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Economic News Release

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Employment Situation Summary

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THE EMPLOYMENT SITUATION -- JANUARY 2023

Total nonfarm payroll employment rose by 517,000 in January, and the unemployment rate changed little at 3.4 percent, the U.S. Bureau of Labor Statistics reported today. Job growth was widespread, led by gains in leisure and hospitality, professional and business services, and health care. Employment also increased in government, partially reflecting the return of workers from a strike.

This news release presents statistics from two monthly surveys. The household survey measures labor force status, including unemployment, by demographic characteristics. The establishment survey measures nonfarm employment, hours, and earnings by industry. For more information about the concepts and statistical methodology used in these two surveys, see the Technical Note.

Changes to The Employment Situation Data

Establishment survey data have been revised as a result of the annual benchmarking process, the NAICS 2022 conversion, and the updating of seasonal adjustment factors. Also, household survey data for January 2023 reflect updated population estimates. See the notes at the end of this news release for more information.

Household Survey Data

Both the unemployment rate, at 3.4 percent, and the number of unemployed persons, at 5.7million, changed little in January. The unemployment rate has shown little net movement since early 2022. (See table A-1. See the note at the end of this news release and tables B and C for more information about annual population adjustments to the household survey estimates.)

Among the major worker groups, the unemployment rates for adult men (3.2 percent), adult women (3.1 percent), teenagers (10.3 percent), Whites (3.1 percent), Blacks (5.4 percent), Asians (2.8 percent), and Hispanics (4.5 percent) showed little change in January. (See tables A-1, A-2, and A-3.)

The number of persons jobless less than 5 weeks decreased to 1.9 million in January. The number of long-term unemployed (those jobless for 27 weeks or more) was essentially unchanged at 1.1 million. The long-term unemployed accounted for 19.4 percent of the total unemployed in January. (See table A-12.)

In January, both the labor force participation rate, at 62.4 percent, and the employmentpopulation ratio, at 60.2 percent, were unchanged after removing the effects of the annual adjustments to the population controls. These measures have shown little net change since early 2022 and remain below their pre-pandemic February 2020 levels (63.3 percent and 61.1 percent, respectively). (See table A-1. For additional information about the effects of the population adjustments, see table C.)

The number of persons employed part time for economic reasons, at 4.1 million, was little changed in January. These individuals, who would have preferred full-time employment, were working part time because their hours had been reduced or they were unable to find fulltime jobs. (See table A-8.)

The number of persons not in the labor force who currently want a job was 5.3 million in January, little changed from the prior month. These individuals were not counted as unemployed because they were not actively looking for work during the 4 weeks preceding the survey or were unavailable to take a job. (See table A-1.)

Among those not in the labor force who wanted a job, the number of persons marginally attached to the labor force, at 1.4 million, changed little in January. These individuals wanted and were available for work and had looked for a job sometime in the prior 12months but had not looked for work in the 4 weeks preceding the survey. The number of discouraged workers, a subset of the marginally attached who believed that no jobs were available for them, was also little changed over the month at 342,000. (See Summary table A.)

Establishment Survey Data

Total nonfarm payroll employment rose by 517,000 in January, compared with an average monthly gain of 401,000 in 2022. Job growth was widespread in January, led by gains in leisure and hospitality, professional and business services, and health care. Employment also increased in government, partially reflecting the return of workers from a strike. (See table B-1. See the note at the end of this new release and table A for more information about the annual benchmark process.)

Leisure and hospitality added 128,000 jobs in January compared with an average of 89,000 jobs per month in 2022. Over the month, food services and drinking places added 99,000 jobs, while employment continued to trend up in accommodation (+15,000). Employment in leisure and hospitality remains below its pre-pandemic February 2020 level by 495,000,

In January, employment in professional and business services rose by 82,000, led by gains in professional, scientific, and technical services (+41,000). Job growth in professional and business services averaged 63,000 per month in 2022.

Government employment increased by 74,000 in January. Employment in state government education increased by 35,000, reflecting the return of university workers after a

Health care added 58,000 jobs in January. Job growth occurred in ambulatory health care services (+30,000), nursing and residential care facilities (+17,000), and hospitals (+11,000). In 2022, health care added an average of 47,000 jobs per month.

Employment in retail trade rose by 30,000 in January, following little net growth in 2022 (an average of +7,000 per month). In January, job gains in general merchandise retailers (+16,000) and in furniture, home furnishings, electronics, and appliance retailers (+7,000) were partially offset by a decline in health and personal care

Construction added 25,000 jobs in January, reflecting an employment gain in specialty trade contractors (+22,000). Employment in the construction industry grew by an average of 22,000 per month in 2022.

In January, transportation and warehousing added 23,000 jobs, the same as the industry's average monthly gain in 2022. Over the month, employment in support activities for transportation increased by 7,000.

Employment in social assistance increased by 21,000 in January, little different from

the 2022 average gain of 19,000 per month.

Manufacturing employment continued to trend up in January (+19,000). In 2022, manufacturing added an average of 33,000 jobs per month.

Employment showed little change over the month in other major industries, including mining, quarrying, and oil and gas extraction; wholesale trade; information; financial activities; and other services.

In January, average hourly earnings for all employees on private nonfarm payrolls rose by 10 cents, or 0.3 percent, to \$33.03. Over the past 12 months, average hourly earnings have increased by 4.4 percent. In January, average hourly earnings of private-sector production and nonsupervisory employees rose by 7 cents, or 0.2 percent, to \$28.26. (See tables B-3 and B-8.)

The average workweek for all employees on private nonfarm payrolls rose by 0.3 hour to 34.7 hours in January. In manufacturing, the average workweek increased by 0.4 hour to 40.5 hours, and overtime increased by 0.1 hour to 3.1 hours. The average workweek for production and nonsupervisory employees on private nonfarm payrolls increased by 0.2 hour to 34.1 hours. (See tables B-2 and B-7.)

The change in total nonfarm payroll employment for November was revised up by 34,000, from +256,000 to +290,000, and the change for December was revised up by 37,000, from +223,000 to +260,000. With these revisions, employment gains in November and December combined were 71,000 higher than previously reported. (Monthly revisions result from additional reports received from businesses and government agencies since the last published estimates and from the recalculation of seasonal factors. The annual benchmark process also contributed to the November and December revisions.)

The Employment Situation for February is scheduled to be released on Friday, March 10, 2023, at 8:30 a.m. (ET).

Revisions to Establishment Survey Data

In accordance with annual practice, the establishment survey data released today have been benchmarked to reflect comprehensive counts of payroll jobs for March 2022. These counts are derived principally from the Quarterly Census of Employment and Wages (QCEW), which counts jobs covered by the Unemployment Insurance (UI) tax system. In addition, the basis for industry classification in the establishment survey has been revised from the 2017 North American Industry Classification System (NAICS) to NAICS 2022. Approximately 10 percent of employment was reclassified into different industries as a result of the NAICS revision. Implementation of NAICS 2022 resulted in major revisions reflecting content and coding changes in the retail trade and information sectors, as well as minor revisions within the mining and logging, manufacturing, wholesale trade, financial activities, and other services sectors. Many industry titles and descriptions were also updated to better reflect official NAICS titles.

Revisions due to both the NAICS 2022 conversion and the benchmark process affected more historical data than typical in the annual benchmark process. The NAICS revisions are reflected for the entire history of affected industries for both seasonally and not seasonally adjusted data. Details of the updated titles and new, discontinued, and collapsed industries (and resulting changes to tables B-1 through B-9) are available at www.bls.gov/web/empsit/cesnewseries.htm.

The total nonfarm employment level for March 2022 was revised upward by 568,000 (+506,000 on a not seasonally adjusted basis, or +0.3 percent). The average not seasonally adjusted benchmark revision (in absolute terms) over the past 10 years is 0.1 percent.

The over-the-year change in total nonfarm employment for March 2022 was revised from +6,425,000 to +7,096,000 (seasonally adjusted). Table A presents revised total nonfarm employment data on a seasonally adjusted basis from January to December 2022.

All revised historical establishment survey data are available on the BLS website at www.bls.gov/ces/data/home.htm. In addition, an article that discusses the benchmark and post-benchmark revisions and other technical issues is available at www.bls.gov/web/empsit/cesbmart.htm.

Table A. Revisions to total nonfarm employment, January to December 2022, seasonally adjusted

(Numbers in thousa	ands) 							
	Level			Over-the-month change				
Year and month	As revised	As previously published	 Difference 	As revised	As previously published	Difference		
2022								
January	150,106	149,744	362	364	504	-140		
February	151,010	150,458	552	904	714	190		
March	151,424	150,856	568	414	398	16		
April	151,678	151,224	454	254	368	-114		
May	152,042	151,610	432	364	386	-22		
June	152,412	151,903	509	370	293	77		
July	152 , 980	152,440	540	568	537	31		
August	153,332	152,732	600	352	292	60		
September	153,682	153,001	681	350	269	81		
October	154,006	153,264	742	324	263	61		
November	154,296	153,520	776	290	256	34		
December(p)	154,556	153,743	813	260	223	37		

(p) = preliminary

Adjustments to Population Estimates for the Household Survey

Effective with data for January 2023, updated population estimates were incorporated into the household survey. Population estimates for the household survey are developed by the U.S. Census Bureau. Each year, the Census Bureau updates the estimates to reflect new information and assumptions about the growth of the population since the previous decennial census. The change in population reflected in the new estimates results from adjustments for net international migration, updated vital statistics, and improvements in estimation methodology.

In accordance with usual practice, BLS will not revise the official household survey estimates for December 2022 and earlier months. However, to show the impact of the population adjustments, table B displays differences in selected December labor force series based on the old and new population estimates.

The adjustments increased the estimated size of the civilian noninstitutional population in December by 954,000, the civilian labor force by 871,000, employment by 810,000, and unemployment by 60,000. The number of persons not in the labor force increased by 82,000. Although the total unemployment rate was unaffected, the employment-population ratio and labor force participation rate each increased by 0.1 percentage point.

Data users are cautioned that these annual population adjustments can affect the comparability of household data series over time. Table C shows the effect of the introduction of new population estimates on the change in selected labor force measures between December 2022 and January 2023. Additional information on the population adjustments and their effect on national labor force estimates is available at www.bls.gov/web/empsit/cps-pop-control-adjustments.pdf.

Population controls for veterans, which are derived from a Department of Veterans Affairs population model and are updated periodically, have also been updated with the release of data for January 2023. Historical data have not been revised.

Table B. Effect of the updated population controls on December 2022 estimates by sex, race, and Hispanic or Latino ethnicity, not seasonally adjusted (Numbers in thousands)

Category	Total	Men	Women	White	Black or African Ameri- can
Civilian noninstitutional population	954	869	84	309	153
Civilian labor force	871	857	14	365	168
Participation rate	0.1	0.2	0	0.1	0.2
Employed	810	812	-2	335	149
Employment-population ratio	0.1	0.2	0	0.1	0.2
Unemployed	60	45	16	30	20
Unemployment rate	0	0	0	0	0.1
Not in labor force	82	13	71	-56	-15

NOTE: Detail may not sum to totals because of rounding. Estimates for the above race groups (White, Black or African American, and Asian) do not sum to totals because data are not presented for all races. Persons whose (

Table C. December 2022-January 2023 changes in selected labor force measures, with adjustments for population control effects (Numbers in thousands)

Category	DecJan. change, as published	2023 population control effect	DecJan. change, after removing the population control effect(1)
Civilian noninstitutional population	1,118	954	164
Civilian labor force	866	871	-5
Participation rate	0.1	0.1	0
Employed	894	810	84
Employment-population ratio	0.1	0.1	0
Unemployed	-28	60	-88
Unemployment rate	-0.1	0	-0.1
Not in labor force	252	82	170

(1) This Dec.-Jan. change is calculated by subtracting the population control effect from the over-the-month change in the published seasonally adjusted estimates.

NOTE: Detail may not sum to totals because of rounding.

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