



JANUARY 2012

Monthly Employment Report

Released on February 1, 2013

SUMMARY

- **157,000 net jobs added in January; private sector added 166,000 net jobs**
- **Unemployment rate essentially unchanged at 7.9% in January (from 7.8% in Dec 2012)**
- **Black unemployment rate fell to 13.8% – from 14% in January**

National Jobs Snapshot – 157,000 Net Jobs Created

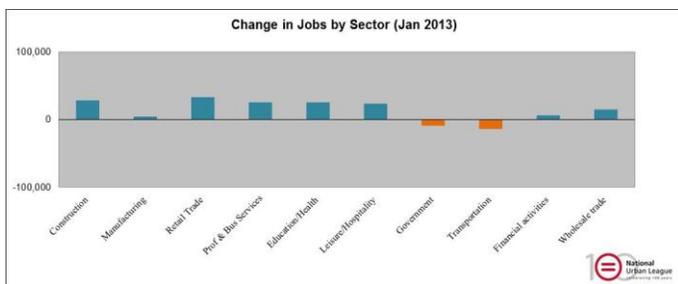
In Jan 2013, +157,000 net jobs were created - this was lower than the +196,000 in Dec 2012 (adjusted). The private sector had +166,000 net job gains – again lower than the +202,000 in Dec 2012. Transportation (-14,200) and government (-9,000) had net job losses.

The unemployment rate in Jan 2013 was essentially unchanged at 7.9% (from 7.8% in Dec 2012) and the participation rate was unchanged at 63.6%.

Except for the sectors noted earlier, other major sectors had net job gains. The sector with the most gains was retail trade (+32,600), followed by construction (+28,000), professional/business services and education/health (both at +25,000), leisure/hospitality (23,000), wholesale trade (+14,800), financial activities (+6,000) and manufacturing (+4,000).

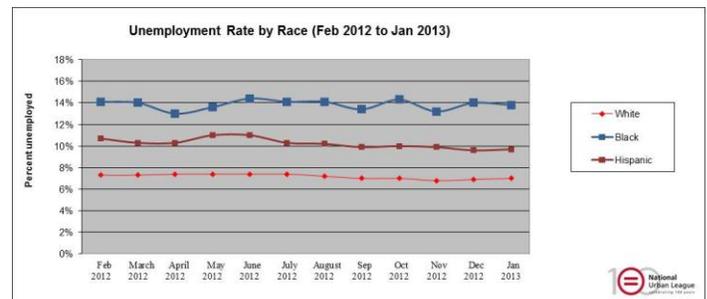
In Jan 2013, long-term unemployed (unemployed for longer than 27 weeks) fell slightly by -58,000 and with it, the long-term unemployment rate fell to 38.1%.

People working part-time for economic reasons rose by +55,000 to 8 million. If you add this group and marginally attached workers to the officially unemployed, the under-employment rate in Dec 2012 was unchanged at 14.4%.



Snapshot of the Black Labor Force - Unemployment Rate Fell by 0.2 Percentage Points to 13.8%

Black unemployment rate fell to 13.8% (from 14% in Dec 2012) and the participation rate rose slightly to 61.7% (from 61.2% in Dec 2012). In Jan 2012, the White unemployment rate rose slightly to 7% (from 6.9% in Dec 2012) and Hispanic rate rose to 9.7% (from 9.6% in Dec 2012). Black to White unemployment ratio was 1.97 in Jan 2013 – it fell from 2.03 in Dec 2012.



Large differences in unemployment rates exist among Blacks based on age, gender and education – see tables below. The unemployment rate in Jan 2012 for Black high school dropouts was 25.6% and for Black college graduates, 5.1%. The tables below show that unemployment rates for Blacks are worst for new Black workers (20-24 years) and Black high school dropouts. In all categories, the Black unemployment rate was higher than the corresponding rate for Whites.

	Unemployment Rate by Gender (+20 Years) - Jan 2013	
	Unemp. Rate	Labor Force Participation Rate
Black Men	13.4%	67.8%
White Men	6.6%	73.7%
Black Women	12.3%	62.7%
White Women	6.4%	58.4%

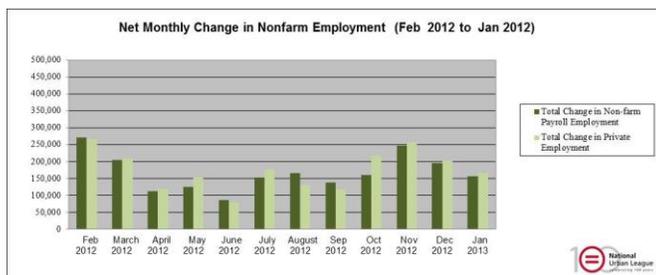
	Unemployment Rate by Age (Seasonally Unadj.) - Jan 2013		
	New Workers: 20 - 24 Years	Mid-Level Workers: 35-44 Years	Older Workers: 55 - 64 Years
Black	24.5%	12.3%	8.9%
White	13.7%	6.4%	5.9%

	Unemployment Rate by Education (Seasonally Unadj.) - Jan 2013			
	Less than High School	High School Graduates	Associate Degree	Bachelor's Degree and Higher
Black	25.6%	15.1%	8.5%	5.1%
White	12.5%	8.1%	5.7%	3.6%

Job Gains Have Declined Since Nov 2012

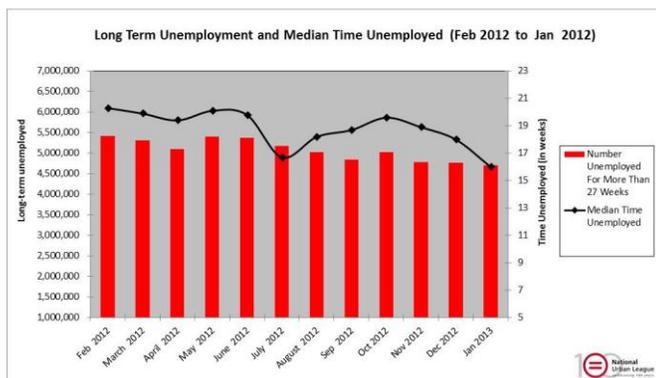
The +157,000 net job gains in Jan 2012 is a decline from the adjusted +196,000 job gains in Dec 2012 and +247,000 in Nov 2012 – this reversed a trend of increasing job gains seen since Sep 2012.

The good job gains outside of construction and financial activities seems to indicate that the recovery is now slowly starting to spread to the broader economy. The loss of -14,000 jobs in transportation is unusual given its past performance and could be a one-off aberration driven by the weather and the effects of Super Storm Sandy.



Long-Term Unemployment Rate Declined to 32.9%

The long-term unemployment rate has hovered around 40% since July 2012 but in Jan 2013, it declined to 32.9%. This is the first time that this rate has been below 33% since Sep 2012 and that was a one-off change as the rate quickly ticked up in Oct 2012. The challenge now is to keep this rate on a long-term downward trend. Addressing persistent long-term unemployment that has never before been seen in the U.S. and common in Europe must be a major goal in 2013. For example, when the recession started in Dec 2007, the long-term unemployment rate was 17.5%.



Median Time Unemployed Declined to 16 Weeks

In Jan 2013, the median time unemployed fell to 16 weeks (from 18 weeks) – this is the first time that this has fallen below 17 weeks since July 2012. In the first half of 2012 this averaged at 20 weeks and in the second

half of 2012, it averaged at 18.5 weeks. 2.4 million workers were marginally attached to the labor force (not seasonally adjusted) – this was a fall of -171,000 from Dec 2012. This population represents those who had looked for a job sometime in the last 12 months, but not in the last month and therefore were not counted in the unemployment rate. Of these, 804,000 were discouraged workers (people not looking for work because they believed no jobs was available for them) – this group of workers fell by -264,000.

Real Hourly Wages Fell For the 5th Month

In Jan 2012, average hourly wages of nonsupervisory and production workers in the private nonfarm sector rose slightly to \$19.97 (from \$19.92 in Dec 2012, adjusted) and average weekly earnings also fell to \$670.99 (from \$671.30 in Dec 2012, adjusted). Average weekly hours were slightly down at 33.6 hours/week (from 33.7 hours/week in Dec 2012). In the 12 months from Jan 2012 to Jan 2013, average hourly and weekly earnings rose by 1.8% and 1.2%, respectively. The Consumer Price Index for Urban Wage Earners (CPI-W), a measure of inflation, increased by 1.7% in the 12 months to Dec 2012 (inflation is not yet available for 12 months to Jan 2013) – given this inflation rate, real hourly wages fell by -0.02% and real weekly wages also fell by -0.02%.



State Unemployment Situation for Sep 2012

In state unemployment data for Dec 2012 (Jan 2012 is not available yet) payroll employment increased in 27 states and the District of Columbia and decreased in 23 states. 22 states had unemployment rate decreases, 16 states and the District of Columbia had rate increases. The largest gains in payroll employment occurred in New York (+35,100), followed by New Jersey (+30,200). California (-17,500), followed by Florida (-15,300) and Louisiana (-11,400) had the most job losses. Nevada and Rhode Island had the highest unemployment rate at 10.2% each. North Dakota had the lowest rate at 3.2%.