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Statement of

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Nonfarm payroll employment rose by 916,000 in March, and the unemployment rate edged down to 6.0 percent. These improvements in the labor market reflect the continued resumption of economic activity that had been curtailed due to the coronavirus (COVID-19) pandemic. Job growth was widespread, led by gains in leisure and hospitality, public and private education, and construction.

Substantial job losses related to the pandemic first occurred in March (-1.7 million) and April (-20.7 million) of 2020. As economic activity resumed, employment increased by 12.6 million from May through November but declined again in December (-306,000) following a surge in the number of coronavirus cases. Job growth restarted in January of this year, and nonfarm payroll employment has increased by 1.6 million over the past 3 months. However, payroll employment is down by 8.4 million, or

5.5 percent, from the pre-pandemic employment peak in February 2020.

Employment in leisure and hospitality rose by 280,000 in March and by 384,000 in the prior month, as pandemic-related restrictions continued to ease in many parts of the country. Within the industry, job growth in food services and drinking places (+176,000) accounted for almost two-thirds of the March increase. Employment also rose in arts, entertainment, and recreation (+64,000) and accommodation (+40,000). Employment in leisure and hospitality is down by 3.1 million, or 18.5 percent, since February 2020.

In March, employment increased in both public and private education, reflecting the continued resumption of in-person learning and other school-related activities in many parts of the country. Local government education added 76,000 jobs, state government education added 50,000 jobs, and private education added 64,000 jobs. Since February 2020, employment is down in local government education (-594,000), state government education (-270,000), and private education (-310,000).

Construction employment increased by 110,000 in March, following a loss in the previous month (-56,000) that was likely weather-related. In March, job gains occurred in specialty trade contractors (+65,000), heavy and civil engineering construction

(+27,000), and construction of buildings (+18,000). Employment in construction is down by 182,000 since February 2020.

Professional and business services added 66,000 jobs in March. Employment in administrative and support services continued to trend up (+37,000), though employment in its temporary help services component, which had risen in recent months, was essentially unchanged in March. Over the month, employment also continued to trend up in management and technical consulting services (+8,000) and computer systems design and related services (+6,000). Since February 2020, employment in professional and business services is down by 685,000.

Employment in manufacturing rose by 53,000 over the month, with job gains in both the durable goods (+30,000) and nondurable goods (+23,000) components. Manufacturing employment is down by 515,000 since February 2020.

Transportation and warehousing added 48,000 jobs in March, with employment increases in couriers and messengers (+17,000), transit and ground passenger transportation (+13,000), support activities for transportation (+6,000), and air transportation (+6,000). Since February 2020, employment in couriers and messengers is up by 206,000, while employment is down by 112,000 in transit and ground passenger transportation and by 104,000 in

air transportation. Overall, employment in transportation and warehousing is 66,000 lower than in February 2020.

Employment in the other services industry increased by 42,000 in March but is down by 396,000 since February 2020. Over the month, job gains occurred in personal and laundry services (+19,000) and in repair and maintenance (+18,000).

Social assistance added 25,000 jobs in March, with most of the gain in individual and family services (+20,000). Employment in social assistance is 306,000 lower than the peak in February 2020.

Employment in wholesale trade rose by 24,000 in March, with gains in both the durable and nondurable goods components (+14,000 and +10,000, respectively). Wholesale trade employment is 234,000 below the February 2020 level.

Retail trade employment increased by 23,000 in March. Job gains in clothing and accessories stores (+16,000), motor vehicle and parts dealers (+13,000), and furniture and home furnishings stores (+6,000) were partially offset by job losses in building material and garden supply stores (-9,000) and general merchandise stores (-7,000). Although retail employment has trended up since April, it is 381,000 lower than in February 2020.

In March, mining employment rose by 21,000, mostly in support activities for mining (+19,000). Mining employment is down by 130,000 since a peak in January 2019.

Financial activities added 16,000 jobs in March, with gains in insurance carriers and related activities (+11,000) and real estate (+10,000) more than offsetting a loss in credit intermediation (-7,000). Employment in financial activities is 87,000 below its level in February 2020.

Employment changed little in health care in March but is down by 557,000 since February 2020.

In March, employment was essentially unchanged in information. Employment in the industry is 241,000 lower than in February 2020.

Average weekly hours for all private-sector workers increased by 0.3 hour in March to 34.9 hours, following a decline of 0.4 hour in the previous month. In March, the average workweek for manufacturing increased by 0.2 hour to 40.5 hours.

Average hourly earnings of all employees on private nonfarm payrolls decreased by 4 cents to \$29.96 in March. One should continue to use caution when interpreting changes in average hourly earnings during the pandemic, as large shifts in the industry composition of employment can complicate monthly comparisons.

Turning to the labor market indicators from the household survey, the unemployment rate edged down to 6.0 percent in March. The rate is down considerably from its recent high in April 2020 but is 2.5 percentage points higher than its pre-pandemic level in February 2020. The number of unemployed people, at 9.7 million, continued to trend down in March but is 4.0 million higher than in February 2020.

Among the major worker groups, the unemployment rate for Asians increased to 6.0 percent in March, following a decrease in the previous month. The jobless rate for Hispanics edged down to 7.9 percent over the month, while the rates changed little for adult men (5.8 percent), adult women (5.7 percent), teenagers (13.0 percent), Whites (5.4 percent), and Blacks (9.6 percent).

Among the unemployed, the number of people on temporary layoff declined by 203,000 in March to 2.0 million. This measure is down considerably from the recent high of 18.0 million in April 2020 but is 1.3 million higher than in February 2020. The number of permanent job losers, at 3.4 million, was little changed in March but is 2.1 million higher than February 2020.

By duration of unemployment, the number of people searching for work for less than 5 weeks was essentially unchanged in March at 2.2 million. The number of people unemployed for 5 to 14 weeks declined by 313,000 to 1.9 million. The number of

people unemployed for 27 weeks or more (often referred to as the long-term unemployed), at 4.2 million, was little changed over the month but is up by 3.1 million since February 2020. In March, the long-term unemployed accounted for 43.4 percent of the unemployed.

The labor force participation rate changed little at 61.5 percent in March. This measure is 1.8 percentage points lower than in February 2020. The employment-population ratio, at 57.8 percent, was up by 0.2 percentage point over the month but is 3.3 percentage points lower than in February 2020.

In March, 5.8 million people were working part time for economic reasons, little changed from the previous month. The number of people affected by this type of underemployment is down from a peak of 10.9 million in April 2020 but is 1.4 million higher than in February 2020.

At 6.9 million, the number of people not in the labor force who currently want a job was about unchanged in March. Among those who were not in the labor force but wanted a job, the number of people marginally attached to the labor force was essentially unchanged at 1.9 million. (People who are marginally attached to the labor force had not actively looked for work in the 4 weeks prior to the survey but had looked for a job within the last 12 months.) The number of discouraged workers, a subset of the marginally attached who believed that no jobs were

available for them, was essentially unchanged over the month at 523,000.

As in previous months, some workers affected by the pandemic who should have been classified as unemployed on temporary layoff in March were instead misclassified as employed but not at work. Since March 2020, BLS has published an estimate of what the unemployment rate would have been had misclassified workers been included among the unemployed. Repeating this same approach, the seasonally adjusted March unemployment rate would have been 0.4 percentage point higher than reported. Additional information about the misclassification, as well as information about response rates for both the household and establishment surveys, is available on the BLS website at www.bls.gov/covid19/employment-situation-covid19-faq-march-2021.htm.

Looking at supplemental pandemic-related measures from the household survey (these supplemental data are not seasonally adjusted), the share of employed people who teleworked in March because of the coronavirus pandemic declined to 21.0 percent. These data refer only to employed people who teleworked or worked at home for pay at some point in the last 4 weeks specifically because of the pandemic; they do not include all instances of telework.

In March, the number of people who reported that they had been unable to work because their employer closed or lost business due to the pandemic--that is, they did not work at all or worked fewer hours at some point in the last 4 weeks due to the pandemic--decreased to 11.4 million. Among those who reported in March that they were unable to work because of pandemic-related closures or lost business, 10.2 percent received at least some pay from their employer for the hours not worked, little changed from the prior month.

Among those not in the labor force in March, 3.7 million people were prevented from looking for work due to the pandemic, down from 4.2 million in the prior month. (To be counted as unemployed, by definition, individuals must either be actively searching for work or on temporary layoff.)

In summary, total nonfarm payroll employment increased by 916,000 in March, and the unemployment rate edged down to 6.0 percent.