



**1** Employment growth sharply rebounded in March from February's disappointing levels. The three-month average of employment growth through March stood at 68,000 jobs per month overall and 79,000 jobs per month in the private sector. This pace growth is an improvement over what we saw in 2025 and may indicate that the labor market is starting to slowly recover from last year's weakness. At the industry level, job growth was broader based than last year. Health care remained the leading industry, but the economy also saw strong job growth in construction, manufacturing, trade, and leisure and hospitality services.

Drivers of Premium	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Net Employment Change (Thous.)	76	-140	41	-17	160	-133	178
Net Private Employment Change (Thous.)	68	13	72	-7	180	-129	186
Average Hourly Earnings (y/y %)	3.8	3.9	3.9	3.7	3.7	3.8	3.5
Average Hours Worked (Hours)	34.2	34.2	34.3	34.2	34.3	34.3	34.2
Payroll (Calculated)* Growth (y/y %)	4.0	4.4	4.3	3.7	4.7	4.4	3.9

**1**

**Averages**

	1-Year	3-Year	5-Year	2015-19
Net Employment Change (Thous.)	22	97	240	191
Net Private Employment Change (Thous.)	42	77	216	178
Average Hourly Earnings (y/y %)	3.8	4.1	4.4	2.7
Average Hours Worked (Hours)	34.2	34.3	34.4	34.4
Payroll (Calculated)* Growth (y/y %)	4.2	4.7	6.9	4.6

Despite strong gains in employment, wage growth ticked down slightly. Recently, wages have been the dominant factor for payroll growth, the basis for workers compensation premium. There remains uncertainty around the sustainability of the strong wage trends we've seen for the past several years.

\*Calculated Payroll = Total Private Employment x Average Hourly Earnings x Average Hours Worked

Drivers of Frequency	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Unemployment Rate (%)	4.4	-	4.5	4.4	4.3	4.4	4.3
Labor Force Participation Rate (%)	62.5	-	62.5	62.4	62.1	62.0	61.9
Prime Age Participation Rate (25-54, %)	83.7	-	83.8	83.8	84.0	83.9	83.8
Job Openings (Thous.)	7,169	7,170	6,846	6,550	7,240	6,882	-
Hires Rate (%)	3.3	3.3	3.2	3.3	3.4	3.1	-
Quits Rate (%)	1.9	1.9	2.0	2.0	2.0	1.9	-
Layoffs Rate (%)	1.1	1.2	1.0	1.1	1.0	1.1	-

**2**

**Averages**

	1-Year	3-Year	5-Year	2015-19
Unemployment Rate (%)	4.3	4.0	4.1	4.4
Labor Force Participation Rate (%)	62.3	62.5	62.3	62.9
Prime Age Participation Rate (25-54, %)	83.7	83.6	83.0	81.7
Job Openings (Thous.)	7,036	7,834	9,022	6,360
Hires Rate (%)	3.3	3.5	3.8	3.8
Quits Rate (%)	2.0	2.1	2.4	2.2
Layoffs Rate (%)	1.1	1.1	1.0	1.2

**2** February's net employment decline stemmed from a sharp drop in hires with little change in the trend in separations. This, combined with the strong rebound in employment growth in March, suggests to us that February's weakness was likely a temporary phenomenon rather than the start of a new trend.

**Big Picture:** Employment growth on a month-to-month basis has been volatile over the past year. Looking at the trend over several months gives us a better sense of the state of the labor market. Employment growth has accelerated some in early 2026. While encouraging to see, it is too early to be confident in this new trend.

Source: US Bureau of Labor Statistics; 1-, 3-, and 5-year averages are rolling 12-, 36-, and 60-month averages from the latest data point.

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