

## Employment (March)

- Nonfarm payrolls were weaker than expected, falling 80,000 in March. In addition, payrolls in the prior two months were downwardly revised by a cumulative 67,000. Private payrolls fell 98,000 in March. This is the third consecutive decline in nonfarm payrolls and the fourth straight drop in private payrolls.
- The unemployment rate jumped to 5.1% in March from 4.8% in February as household employment declined 24,000 and the labor force expanded by 410,000 (the labor force participation rate rose to 66.0% from 65.9%).
- Average hourly earnings rose 0.3% in March, slowing year-over-year wage growth to 3.6% from 3.7%.
- The private sector workweek rose 0.1 hour to 33.8 hours from 33.7 hours. Hours worked rose 0.2% in March, but declined by 1.2% at an annual rate in the first quarter.

	<u>Mar</u>	<u>Feb</u>	<u>Jan</u>	<u>3-month change</u>	<u>12-month change</u>
<b>Payroll Survey</b>					
Nonfarm payrolls	-80K	-76K	-76K	-77K	45K
Private payrolls	-98K	-109K	-79K	-95K	24K
Goods producing	-93K	-82K	-69K	-81K	-53K
Manufacturing	-48K	-46K	-35K	-43K	-26K
Construction	-51K	-37K	-39K	-42K	-30K
Service producing	13K	6K	-7K	4K	97K
Wholesale trade	-5K	-9K	-6K	-6K	6K
Retail trade	-12K	-47K	-16K	-25K	-9K
Transportation	-4K	1K	-5K	-3K	0K
Financial activities	-5K	-11K	-8K	-8K	-9K
Professional & business services	-35K	-30K	-30K	-32K	13K
Education & health	42K	40K	49K	44K	46K
Leisure	18K	20K	9K	16K	28K
Government	18K	33K	3K	18K	20K
Diffusion index	47.6%	43.6%	45.4%	48.5%	52.7%
Ave. hourly earnings	0.3%	0.3%	0.3%	3.7%	3.6%
Private workweek	33.8h	33.7h	33.7h	33.8h	33.9h
Mfg. workweek	41.3h	41.2h	41.1h	41.1h	41.2h
Aggreg. hrs. worked	0.2%	-0.1%	-0.4%	-1.1%	0.4%
Manuf. hrs. worked	0.0%	-0.2%	-0.1%	-1.3%	-1.2%
<b>Household Survey</b>					
Unemployment rate	5.1%	4.8%	4.9%	5.0%	4.4%
Augmented Unemp. Rate	7.9%	7.7%	7.8%	7.8%	7.2%
Participation rate	66.0%	65.9%	66.1%	66.0%	66.2%
Household employment	-24K	-255K	37K	-81K	-15K
Civilian labor force	410K	-450K	-42K	-27K	75K
Unemployed	434K	-195K	-79K	53K	90K

\*3- & 12-months ago

**BOTTOM LINE:** Clear and unmistakable recession signals from the labor market. Private payrolls have declined for four consecutive months and the unemployment rate is up 0.7% points from its low of a year ago. This magnitude of a rise in the unemployment rate has never occurred in the post-war period without the economy being in recession.

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**April 4, 2008**