

National Week In Review

Week Ending March 10, 2006

Unemployment Rate Essentially Unchanged . . . The nation's unemployment rate inched up 0.1 percentage point to 4.8% in February. The unemployment rate for African American men jumped 1.0 percentage point to 8.5% in February.

Nonfarm Employment Up For 30th Consecutive Month . . . Nonfarm employment rose for the 30 consecutive month, up 243,000 in February. Nearly all sectors of the economy expanded over the month. The service-providing sector grew by 198,000. Education and health services rose by 47,000 jobs, mostly in health care and social assistance (+23,900). Professional and business services rose by 39,000 jobs, primarily in professional and technical services (+18,300). Government added 38,000 jobs, primarily in state government (+19,000). Leisure and hospitality increased by 25,000, on the strength of food services and drinking establishments (+20,800). Financial activities advanced 22,000, mostly in finance and insurance (+16,200). Trade, transportation and utilities increased by 15,000, primarily in retail trade (+6,700). Employment in the goods-producing sector rose by 45,000. Construction expanded by 46,000, mostly in specialty trade contractors (+31,600). Manufacturing decreased by 1,000, as losses in motor vehicles and parts (-10,600), primary metals (-3,500) and food manufacturing (-1,300) overwhelmed gains in machinery (+4,600), fabricated metal products (+4,000), miscellaneous manufacturing (+3,600), and petroleum and coal products (+1,500).

Jobless Claims Rise . . . The number of Americans filing new claims for unemployment benefits climbed to 303,000 in the week ending March 4th. This represents the highest level since the week ending January 7, 2006. Previously, claims had been below 300,000 for seven weeks in a row for the first time since the summer of 2000. The four-week average of new claims, which smoothes out the data to reduce the impact of one-time events such as storms or holidays, rose to 293,500. The low level of jobless claims is one factor forecasters have said suggests solid job growth.

30-Year Mortgage Rates Soar To 3½ -Year High . . . Mortgage giant Freddie Mac reported that rates on 30-year mortgages soared to a fixed-rate average of 6.37% the week of March 9th, up sharply from 6.24%. This represents the highest level in 3 ½ years. Rates on 15-year, fixed-rate mortgages, a popular choice for refinancing, averaged 6.0%. This was the highest level since the week of July 5, 2002.

Sources:

- Bureau of Labor Statistics
- MarketWatch.com
- *USA Today*

By Mike Daniels