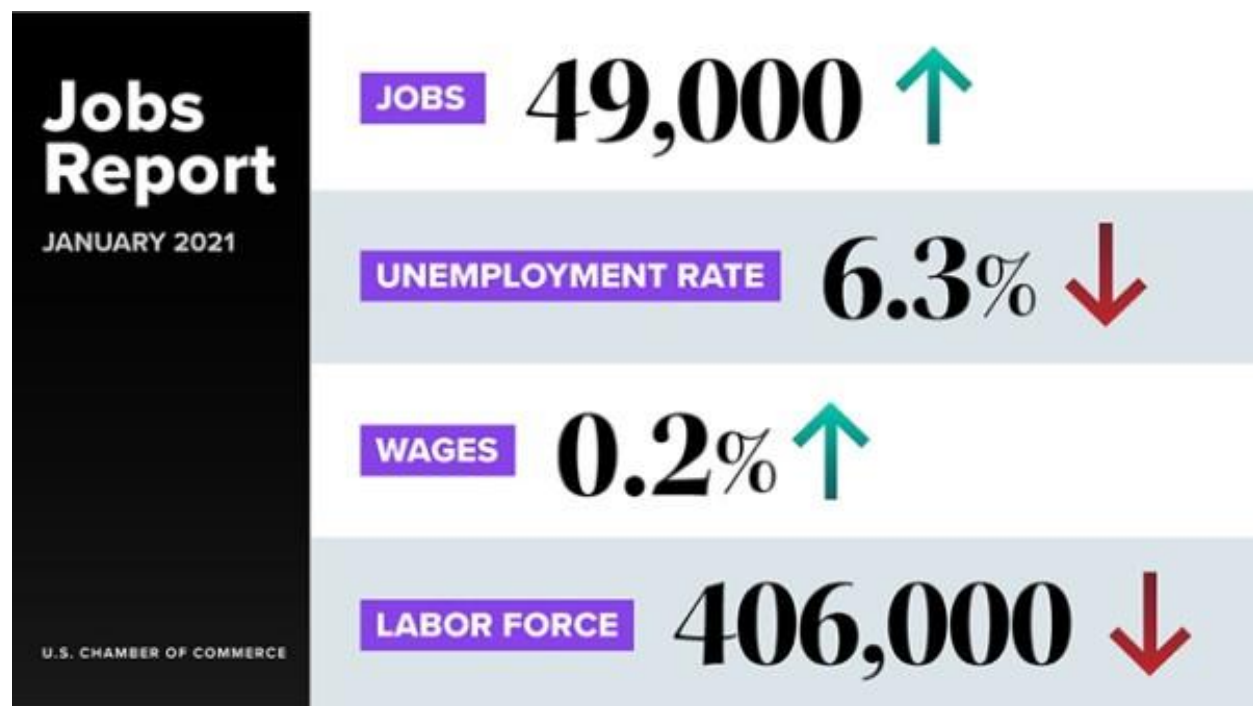


## 49,000 Jobs Were Added in January



On Friday, the Bureau of Labor Statistics (BLS) reported the [January jobs data](#). It showed the economy added 49,000 jobs. The unemployment rate fell to 6.3% from 6.7% because more than 400,000 people left the labor force. Wages ticked up slightly.

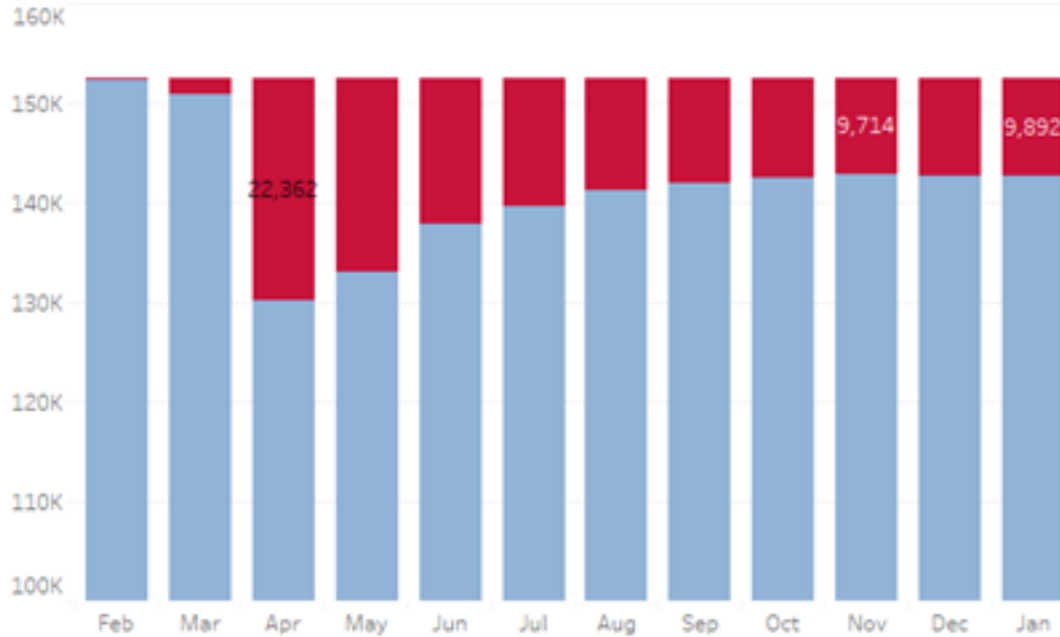
**What happened?** In January virus cases surged and state and local governments reimposed restrictions. This caused weekly unemployment claims to rise. Analysts were braced for a poor report, many of which anticipated another monthly decline following 227,000 jobs lost in December.

**By the numbers:** Of the 49,000 jobs created in January, only 6,000 were in the private sector. Government added the other 43,000, mostly at the state and local levels in education. Those levels are nearly 1 million less than they were last January.

On the private sector side, professional and business services added 97,000 jobs. On the downside, as expected, services took a beating again. Leisure and hospitality lost 61,000 jobs. Food and drinking places and accommodations lost another 19,000 jobs, respectively. Retail dropped 39,000 jobs, mostly in general merchandise stores.

**Perspective:** We lost more than 22 million jobs in March and April of 2020. Since then, we have added back almost 12.5 million, an impressive feat in a short amount of time. This is proof of the U.S. economy's incredible resiliency. However, we still need to create almost 10 million jobs to get back to the level of employment we had last February. Clearly, we need to add many more jobs each month if we are to get back to that level in the near future.

## Jobs Gap Continues to Shrink



**Bottom line:** While January was not as bad as it could have been given a difficult month, we want to see the economy adding more jobs as we continue to dig out of the hole caused by COVID-19. Recent declines in virus levels, easing of restrictions, and increased vaccination levels should mean a better month for job creation in February.

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