



Drivers of Premium	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Net Employment Change (Thous.)	-70	76	-140	41	-17	126	-92
Net Private Employment Change (Thous.)	-20	68	13	72	-7	146	-86
Average Hourly Earnings (y/y %)	4.0	3.8	3.9	3.9	3.7	3.7	3.8
Average Hours Worked (Hours)	34.2	34.2	34.2	34.3	34.2	34.3	34.3
Payroll (Calculated)* Growth (y/y %)	4.1	4.0	4.4	4.3	3.7	4.7	4.4

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

Drivers of Frequency	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Unemployment Rate (%)	4.3	4.4	-	4.5	4.4	4.3	4.4
Labor Force Participation Rate (%)	62.3	62.5	-	62.5	62.4	62.1	62.0
Prime Age Participation Rate (25-54, %)	83.7	83.7	-	83.8	83.8	84.0	83.9
Job Openings (Thous.)	7,227	7,658	7,449	6,928	6,542	-	-
Hires Rate (%)	3.2	3.4	3.4	3.2	3.3	-	-
Quits Rate (%)	1.9	2.0	1.9	2.0	2.0	-	-
Layoffs Rate (%)	1.1	1.1	1.2	1.1	1.1	-	-

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.

Averages

	1-Year	3-Year	5-Year	2015-19
1	13	94	251	191
	33	73	225	178
3.9	3.9	4.1	4.4	2.7
34.2	34.2	34.3	34.4	34.4
2	4.3	4.8	6.9	4.6

Averages

	1-Year	3-Year	5-Year	2015-19
4.3	4.3	4.0	4.1	4.4
62.3	62.3	62.5	62.3	62.9
83.6	83.6	83.5	83.0	81.7
7,327	7,327	8,126	9,108	6,360
3.4	3.4	3.5	3.8	3.8
2.0	2.0	2.1	2.4	2.2
1.1	1.1	1.1	1.0	1.2

1 After last month's employment report fueled optimism of a potential rebound in the labor market, this month's report cut the other way.

Net employment declined by 92,000 jobs overall and by 86,000 jobs in the private sector. The decline in private sector employment was the largest since 2020. Revisions to the previous two months subtracted 69,000 jobs and changed December's numbers from a small increase in employment to a net decline.

At the industry level, employment grew slightly in financial services and other services, remained little changed in retail trade and utilities, and declined in every other industry group. Even health care, a sector that had consistently added jobs over the past year, saw a decline of 28,000 jobs.

While there were likely external factors, such as weather and strikes, that impacted the February employment situation, it is difficult to dismiss the breadth of job declines.

2 Despite declining employment growth, wage growth once again remained solid for the month. Given the backdrop of employment growth, we remain cautious on how long this trend can be sustained.

Big Picture: This report largely erases the upbeat tone of the previous report. The labor market has now returned to a precarious state of little-to-no job growth, raising questions about the go-forward trajectory. The recent increase in geopolitical tensions has added a new layer of uncertainty for the economy and may make it more difficult for the labor market to strengthen in the near term.