

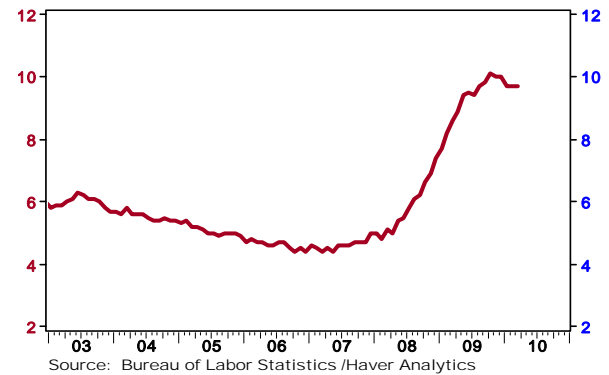
# MARCH EMPLOYMENT REPORT

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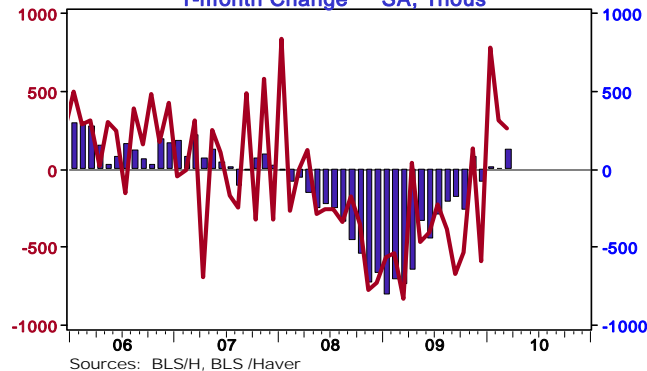
- Non-farm payrolls increased 162,000 in March. Revisions to January/February added 62,000 to payrolls, bringing the net payroll gain in March to 224,000. The consensus had expected an increase of 184,000.
- Private-sector payroll gains were widespread, with most job categories rising, led by education/health (+45,000), temps (+40,000), and leisure/hospitality (+22,000). “Honorable mentions” go to manufacturing (+17,000), which added jobs for the third straight month, and construction (+15,000), which added jobs for the first time since dinosaurs roamed the earth (actually since 2007, but it feels like longer). The weakest sectors were finance (-21,000) and information (-12,000).
- The unemployment rate remained at 9.7% in March (9.749% unrounded), as the consensus expected.
- Average hourly earnings were down 0.1% in March but are up 1.8% versus a year ago.

**Implications:** The last of the lagging economic indicators – the labor market – is now clearly in recovery. Including revisions to previous months, payrolls were up a robust 224,000 in March. Meanwhile, average weekly hours in the private sector increased to 34.0 from 33.9 last month. That gain is the equivalent of about 300,000 jobs. In other words, had employers not expanded hours per worker, payrolls could have leapt by a total of 500,000. This is not a one-month wonder: civilian employment, an alternative measure of jobs that includes the self-employed and new start-up businesses, has increased 452,000 per month in the past three months. And these gains are broad-based, with the diffusion index showing 60% of industries expanded payrolls in March. The one negative in the report was average hourly earnings, which declined 0.1% in March, the worst month in 20 years. However, the increase in the number of hours worked means average weekly earnings were up a respectable 0.2% and are up at a 2.7% annual rate in the past six months. Although the unemployment rate remained at 9.7%, the labor force has grown at an unusually rapid 2.9% annual rate in the past three months. When that growth normalizes closer to a 1% rate, the jobless rate will restart the downward trend that began last Fall.

Civilian Unemployment Rate: 16 yr +  
SA, %



Civilian Employment: Population-Adjusted  
1-month Change SA, Thous  
All Employees: Total Private Industries  
1-month Change SA, Thous



Employment Report <i>All Data Seasonally Adjusted</i>	Mar-10	Feb-10	Jan-10	3-month moving avg	6-month moving avg	12-month moving avg
<b>Unemployment Rate</b>	9.7	9.7	9.7	9.7	9.9	9.7
<b>Civilian Employment (monthly change in thousands)</b>	264	308	785	452	63	-143
<b>Nonfarm Payrolls (monthly change in thousands)</b>	162	-14	14	54	-18	-193
<b>Construction</b>	15	-59	-60	-35	-37	-58
<b>Manufacturing</b>	17	6	22	15	-9	-53
<b>Retail Trade</b>	15	8	49	24	1	-17
<b>Finance, Insurance and Real Estate</b>	-21	-15	-22	-19	-14	-21
<b>Professional and Business Services</b>	11	40	23	25	36	-18
<b>Education and Health Services</b>	45	27	20	31	33	29
<b>Leisure and Hospitality</b>	22	16	12	17	-10	-8
<b>Government</b>	39	-22	-2	5	3	-5
<b>Avg. Hourly Earnings: Total Private*</b>	-0.1%	0.2%	0.3%	1.6%	1.5%	1.8%
<b>Avg. Weekly Hours: Total Private</b>	34.0	33.9	34.0	34.0	33.9	33.9
<b>Index of Aggregate Weekly Hours: Total Private*</b>	0.4	-0.3	0.7	3.1	1.1	-2.0

\*3, 6 and 12 month figures are % change annualized

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