

# Labor Market Conditions

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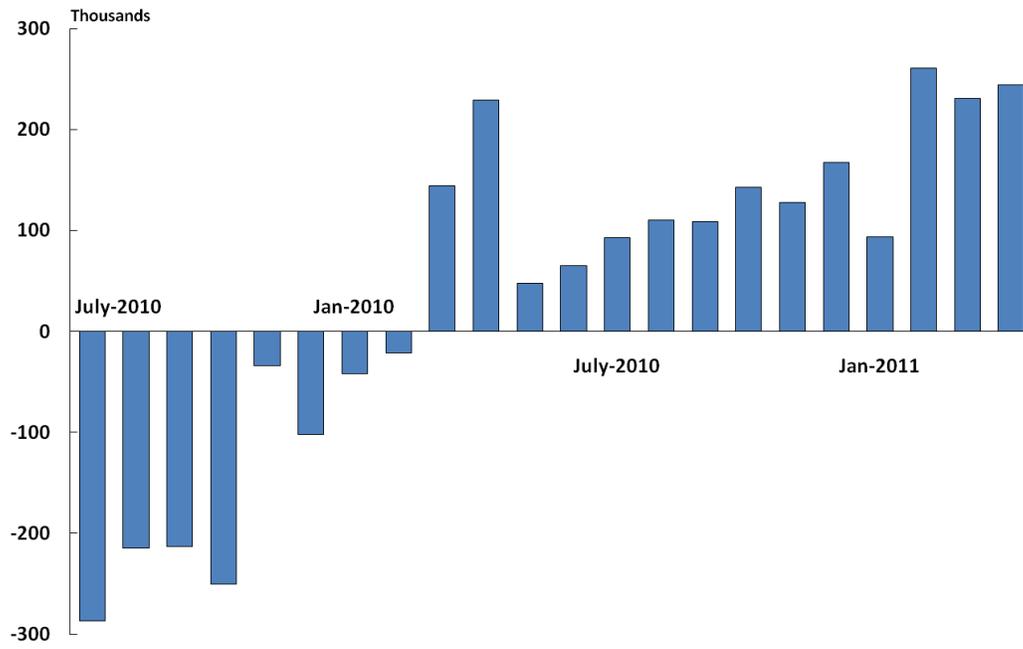
## LABOR MARKET CONDITIONS AND ECONOMIC OUTLOOK

April, 2011

“While nonfarm payroll job growth has had the best 3 month gain since 2006, technical factors accounted for 72 percent of the reported job gains in April. Moreover, household employment, which includes agriculture and the self-employed, is softening and labor force growth remains nonexistent.”

- Private-sector employers hired 268,000 workers in April, and job growth has averaged 253,000 over the past 3 months. The best 3 month run since early 2006.
- Private-sector jobs over the past 3 months have been growing at twice the rate of the previous 6 months (Aug 2010 – Jan 2011).
- Five industries accounted for 85 percent of the April job growth. Most other industries were relatively unchanged, while government at all levels shed 24,000 jobs.
- Retail trade (+57,000), leisure and hospitality (+46,000), health care and social services (+42,000), professional and technical services (+33,000), and manufacturing (+29,000) all added a significant number of jobs.
- However, the number of unemployed Americans jumped by 205,000, and the unemployment rate increasing to 9.0 percent. The broadest measure of under-employment also rose to 15.9 percent, and the average duration of unemployment remains above 38 weeks.
- Labor force growth has been nonexistent for an unprecedented four years and has declined by 1.3 million since the recession ended in June 2009. Moreover, the number of Americans who are not in the labor force has jumped by 4.8 million since the end of the recession as the population has continued to grow.
- If one takes into account the decline in the labor force and the increase in the population, the unemployment rate would have been 11.7 percent in April.
- The number of Americans employed part-time because full-time work is not available also jumped by 210,000 in April.
- The ADP report that came out earlier this week found that most of the job gains were in employers with fewer than 500 employees. Large employers accounted for just 6 percent of the increase.

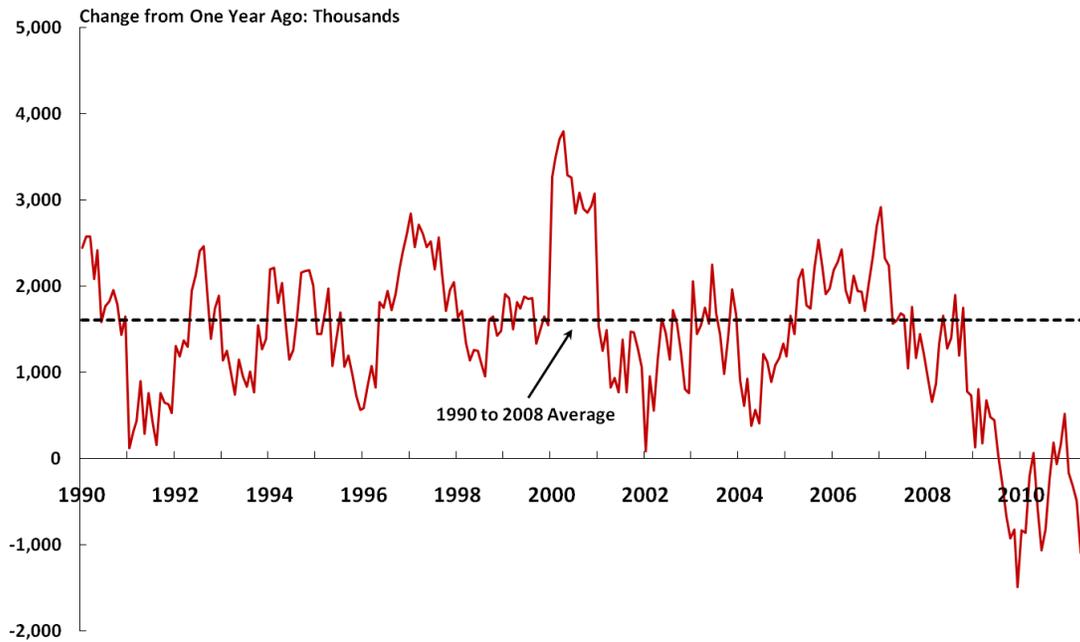
## Monthly Change In Private Sector Payroll Jobs In the United States Since the Beginning of the Recovery



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Source: Bureau of Labor Statistics  
May 6, 2011

## However, Labor Force Growth has Slowed Well Below Trend



APPLIED ECONOMIC STRATEGIES

Source: Bureau of Labor Statistics  
May 9, 2011