

The March Review

This issue provides our annual look at employment and unemployment developments during the previous calendar year. As everyone knows, 2008 was not, in any sense of the term, business as usual.

The labor market started to slide during the second half of 2007 and deteriorated at an accelerating pace as 2008 unfolded. In the fourth quarter of last year, the Nation's unemployment rate rose to nearly 7 percent, as well over 10 million persons found themselves out of work. The rise in the jobless rate was the largest fourth-quarter-to-fourth-quarter increase since 1982, a recessionary period that has long been noted as the most severe in modern times. The labor force participation rate hovered at around 66 percent in 2008, essentially unchanged over the year, indicating that much of the downturn in the labor market resulted from individuals losing their jobs.

Total nonfarm employment peaked in December 2007, coinciding with the start of the current recession. This turning point marked the end of about 3 years of job growth totaling nearly 5.5 million jobs. During 2008, payroll employment fell by a little over 3 million, and the declines were quite widespread across industry sectors. Few parts of the economy were immune from layoffs, in fact; manufacturing, construction, financial activities and professional and business services, as well as retail trade and leisure and hospitality, all suffered job cutbacks. Only a couple of major industries, most notably health care and mining, managed to add jobs last year.

2009 budget

With the signing of the Omnibus Appropriations Act on March 11, 2009, we can present some information on the final Bureau of Labor Statistics (BLS) Fiscal Year 2009 budget. The Omnibus provides \$597.2 million in funding to the Bureau. We have cited in this space previously some program constraints for BLS that were necessitated by operating thus far in the current Fiscal Year at 2008 resource levels.

The 2009 level of funding will enable BLS to make progress towards its highest priority goals and objectives during the remainder of the Fiscal Year. Specifically, it includes funds to continuously update the housing and geographic samples of the Consumer Price Index, a vitally needed improvement. It provides resources to maintain the sample size of the Current Population Survey (CPS), which is critical to maintaining the survey's accuracy; the CPS is the source of such measures as the national unemployment rate, labor force participation rate, and women's-to-men's earnings ratio. The Omnibus also includes funds to maintain the American Time Use Survey (ATUS), which provides nationally representative estimates of how Americans spend their time. Articles based upon ATUS data have appeared in *MLR* a number of times, most recently July and November of last year.

Other budget highlights include funding to conduct research to explore and address a potential undercount in the Survey of Occupational Injuries and Illnesses (discussed in our August 2008 issue). Funding was included in the budget to allow BLS to continue to release monthly estimates on the employment and

unemployment status of people with disabilities (the first issuance of which were noted in this column in January of this year).

Additional information about the 2009 budget for the BLS can be found online at <http://www.bls.gov/bls/budget2009.htm>.

Foreign-born workers

According to recently-released data for 2008 from the CPS, about 24 million persons, or 15.6 percent of the U.S. civilian labor force age 16 and over, were foreign born (persons currently residing in the United States who were not U.S. citizens at birth). The unemployment rate for the foreign born was 5.8 percent in 2008, up from 4.3 percent in 2007. The jobless rate of the native born also increased to 5.8 percent in 2008; it was 4.7 percent in the prior year.

The demographic characteristics of the foreign-born labor force differ from those of the native born. In 2008, men made up a larger proportion of the foreign-born labor force (59.8 percent) than they did of the native-born (52.3 percent) labor force. Also, a higher proportion of the foreign-born than the native-born labor force was made up of 25- to 54-year-olds (76.6 and 66.0 percent, respectively); labor force participation is typically highest among persons in that age group.

In 2008, Hispanics comprised about half of the foreign-born labor force, compared to just under 8 percent of the native-born labor force. Asians made up almost a quarter of the foreign-born labor force, compared with less than 2 percent of the native-born labor force.

Additional information about these data can be found at <http://www.bls.gov/news.release/forbrn.tn.htm>. □