

# Jobless filings mostly flat

Broader market trend suggests companies are laying off few workers.

By Christopher S. Rugaber  
Associated Press

The number of Americans seeking unemployment benefits ticked up 1,000 last week to a seasonally adjusted 326,000, a level consistent with steady job gains.

The Labor Department says the four-week average, a less volatile measure, fell for the third straight week to 331,500. Both figures are close to pre-recession levels and suggest that companies are laying off few workers.

Still, hiring will also need to pick up to make a dent in the still-high 6.7 percent unemployment rate. Many econo-

mists forecast that job gains will pick up a bit this year.

"An array of surveys tell us labor demand is rising, and we remain of the view that the underlying trend in payroll growth is slowly picking up," said Ian Shepherdson, an economist at Pantheon Macroeconomics.

One sour note in the report: Nearly 1.4 million people who have been unemployed longer than six months lost benefits in the week that ended Jan. 4, the latest period for which figures are available. That's because an emergency program that provided extended benefits expired Dec. 28.

The number of recipients fell to 3.7 million from 4.7 million in the previous week. About 300,000 people began receiving unemployment benefits in the week ended Jan. 4.

The total number of beneficiaries was already declining as those out of work either found jobs or exhausted their benefits. More than 5.6 million people were receiving aid a year ago. The program peaked with just over 11 million recipients in early 2010, about six months after the Great Recession ended.

The figures show that only about one-third of those out of work now receive aid. That's low by historical standards. The figure is usually closer to half.

More than 10 million people were unemployed in December. Benefits are available only to those who lose their jobs through no fault of their own. Those who quit or were fired for performance reasons or who have started looking for work after finishing school don't qualify for benefits.

# A Better Way To Think About February's Jobs Numbers

The context you need to understand job growth and unemployment in the U.S., updated every month.

[Julia Wolfe](#)

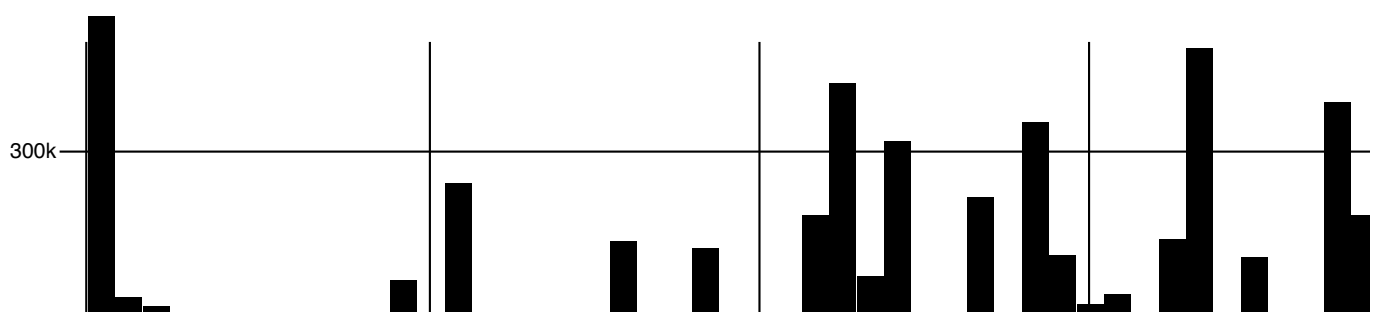
You've probably seen some headlines today about the latest unemployment rate (4.1 percent) or others saying 313,000 jobs were added in February. Those are the numbers from the Bureau of Labor Statistics' monthly jobs report, published this morning, that get the bulk of the media coverage. And that makes a certain amount of sense — they are important measures of our economy's health and inform policymakers: Keeping the unemployment rate stable is [one of the Federal Reserve's goals](#) when setting interest rates.

But without the right context, they're a bit misleading. Let's start with job growth.

## Number of jobs added or lost

### Monthly change in nonfarm payroll employment, seasonally adjusted

Still preliminary



Initial number Revision upward Revision downward Latest number

Charts similar to this one frequently make the rounds early on “jobs Friday” (the report comes out each month, on either the first or second Friday). It’s a look at the number of jobs that the U.S. economy gained or lost on balance every month, with the final bar () representing the newest information, the change in jobs for the month that precedes the report’s release.

What usually goes unreported is how uncertain the length of that last bar is. The number behind it is an estimate that comes with a range: The bar could be taller by 120,000 jobs or shorter by 120,000 jobs ... there’s a 90 percent chance that the actual number is somewhere in that pretty sizable span. So, a report might announce that jobs were lost one month (a worrying trend) when actually the economy experienced a small bump (that happened [in September of last year](#)).

Fortunately, the agency updates those numbers, and they become more accurate over time. Each month’s figure is revised twice, first in the next jobs report and finally in the report after that. Entire years of monthly data are also adjusted up or down during an [annual benchmarking process](#), based on records of unemployment benefits.

Let’s look at the chart again, this time with the updates highlighted.

In the most recent report, the number for December was revised for the second time, to 175,000 — 27,000 more than was initially reported.

Jobs numbers are calculated from a [nationwide survey](#) of about 150,000 businesses and government agencies. The other high-profile number that’s announced at the same time, the unemployment rate — referred to as “U-3” — comes from a [different survey](#) of about 60,000 households — and isn’t subject to monthly revisions.

There are two versions of the unemployment rate — one that’s seasonally adjusted (that’s the one that gets all the headlines) and one that’s not. The BLS highlights the former in its communications with the press because

seasonal adjustment is what allows us to compare the rate from month to month. Adjusting smooths out the predictable peaks and valleys that happen each year (such as the boom in retail employment ahead of the holidays). But if you're not looking at change over time, the non-adjusted number can be considered a more true-to-life snapshot of unemployment in the previous month. For February, it was 4.4 percent.

To understand how the BLS measures the unemployment rate, there's an important concept to get familiar with first: the civilian labor force. The government considers people of working age to be a part of it if they have a job or are actively looking for one (i.e., have searched in the past four weeks). Last month, roughly 314 Americans were considered in the labor force out of every 500 tracked by the BLS for its employment statistics (those who are 16 or older and are not in [the military](#), prison, a long-term care facility or otherwise institutionalized). And roughly 14 of those 314 didn't have a job, which gives us the unadjusted unemployment rate of 4.4 percent.

## **The unemployment rate**

### **Unemployed Americans in the labor force, February 2018**

The unemployment rate, adjusted or otherwise, is a [useful metric for economists](#), but it doesn't quite capture how we tend to think about employment and joblessness in our day-to-day lives. What about your cousin who wants a gig but gave up looking a few months back? As far as the U-3 is concerned, your cousin isn't in the labor force, so he isn't part of the official unemployment rate.

As with job growth, the BLS report contains more about employment than just the headline figure. The number of people who aren't in the labor force is tracked, for instance, and broken down into those who want a job and those who don't. The BLS also differentiates between full-time and part-time workers. In February, this was the employment status of every 500 people included in the report:

## **Breaking down employment**

### **Employment status, non-seasonally adjusted, among every 500 Americans included in the BLS report, February 2018**

In the labor force

**14 (2.8%)**

**Unemployed, want a job, actively looking**

**246 (49.2%)**

**Employed full time**

**54 (10.9%)**

**Employed part time**

**10 (2%)**

**Unemployed, want a job, not actively looking**

**176 (35.1%)**

**Unemployed, don't want a job**

The BLS has a broader measure of unemployment — the U-6 — which includes people counted in the official jobless rate, those who've tried to find a job in the past year but haven't looked in the past four weeks, and part-time workers who want a full-time job. February's unadjusted U-6 was 8.6 percent. That's 4.2 percentage points higher than the unadjusted unemployment rate.

So when the next jobs report comes out on April 6, there are a couple of things to keep in mind. That unemployment rate in the headlines? It doesn't really take into account your cousin or anyone else who has quit job-hunting

for a while or is working less than they want to. And that job growth number? Take it with +/- 120,000 grains of salt.

**UPDATE (March 9, 2018, 9 a.m.):** In a previous version of this article, the chart titled “Breaking down employment” separated part-time workers into two categories: those who work part time by choice and those who work part time but would like a full-time job. That chart has been updated to show only the total number of part-time workers. The total figure can be more accurately compared with the other employment categories shown.