

The March Review

Once again, the annual reviews of the labor market indicate steady, sober-sided improvement. Unemployment declined over the four quarters of 2006, and long-term joblessness was a declining share of the picture, reports Sara Kline, analyzing the data from our survey of households in the lead article.

Employment grew, whether measured in the household survey or by the establishment survey. Natalie Propst, Emily Lloyd, and Kimberly Riley's examination of employment data from the Current Employment Statistics program shows an about 2.2 million payroll jobs over the course of last year, and that the job opening rate was increasing over the last half of 2006.

Jessica Helfand, Akbar Sadeghi, and David Talan explore a dynamic sizing approach to attributing employment change to different size classes of employers. In essence, as a firm grows across a size-class boundary, the employment growth needed to get it to the boundary is counted in its original size class and any subsequent growth to the new category

Sheryl Konigsberg shows that a new system of location coding of business establishments allows analysts to overlay employers on maps. Such a capacity has many applications to understanding labor markets.

Bonnie Sue Garrity and Sherrill Shaffer examine the impact of working at home on wages. On average, both men and women earned a bit more for working at home, but there were some industries that paid lower wages to employees working at home.

Fewer idled in 2006

Major work stoppages idled 70,000 workers in 2006, a decline from the number of workers involved in major

work stoppages in 2005. There were 99,600 workers involved in major work stoppages in 2005.

A total of 20 major work stoppages—lockouts or strikes—began in calendar year 2006. For 2005 there were 22 stoppages. Despite fewer stoppages and fewer employees involved, the number of workdays lost increased by nearly 1 million in 2006 over the corresponding 2005 figure. Major work stoppages resulted in nearly 2.7 million lost workdays in 2006 versus not quite 1.7 million in 2005.

The average length of a work stoppage beginning in 2006 was 26.5 days, up from 20 days in 2005. The average length of work stoppages in 2006 is influenced by several long work stoppages. The longest work stoppage beginning in 2006 lasted 211 days.

Learn more about work stoppages from "Major Work Stoppages in 2006," news release USDL 07-0304. Major work stoppages are strikes or lockouts that idle 1,000 or more workers and last at least one shift.

Productivity growth in 2006

Productivity, as measured by output per hour, increased 2.1 percent in the nonfarm business sector in 2006, reflecting increases of 3.9 percent in output and 1.7 percent in hours. This was the smallest annual increase in productivity since 1997, when output per hour rose 1.6 percent in the nonfarm business sector.

Output per hour had grown at an above-average rate of 3.3 percent from 2000 to 2004. Between 1990 and 2000, productivity in nonfarm businesses rose 2.0 percent per year, on average. See the "Productivity and Costs, Preliminary Fourth Quarter and Annual Averages for 2006," news release USDL 07-0198.

Extended mass layoffs, 2006

For all of 2006, employers reported 4,689 extended mass layoff actions, affecting 894,739 workers. Compared with 2005, the number of events was down from 4,881, but the number of separations was up from 884,661.

Thirteen percent of extended events in 2006 were permanent closures, accounting for 150,951 worker separations. When compared with 2005, the share of separations that were associated with extended mass layoffs due to permanent closures rose by 5 percentage points.

During 2006, permanent closures were most numerous in the manufacturing sector, primarily in transportation equipment manufacturing and in food production. Reorganization within the company was most often cited as the reason for closures in manufacturing during 2006, accounting for 37 percent of the total closures in manufacturing.

Extended mass layoff events consist of 50 or more initial claims for unemployment insurance from an establishment during a 5-week period, with at least 50 workers separated for more than 30 days. Learn more in "Extended Mass Layoffs in the Fourth Quarter of 2006 and Annual Totals for 2006," news release USDL 07-0244. □

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