



JOINT ECONOMIC COMMITTEE SENATE REPUBLICANS

SENATOR SAM BROWNBACK, SENIOR REPUBLICAN SENATOR

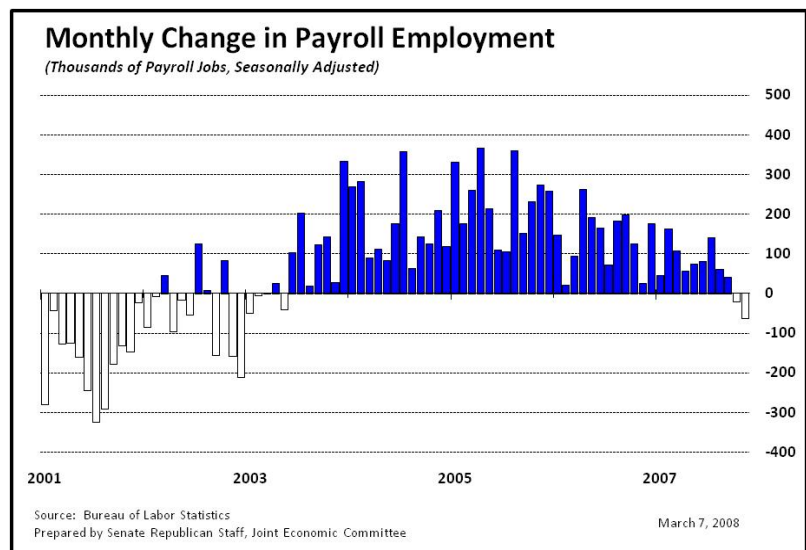
March 7, 2008

EMPLOYMENT SITUATION

Payroll Employment

The Bureau of Labor Statistics (BLS) reported that payroll employment decreased by 63,000 jobs, or 0.05 percent, during February 2008 to a seasonally adjusted total employment level of 137.993 million. Payroll employment has increased in 53 of the past 60 months. Over the past year, payroll employment has increased by 860,000 jobs.

BLS revised its estimate of the payroll employment change in January 2008 downwards to -22,000 from its initial estimate of -17,000. BLS also revised its estimate of payroll employment change for December 2007 downwards to 41,000 from 82,000.

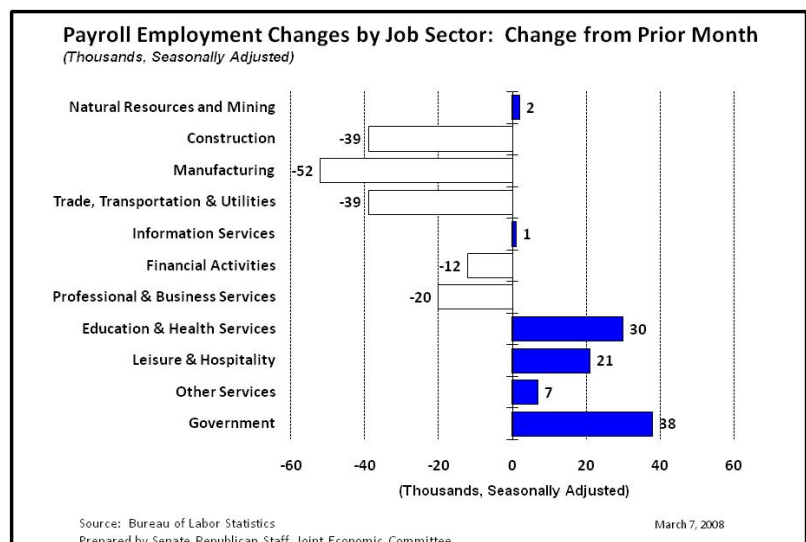


Sector Performance

Private sector payrolls decreased by 101,000 jobs to a seasonally adjusted 115.618 million. Private sector payroll employment has increased in 53 of the past 60 months. Over the past year, private sector payroll employment has increased by 612,000 jobs.

Goods-Producing Sector

Goods-producing sector payrolls decreased by 89,000 jobs to a seasonally adjusted 21.833 million. There have been 11 consecutive months of negative goods-producing sector payroll job growth. During that time 529,000 goods-producing sector jobs have been lost --- an average of 48,091 per month. In the



36 months prior to the current streak, goods-producing sector payroll employment increased an average of 16,694 jobs per month. Over the past year, goods-producing sector payroll employment has decreased by 489,000 jobs.

Natural Resources and Mining

Payroll employment in the natural resources and mining sector increased by 2,000 during February 2008. The natural resources and mining sector has registered positive job growth for 40 consecutive months. During that period payroll employment in the sector has increased by 148,000. Over the past year, payroll employment in the natural resources and mining sector has increased by 32,000.

Construction

Payroll employment in the construction sector decreased by 39,000 during February 2008. Payroll employment in the construction sector has registered negative growth for 8 consecutive months. During that period payroll employment in the sector has decreased by 255,000. Over the past year, payroll employment in the construction sector has decreased by 222,000.

Manufacturing

Payroll employment in the manufacturing sector decreased by 52,000 during February 2008. Payroll employment in the manufacturing sector has registered negative growth for 20 consecutive months. During that period payroll employment in the sector has decreased by 511,000. Over the past year, payroll employment in the manufacturing sector has decreased by 299,000.

Service-Providing Sector

Service-providing sector payrolls increased by 26,000 jobs to a seasonally adjusted 116.160 million. There have been 54 consecutive months of positive service-providing sector payroll job growth. During that time 8.046 million service-providing sector jobs have been created --- an average of 149,000 per month. In the 24 months prior to the current streak, service-providing sector payroll employment increased an average of 500 jobs per month. Over the past year, service-providing sector payroll employment has increased by 1.349 million jobs.

Trade, Transportation & Utilities

Payroll employment in the trade, transportation & utilities sector decreased by 39,000 during February 2008. Over the past year, payroll employment in the trade, transportation & utilities sector has increased by 91,000.

Information Services

Payroll employment in the information services sector increased by 1,000 during February 2008. Over the past year, payroll employment in the information services sector has decreased by 21,000.

Financial Activities

Payroll employment in the financial activities sector decreased by 12,000 during February 2008. Payroll employment in the financial activities sector has registered negative growth for 7 consecutive months. During that period payroll employment in the sector has decreased by 99,000. Over the past year, payroll employment in the financial activities sector has decreased by 115,000.

Professional & Business Services

Payroll employment in the professional & business services sector decreased by 20,000 during February 2008. Over the past year, payroll employment in the professional & business services sector has increased by 229,000.

Education & Health Services

Payroll employment in the education & health services sector increased by 30,000 during February 2008. Payroll employment in the education & health services sector has registered positive growth for 41 consecutive months. During that period payroll employment in the sector has increased by 1.66 million. Over the past year, payroll employment in the education & health services sector has increased by 536,000.

Leisure & Hospitality

Payroll employment in the leisure & hospitality sector increased by 21,000 during February 2008. Payroll employment in the leisure & hospitality sector has registered positive growth for 21 consecutive months. During that period payroll employment in the sector has increased by 622,000. Over the past year, payroll employment in the leisure & hospitality sector has increased by 336,000.

Other Services

Payroll employment in the other services sector increased by 7,000 during February 2008. Payroll employment in the other services sector has registered positive growth for 5 consecutive months. During that period payroll employment in the sector has increased by 20,000. Over the past year, payroll employment in the other services sector has increased by 45,000.

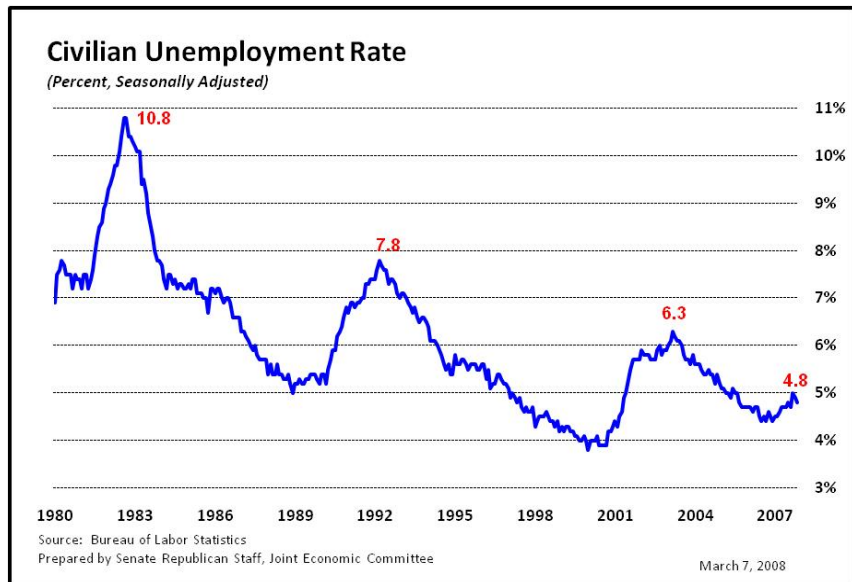
Government

Payroll employment in the government sector increased by 38,000 during February 2008. Payroll employment in the government sector has registered positive growth for 7 consecutive months. During that period payroll employment in the sector has increased by 205,000. Over the past year, payroll employment in the government sector has increased by 248,000.

Unemployment

BLS reported that the unemployment rate declined in February 2008 to 4.8 percent from 4.9 percent in January 2008. One year earlier (February 2007) the unemployment rate stood at 4.5 percent. At 4.8 percent, the unemployment rate is below the five year average of 5.14 percent and the ten year average of 4.91 percent. In February 2008 the number of persons classified as unemployed declined by

195,000 to 7.381 million from 7.576 million in January 2008. The number of persons classified as unemployed rose by 544,000 over the past year.

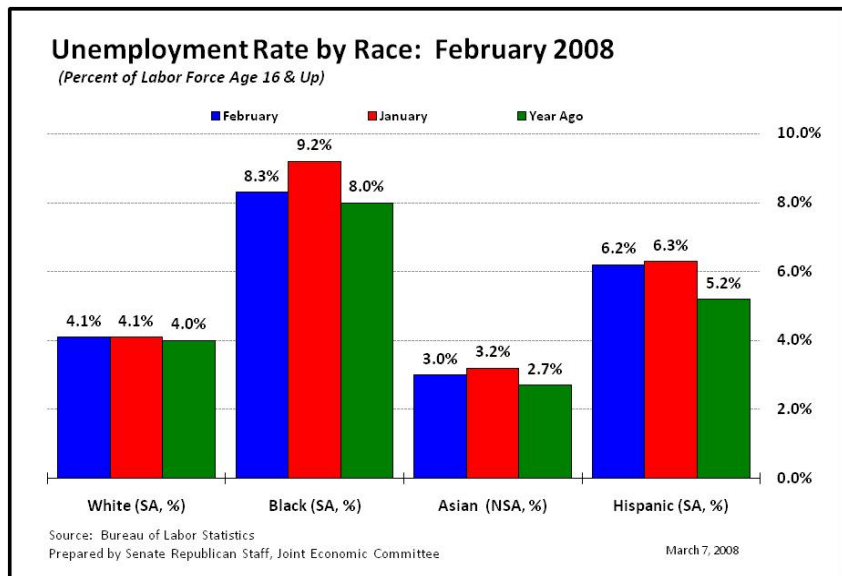


Unemployment Rate By Race

The unemployment rate among White workers was 4.1 percent in February 2008 compared to 4.1 percent a month earlier and 4.0 percent a year earlier. For Black workers the unemployment rate was 8.3 percent compared to 9.2 percent a month earlier and 8.0 percent a year earlier.

The unemployment rate among Asian workers was 3.0 percent in February compared to 3.2 percent a month earlier and 2.7 percent a year earlier.

Among Hispanic workers the February 2008 unemployment rate was 6.2 percent compared to 6.3 percent a month earlier and 5.2 percent a year earlier. The unemployment rate for White, Black and Hispanic workers is published on a seasonally adjusted basis; the rate for Asian workers is not seasonally adjusted.



Profile of the Unemployed

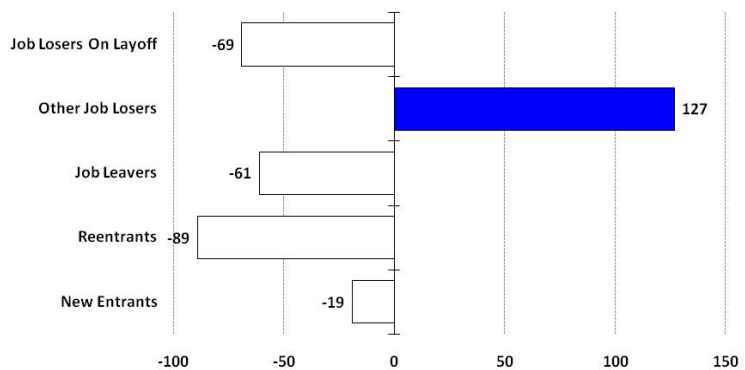
During the month, the number of unemployed persons classified as job losers increased by 58,000 to 3.854 million. Among job losers, the number of unemployed persons classified as job losers on layoff declined by 69,000 to 971,000, while the number of other job losers increased by 127,000 to 2.883 million. The number of job leavers counted among the unemployed declined by 61,000 to 769,000. Unemployment among reentrants declined by 89,000 to 2.112 million, while the number of new entrants classified as unemployed declined by 19,000 to 648,000.

Job losers accounted for 52.2 percent of the unemployed; job losers on layoff were 13.2 percent of the total, while other job losers were 39 percent of the total. Job leavers accounted for 10.4 percent, new entrants 8.8 percent, and reentrants 28.6 percent of the unemployed.

Unemployment Rate Composition

Job losers accounted for 2.5 percent of the 4.8 percent national unemployment rate; job leavers accounted for 0.5 percent, reentrants accounted for 1.4 percent, and new entrants accounted for 0.4 percent. Percentage makeup of the unemployed and percent contribution to the national unemployment rate may not add up to 100 percent and 4.8 percent, respectively, due to rounding.

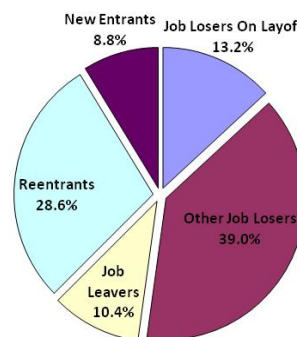
Change in Number of Unemployed by Category: February 2008
(Thousands, Seasonally Adjusted)



Source: Bureau of Labor Statistics
Prepared by Senate Republican Staff, Joint Economic Committee

March 7, 2008

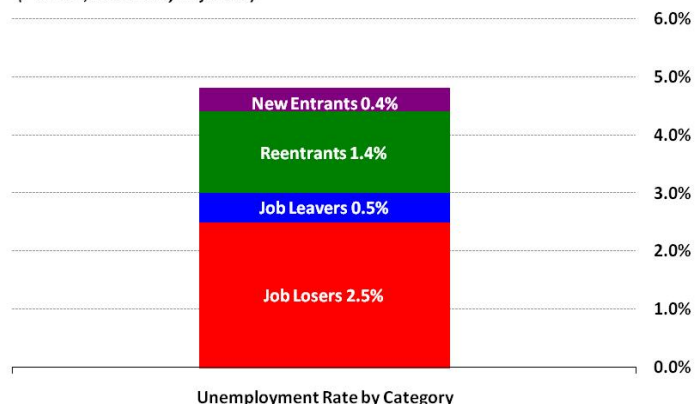
Unemployed Profile (Category): February 2008
(Percentage Makeup of Unemployed by Category, Seasonally Adjusted)



Source: Bureau of Labor Statistics
Prepared by Senate Republican Staff, Joint Economic Committee

March 7, 2008

Unemployment Rate by Category: February 2008
(Percent, Seasonally Adjusted)



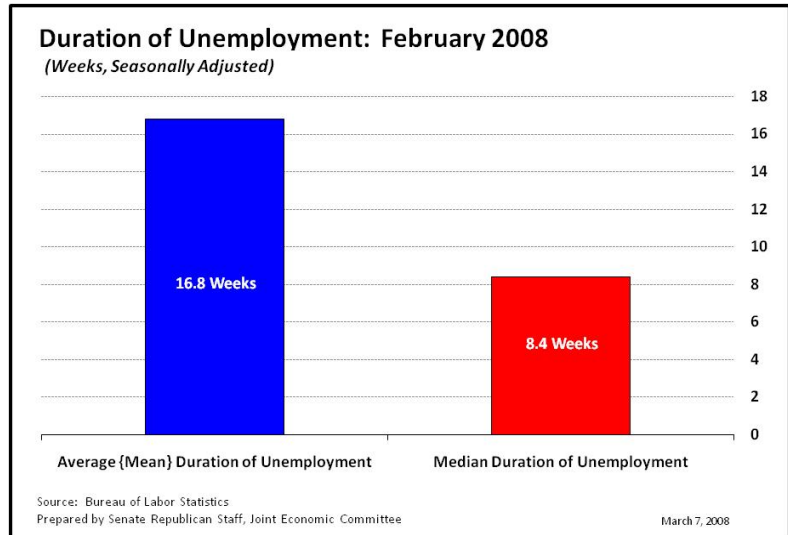
Source: Bureau of Labor Statistics
Prepared by Senate Republican Staff, Joint Economic Committee

March 7, 2008

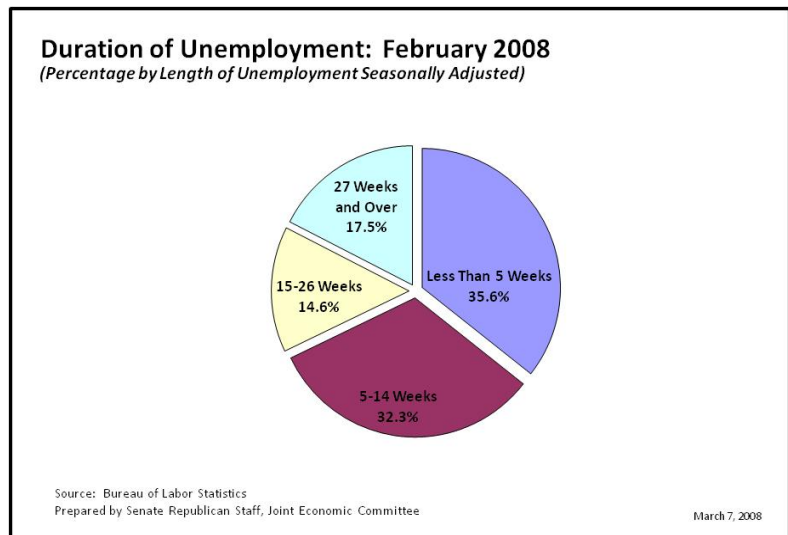
Duration of Unemployment

The average duration of unemployment decreased in February 2008 to 16.8 weeks from 17.5 weeks the preceding month. One year ago (February 2007) the average duration of unemployment was 16.6 weeks. The median duration of unemployment decreased in February 2008 to 8.4 weeks from 8.8 weeks the preceding month. One year ago (February 2007) the median duration of unemployment was 8.2 weeks.

In February 2008 the number of persons unemployed for 27 weeks and over decreased by 81,000 to 1.299 million from 1.38 million. Those unemployed for 27 weeks and over accounted for 17.5 percent of the unemployed.



The number of persons unemployed for 15-26 weeks decreased by 45,000 to 1.079 million from 1.124 million. Those unemployed for 15-26 weeks accounted for 14.6 percent of the unemployed. The number of persons unemployed for 5-14 weeks was unchanged by to 2.396 million from 2.396 million.



Those unemployed for 5-14 weeks accounted for 32.3 percent of the unemployed. The number of persons unemployed for less than 5 weeks increased by 5,000 to 2.639 million from 2.634 million. Those unemployed for less than 5 weeks accounted for 35.6 percent of the unemployed.

NOTES ON SURVEY DATA

The employment situation is derived from two separate surveys, the household survey and the establishment survey. Both surveys produce sample-based estimates of employment and have strengths and weaknesses. The information in this update draws data from both surveys. The section dealing with payroll employment utilizes data from the establishment survey, while the section on unemployment utilizes data from the household survey.

The establishment survey provides a better measure of month to month changes in employment because of its much larger sample and smaller margin of error. An over-the-month employment

change of 104,000 is statistically significant in the establishment survey. The threshold for a statistically significant change in the household survey is approximately 400,000.

The household survey has a broader scope than the establishment survey. The establishment survey measures payroll employment, while the household survey includes self-employed, unpaid family workers, agricultural workers, and private household workers. The household survey also provides estimates of employment for demographic groups.

BLS revises its published estimates in the establishment survey in each of the two months following its initial publication. The revisions are designed to improve its data series by incorporating additional information that was not available at the time of the initial publication of its estimates.

Additionally, the BLS establishment survey incorporates an annual benchmark revision that re-anchors estimates to nearly complete employment counts that are available from unemployment insurance records. The benchmark helps to control for sampling and modeling errors in the estimates.