Joliet, IL Metropolitan Division; Cleveland-Elyria-Mentor, OH Metropolitan Statistical Area; Detroit-Warren-Livonia, MI Metropolitan Statistical Area; Miami-Miami-Beach-Kendall, FL Metropolitan Division; New Orleans-Metairie-Kenner, LA Metropolitan Statistical Area; and Seattle-Bellevue-Everett, WA Metropolitan Division. This will improve the statistical basis of the estimation for these areas and provide important tools for analysis, such as measures of errors and seasonally adjusted series. For all other substate areas, estimates are prepared through indirect estimation procedures. Employment estimates, which are based largely on “place of work” estimates from the CES program, are adjusted to refer to place of residence as used in the CPS. Unemployment estimates are aggregates of persons previously employed in industries covered by state unemployment (UI) laws and entrants to the labor force data from the CPS. The substate estimates of employment and unemployment, which geographically exhaust the entire state, are adjusted proportionally to ensure that they add to the independently estimated state or balance-of-state totals. A detailed description of the estimation procedures is available from BLS upon request.

**Annual revisions.** Labor force and unemployment data shown for the prior year reflect adjustments made at the end of each year, usually implemented with January estimates. The adjusted estimates reflect updated population data from the U.S. Census Bureau, any revisions in the other data sources, and model reestimation at the state and selected area level. All substate estimates are adjusted to add to the revised model-based estimates.

## Employment—from the CES program

**Definitions.** Employment data refer to persons on establishment payrolls who receive pay for any part of the pay period that includes the 12th of the month. Persons are counted at their place of work rather than at their place of residence; those appearing on more than one payroll are counted on each payroll. Industries are classified on the basis of their principal activity in accordance with the 2002 version of the North American Industry Classification System.

**Method of estimation.** The employment data are estimated using a “link relative” technique in which a ratio (link relative) of current-month employment to that of the previous month is computed from a sample of establishments reporting for both months. The estimates of employment for the current month are obtained by multiplying the estimates for the previous month by these ratios. Small-domain models are used as the official estimators for the approximately 10 percent of CES published series which have insufficient sample for direct sample-based estimates.

**Annual revisions.** Employment estimates are adjusted annually to a complete count of jobs, called benchmarks, derived principally from tax reports that are submitted by employers who are covered under state unemployment insurance (UI) laws. The benchmark information is used to adjust the monthly estimates between the new benchmark and the preceding one and also to establish the level of employment for the new benchmark month. Thus, the benchmarking process establishes the level of employment, and the sample is used to measure the month-to-month changes in the level for the subsequent months.

## Reliability of the estimates

The estimates presented in this release are based on sample survey and administrative data and thus are subject to sampling and other types of errors. Sampling error is a measure of sampling variability—that is, variation that occurs by chance because a sample rather than the entire population is surveyed. Survey data are also subject to nonsampling errors, such as those which can be introduced into the data collection and processing operations. Estimates not directly derived from sample surveys are subject to additional errors resulting from the special estimation processes used. The sums of individual items may not always equal the totals shown in the same tables because of rounding. With respect to the LAUS program, unemployment rates are computed from unrounded data rather than from data that may be displayed in the tables; differences, however, are generally insignificant.

**Labor force and unemployment estimates.** Model-based error measures, including for over-the-month change, are available for states on the BLS Web site at <http://www.bls.gov/lau/lastderr.htm>. Measures of nonsampling error are not available, but additional information on the subject is provided in the BLS monthly periodical, *Employment and Earnings*.

**Employment estimates.** Measures of sampling error for state CES data at the supersector level and for metropolitan area CES data at the total nonfarm level are available on the BLS Web site at <http://www.bls.gov/sae/790stderr.htm>. Information on recent benchmark revisions for states is available at <http://www.bls.gov/sae>.

### **Area definitions**

The substate area data published in this release reflect the standards and definitions established by the U.S. Office of Management and Budget on December 18, 2006. A detailed list of the geographic definitions is available on the Web at <http://www.bls.gov/lau/lausmsa.htm> and also is published annually in the May issue of *Employment and Earnings*.

### **Additional information**

More complete information on the technical procedures used to develop these estimates and additional data appear in *Employment and Earnings*, which is available by subscription from the Super-

intendent of Documents, U.S. Government Printing Office, Washington, DC 20402 (telephone 202-512-1800).

Estimates of unadjusted and seasonally adjusted labor force and unemployment data for states, census regions and divisions, and eight areas are available in the news release, *Regional and State Employment and Unemployment*. Estimates of labor force and unemployment for all states, metropolitan areas, labor market areas, counties, cities with a population of 25,000 or more, and other areas used in the administration of various federal economic assistance programs are available on the BLS Web site at <http://www.bls.gov/lau>. Employment data from the CES program are available at <http://www.bls.gov/sae/>.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 202-691-5200; TDD message referral phone: 1-800-877-8339.