ANALYSIS

US economy looks steady (and stagnant)

It may be spring before the picture becomes clearer

By Tim Mullaney
USA Today

The economy is steady as she goes — or, depending on your point of view, still stagnant.

That's the first take on a jobs report for January that was notable initially for its lack of surprises. With 157,000 new jobs, including 166,000 in the private sector, the report was 11,000 private jobs short of the consensus estimate in a Bloomberg survey. The 0.1 percentage point gain in the unemployment rate, to 7.9 percent, represented the government raising its estimate of the size of the working-age population.

Ho-hum?

It's a little bit better than ho-hum, mostly because the Labor Department revised up its previously reported estimates for job gains in 2012. Instead of adding 155,000 jobs in December, the country got 196,000 new jobs. November's job growth was revised up to 247,000 from 161,000. Still, the news isn't likely to change many minds about the job market.

If anything, some of the numbers raise doubt about the specific ways experts think the economy will accelerate around the middle of the year. The more bullish economists believe improvement will come from cyclical gains in areas like construction and retailing, while the bleeding in state and local government employment will slow down or end.

But the 6,000 jobs lost in local government last month show that the government sector isn't all that healthy yet. Local governments that depend on property tax revenue are not likely to see a big gain in revenue soon.

Construction jobs rose by 28,000 in January, down slightly from 30,000 in December. Retailing jobs gained 33,000, more than in December but less than half their gains in November.

The three-month trend is that both industries are getting better, and neither is improving fast enough to convince skeptics they will be able to offset the coming push for spending austerity at the federal level.

One month doesn't make — or break — a trend. Construction especially is volatile, and the improvement in the job market the past few months has been tangible.

By springtime, it will be clearer whether the economists are right about predicting the much-delayed acceleration this time, after jumping the gun in 2010 and 2011.

But in this jobs report at least, the shoots are not quite as green as job seekers might hope.



A board on the floor of the New York Stock Exchange shows the closing number for the Dow Jones industrial average on Friday. The Dow stock market index closed above 14,000 for the first time since before the financial crisis rocked the world economy. It's gained 6.9 percent this year. RICHARD DREW/AP