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8:30 a.m. (ET) Friday, September 3, 2021.

Statement of

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Friday, September 3, 2021

Nonfarm payroll employment rose by 235,000 in August, and the unemployment rate declined by 0.2 percentage point to 5.2 percent. So far this year, monthly job growth has averaged 586,000. In August, notable job gains occurred in professional and business services, transportation and warehousing, private education, manufacturing, and other services. Employment in retail trade declined.

Reflecting the initial impact of the coronavirus (COVID-19) pandemic on the labor market, job losses totaled 22.4 million during the February-April 2020 recession. Nonfarm payroll employment has increased by 17.0 million since April 2020 but is down by 5.3 million, or 3.5 percent, from its pre-pandemic level in February 2020.

Employment in professional and business services rose by 74,000 in August. Job gains occurred in architectural and engineering services (+19,000), computer systems design and

related services (+10,000), scientific research and development services (+7,000), and office administrative services (+6,000). Employment in professional and business services is down by 468,000 since February 2020, over half of which is in temporary help services (-262,000).

Transportation and warehousing added 53,000 jobs in August, bringing employment in the industry slightly above (+22,000) its February 2020 level. Employment gains have been led by strong growth in couriers and messengers and in warehousing and storage, which added 20,000 jobs each in August. Employment in air transportation increased by 11,000 over the month. Transit and ground passenger transportation--which includes school buses--lost 8,000 jobs.

In August, employment in private education increased by 40,000, while state government education lost 21,000 jobs, and employment in local government education changed little (-6,000). All three education industries showed employment gains in June and July. August marks the beginning of the traditional back-to-school season. However, recent employment changes are challenging to interpret, as pandemic-related staffing fluctuations in public and private education have distorted the normal seasonal hiring and layoff patterns. Since February 2020, employment is down by 159,000 in private education, by 186,000

in state government education, and by 220,000 in local government education.

Manufacturing added 37,000 jobs in August, with gains in motor vehicles and parts (+24,000) and fabricated metal products (+7,000). Employment in manufacturing is 378,000 lower than in February 2020.

In August, employment in the other services industry increased by 37,000, with growth occurring in personal and laundry services (+19,000) and in repair and maintenance (+9,000). Since February 2020, employment in other services is down by 189,000.

Employment in information rose by 17,000 in August, with data processing, hosting, and related services (+12,000) accounting for more than two-thirds of the gain. Employment in information is 150,000 lower than in February 2020.

Financial activities added 16,000 jobs in August, led by a gain in real estate (+11,000). Employment in financial activities is down by 29,000 since February 2020.

Mining employment rose by 6,000 in August, reflecting a gain in support activities for mining (+4,000). Mining has added 55,000 jobs since a trough in August 2020, but employment is 96,000 lower than a peak in January 2019.

Employment in retail trade declined by 29,000 in August, with job losses in food and beverage stores (-23,000) and in

building material and garden supply stores (-13,000). Since February 2020, employment in retail trade is down by 285,000.

Employment in leisure and hospitality was unchanged in August. This industry had added 2.1 million jobs from January 2021 through July, accounting for half of total nonfarm employment growth over the period. In August, a decline of 42,000 in food services and drinking places offset a job gain in arts, entertainment, and recreation (+36,000). Employment in leisure and hospitality is 1.7 million, or 10.0 percent, lower than in February 2020.

Employment in other major industries--including construction, wholesale trade, and health care--showed little change over the month.

In August, the average workweek for all private-sector workers remained unchanged at 34.7 hours. The average workweek for manufacturing decreased by 0.2 hour to 40.3 hours.

Average hourly earnings of all employees on private nonfarm payrolls increased by 17 cents to \$30.73 in August, following increases in the prior 4 months. The data for recent months suggest that rising demand for labor associated with the recovery from the pandemic may have put upward pressure on wages. However, because average hourly earnings vary widely across industries, the large employment fluctuations since

February 2020 complicate the analysis of trends in average hourly earnings.

Turning to the labor market indicators from the household survey, the unemployment rate declined by 0.2 percentage point to 5.2 percent in August. The number of unemployed people edged down to 8.4 million. These measures have fallen from their April 2020 peaks but remain above their February 2020 levels (3.5 percent and 5.7 million, respectively).

Among the major worker groups, the unemployment rates decreased in August for adult men (5.1 percent) and Whites (4.5 percent). The jobless rate for teenagers increased to 11.2 percent. The unemployment rates for adult women (4.8 percent), Blacks (8.8 percent), Asians (4.6 percent), and Hispanics (6.4 percent) showed little change over the month.

Among the unemployed, the number of permanent job losers declined by 443,000 to 2.5 million in August but is 1.2 million higher than in February 2020. The number of people on temporary layoff, at 1.3 million, was essentially unchanged in August. This measure is down considerably from a high of 18.0 million in April 2020 but is 502,000 higher than in February 2020. The number of reentrants to the labor force increased by 200,000 to 2.5 million in August.

The number of people unemployed for 27 weeks or more (often referred to as the long-term unemployed) decreased by 246,000 in

August to 3.2 million. This measure is up by 2.1 million since February 2020. In August, the long-term unemployed accounted for 37.4 percent of the unemployed. The number of people unemployed for less than 5 weeks, at 2.1 million, was little changed in August.

The labor force participation rate, at 61.7 percent, was unchanged in August and has remained within a narrow range of 61.4 percent to 61.7 percent since June 2020. This measure is 1.6 percentage points lower than in February 2020. The employment-population ratio, at 58.5 percent, changed little in August but is 2.6 percentage points lower than in February 2020.

In August, 4.5 million people were working part time for economic reasons, essentially unchanged from the previous month. The number of people working part time for economic reasons is down from a peak of 10.9 million in April 2020. There were 4.4 million people affected by this type of underemployment in February 2020.

The number of people not in the labor force who currently want a job decreased by 835,000 to 5.7 million in August. This measure is down from a peak of 9.9 million in April 2020 but remains higher than the February 2020 level (5.0 million). Among those not in the labor force who wanted a job, the number of people marginally attached to the labor force decreased by 295,000 to 1.6 million in August. (People who are marginally

attached to the labor force had not actively looked for work in the 4 weeks prior to the survey but wanted a job, were available for work, and had looked for a job within the last 12 months.) The number of discouraged workers, a subset of the marginally attached who believed that no jobs were available for them, declined by 115,000 in August to 392,000.

As in previous months, some workers affected by the pandemic who should have been classified as unemployed on temporary layoff in August were instead misclassified as employed but not at work. Since March 2020, BLS has published an estimate of what the unemployment rate would have been had misclassified workers been included among the unemployed. Repeating this same approach, the seasonally adjusted August unemployment rate would have been 0.3 percentage point higher than reported. Additional information about the misclassification, as well as information about response rates for both the household and establishment surveys, is available on the BLS website at www.bls.gov/covid19/employment-situation-covid19-faq-august-2021.htm.

Looking at supplemental pandemic-related measures from the household survey (these supplemental data are not seasonally adjusted), the share of employed people who teleworked in August because of the coronavirus pandemic was 13.4 percent, little changed from July. These data refer only to employed people who

teleworked or worked from home for pay at some point in the last 4 weeks specifically because of the pandemic; they do not include all instances of telework.

In August, the number of people who reported that they had been unable to work because their employer closed or lost business due to the pandemic--that is, they did not work at all or worked fewer hours at some point in the last 4 weeks due to the pandemic--increased by 497,000 to 5.6 million. Among those who reported in August that they were unable to work because of pandemic-related closures or lost business, 13.9 percent received at least some pay from their employer for the hours not worked, up from 9.1 percent in July.

Among those not in the labor force in August, 1.5 million people were prevented from looking for work due to the pandemic, little changed from July. (To be counted as unemployed, by definition, individuals must either be actively searching for work or on temporary layoff.)

In summary, nonfarm payroll employment rose by 235,000 in August, and the unemployment rate declined to 5.2 percent.