

February 5, 2021

Weak rebound in January

- 2021 began with a slight uptick for the U.S. labor market, with employers adding a net 49,000 workers to their payrolls. The lower-than-expected gains reflect an economy and a labor market that continue to suffer from the effects of the COVID-19 pandemic.
- January's employment gains were led by professional and business services, driven by the temporary help services sector. The hard-hit leisure and hospitality sector lost an additional 61,000 jobs in January. Seasonal factors likely drove some of the employment declines in the retail trade and transportation/ warehousing sectors in January.
- The unemployment rate dropped by 0.4 percentage points to 6.3% in January—a decent improvement but still well above the 3.5% rate seen in January 2020. Average hourly earnings were up by more than 5% year-over-year, continuing to show the effects of the large number of lower-paying jobs that have been lost.

NOTABLE SECTORS

Professional & Business Services	+97K
Leisure & Hospitality	-61K
Retail Trade	-38K
Health Care	-30K
Transportation & Warehousing	-28K



US Monthly Job Change and Unemployment Rate

