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Your guide to understanding
today's economy and
financial markets

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23,000...Every Day

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American job losses continue to impact a majority of economic sectors, with the pain widely and brutally intensifying in recent months. Substantial job eliminations are likely in coming months, before some moderation is expected as we approach mid-year.

The U.S. economy lost another 651,000 net jobs during February, matching the 652,000 loss expected by forecasting economists. If there was any good news to be found, it was that February losses were slightly less than the revised losses of the two prior months, if only because of the lesser number of days during this shortest of months.

Even Worse

Prior announced job losses for December and January were revised to even greater losses... 161,000 more. December's revised 681,000 loss was the single worst month for job losses since 1949... a period of 59 years. No better was January's revised loss of 655,000 jobs. The American economy has now lost more than 600,000 jobs in three consecutive months, the first such occurrence since this type of data collection began in 1939.

Revised data now suggests that nearly 3.1 million net jobs were lost in 2008, with another 1.3 million jobs lost in 2009's first two months. Of the 4.4 million net jobs lost since the U.S. recession officially began in December 2007, more than half (almost 2.6 million) have been shed during the past four months alone. The recession, should it persist through at least the middle of 2009, would be the longest since the Great Depression.

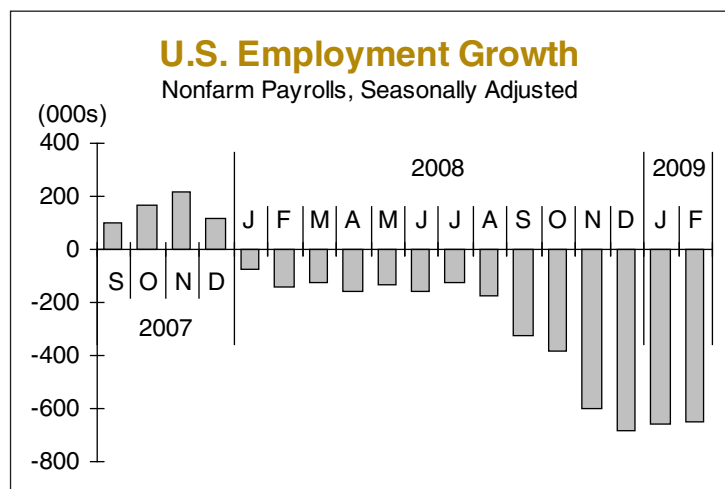
Equally painful was the rise in the nation's unemployment rate from 7.6% in January to a 25-year high of 8.1% in February, slightly higher than economists had predicted. A jobless rate of 9.0%-9.5% is highly likely before the end of the year,

with more bearish forecasters suggesting that a 10.0% or slightly higher jobless rate is only a matter of time. Note: if it helps at all, the nation's jobless rate was in excess of 10.0% for eight months during the serious recession of the early 1980s.

Nowhere to Hide

What arguably started out as a serious employment problem in home construction, manufacturing, and financial services of all types has given way to widespread employment pain. Businesses in more than three-quarters of the nation's economic sectors reduced the number of jobs during February. During the past three months, 83.2% of industries have lost workers, a record high for that reading (*CNNMoney.com*).

Recessionary pressures are found from coast to coast... from border to border. When more complete state employment data is available in coming weeks, it is likely that roughly 45 states will have seen total employment decline during the most recent 12-month period, meeting a simplistic definition of recession. At that same time, perhaps 8-10 states will have unemployment rates exceeding 9.0%.



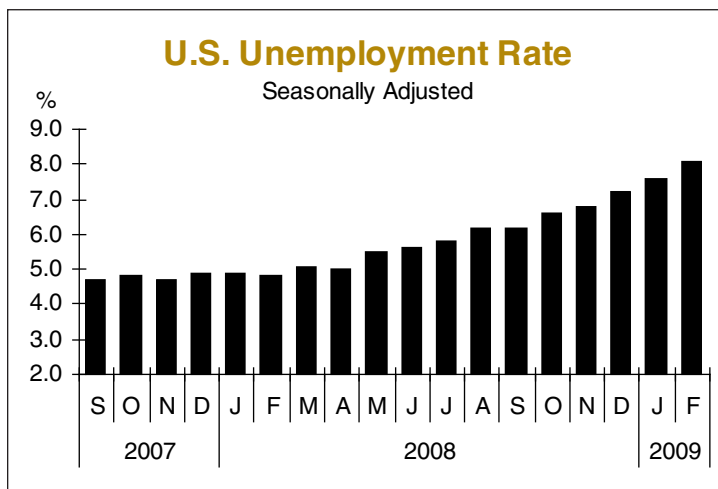
By Sector

The nation's beleaguered *goods production* sector lost another 276,000 jobs in February, led by the loss of another 168,000 jobs in manufacturing. The construction sector lost another 104,000 jobs, with total payrolls down 1.1 million jobs since peaking in January 2007. Roughly two of every five construction sector job

losses have occurred during the past four months.

The nation's *service providing* sector, where six of every seven jobs are found, lost 375,000 jobs during the month, with another 180,000 jobs in professional & business services biting the dust. The nation's financial sector, under pressure in a variety of ways, lost 44,000 jobs during February, with ten times as many losses since such employment peaked in December 2006.

The retail trade sector lost another 40,000 jobs, while leisure & hospitality lost another 33,000 positions. Better news saw the education & health services sector add 26,000 net new jobs, while government added 9,000 new positions.



8.1%...and Rising

The current 8.1% unemployment rate, the highest since December 1983, compares to 4.8% only 12 months earlier. The rapid escalation in the rate likely matches or exceeds any since the Great Depression of the 1930s.

More painful is the nation's rate of "underemployment." This rate adds together those considered unemployed, those discourage workers who have stopped looking for a job and are no longer considered unemployed, and those working part-time hours who would prefer to work full-time.

The underemployment rate hit 14.8% in February, up sharply from January's 13.9% rate. February marked the fifth consecutive month this measure of employment pain has set a new record. Such a measurement has been around since 1994.

An estimated 12.5 million people are now considered unemployed, the highest level since recordkeeping began in 1940. Of this total, 2.9 million workers have been out of work for more than six months, a total that has increased by 1.6 million people during the past year.

Average hourly wage growth slowed, with a three cent (0.2%) rise in February to \$18.47 hourly. The 3.6% rise during the most recent 12-month period, while meager, does look quite good versus consumer prices which are unchanged for the 12 months ending in January 2009.

The unemployment rate for adult men rose by 0.5% in February to 8.1%, while the rate for women rose from 6.2% to 6.7%. The jobless rate for Whites rose from 6.9% to 7.3% during the month, while the rate for those of Hispanic or Latino ethnicity rose sharply to 10.9% from 9.7%.

The jobless rate for Blacks or African Americans rose to 13.4% from 12.6% in January. The teenage unemployment rate jumped to 21.6% in February from 20.8% the prior month.

When Does it Stop?

Painful February job losses are likely to be followed by something similar in March. As we approach mid-year, however, one would like to think that companies' layoffs will have largely run their course.

No one expects net monthly employment gains to be reported anytime soon. However, any measurable successes of numerous economic stimulus and financial market support programs, combined with a less negative view by the national media, could set a stage for much lesser job losses as we approach 2009's final quarter...

...keep your fingers crossed

"TEA"ser

Heard in a Courtroom

What is your date of birth?
July fifteenth.

What year?
Every year.



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