

April 2, 2010

Still a ways to go

[The March employment report](#), as probably should have been predicted, was a mixed bag of pretty good news (fairly strong gains in private payroll jobs and upward revisions for January and February), some not-so-great news (a decline in average hourly earnings, long-term unemployment still on the rise, and an increase in people working part time "involuntarily"), and lots of data that are hard to interpret. In the hard-to-interpret category, I'd put the continuing rise in the temporary employment category (is it a leading indicator of further employment gains, [as has been the case historically?](#)), increases in construction employment (just the weather?), and strength in manufacturing employment (a blip in a sector that generally does not provide much job growth, or the early stage of a return to prerecession levels, implying we have about two million manufacturing job gains to go?).

What does seem clear is that the pace of net job creation is still well below the levels required to appreciably improve the unemployment rate or to make a sizable step toward regaining the eight million-plus jobs lost since the beginning of the recession. Updating a calculation referenced in [a speech by Atlanta Fed President Dennis Lockhart](#) on Wednesday, at a pace of 162,000 jobs added per month and at the current labor force participation rate, unemployment this time next year would still be just north of 9 percent.

Not great, but at least, to use President Lockhart's phrase, "we are, finally, moving in the right direction."

UPDATE: At Angry Bear, [Spencer notes](#) that [the employment diffusion index](#), which is a measure of the breadth of job gains, is improving. Jim Hamilton puts the employment report in a class of [several other pieces of good economic news](#). But [Dean Baker emphasizes](#) the weak gain in earnings (link courtesy of [Mark Thoma](#)). [Calculated Risk documents](#) the historical correlation between housing starts and unemployment and highlights the unusually [high levels of long-duration unemployment](#). [So does Catherine Rampell](#), who also puts [recent cumulative job performance in historical perspective](#). [David Beckworth breaks down](#) the employment gains by industry (hat tip, [Capital Spectator](#).) [Barry Ritholtz offers](#) an array of interesting charts. At Real Time Economics, [highlights from the Bureau of Labor Statistics' first public chat session](#).

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