

February Jobs Numbers Indicates We're Headed Back in the Right Direction

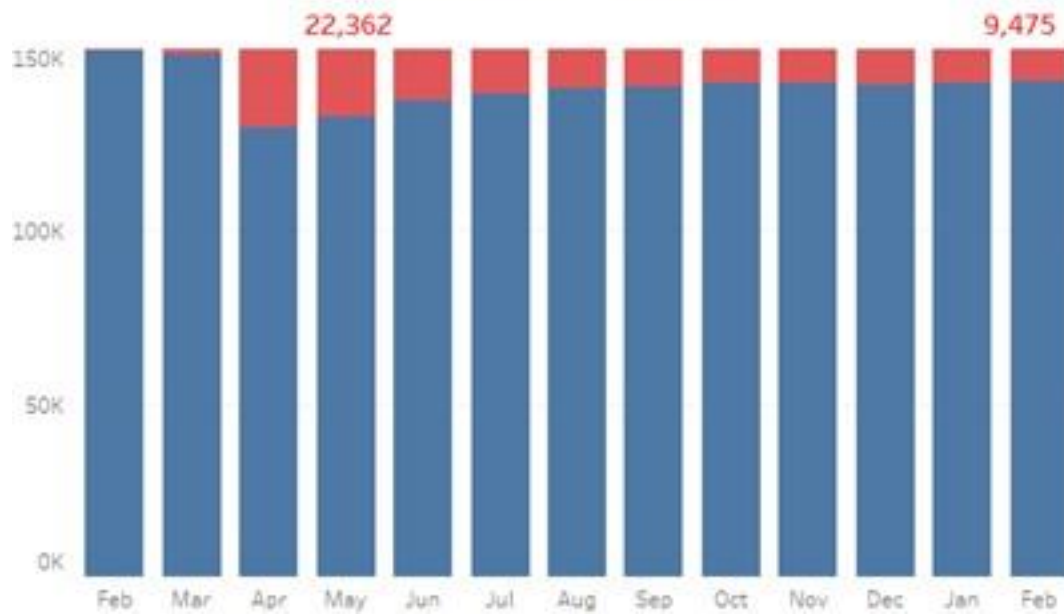
On Friday, the Bureau of Labor Statistics (BLS) released the [February jobs report](#). It showed the economy added 379,000 jobs and the unemployment rate fell slightly to 6.2% from 6.3%. The labor force grew by 50,000 and wages rose 0.2%. Given the slowing of the labor market in recent months, this was an encouraging report that indicates we are headed back in the right direction.



By the numbers: The report was even stronger than the topline data. BLS revised up December and January job growth by 38,000. Further, private sector job growth in February was 465,000. Government shed 86,000 jobs, mostly at the state and local government level in education (-69,000). The drag education is putting on the labor market is compounded by the fact that school closures are also keeping many parents, mostly women, out of the labor force. It is absolutely essential to open the schools for faster healing of the labor market.

But: With the 379,000 new jobs in February, there are still 9.5 million fewer jobs in the economy than there were in February of 2020, prior to the pandemic. The unemployment rate will decline faster than this gap because the labor force will remain smaller than it was before COVID-19. It will take several years for total employment to match the 152.5 million jobs that existed just a year ago.

Jobs Gap Continues to Shrink



Be smart: We can accelerate getting back to that level with prudent policies. First is getting schools open. Then we need to tailor unemployment benefits so they are not an impediment to people going back to work. There is a clear jump in unemployment claims each time Congress extends extra benefits, and surveys of businesses show employers have a harder time hiring workers when those benefits are increased.

Lastly, Congress should be focusing more attention on job retraining programs. Many of the industries hit hardest by job losses the last year will not rehire all their displaced workers. At the same time, the automation of some job functions has continued. Many workers will need new skills if they are to land jobs in the industries with openings in the months and years to come.

—Curtis Dubay, Senior Economist, U.S. Chamber of Commerce