Non-farm payroll jobs increased by 2.3 million in February 2020 from one year ago. The number of unemployed fell to 5.8 million, and the unemployment rate fell to 3.5%. The impact of the coronavirus crisis which escalated in February 2020 is not yet reflected in the February employment data.

42 states and the District of Columbia had job gains, with the strongest gains in Washington (3.0%), Utah (2.9%), Arizona (2.7%), Idaho (2.5%), Texas (2.4%), Colorado (1.9%), South Carolina (1.9%), Florida (1.8%), Tennessee (1.8%), and California (1.7%). Twenty-four states had higher y/y job gains in February compared to the average job gains in the prior 12 months, including California, Texas, Washington, .

Compared to one year ago, there were fewer non-farm payroll workers in Arkansas (-3,300), Iowa (-1,800), Indiana (-6,000), Oklahoma (-3,700), Vermont (-1,100), West Virginia (-11,000), and Wyoming (-2,100).

All industries (2-digit level) had job gains, except for mining (-34,800), retail trade (-29,600), and utilities (-2,000). There were 208,000 more construction jobs compared to one year ago and 66,500 more jobs in real estate, rental, and leasing.

Employment and income are key factors affecting the demand for and supply of residential and commercial real estate. This month’s report discusses the latest state employment and wage trends.
Annual Change in Employment in February 2020 vs. Average Annual Change in Prior 12 Months

State

AK
AL
AR
AZ
CA
CO
CT
DC
DE
FL
GA
HI
IA
ID
IL
IN
KS
KY
LA
MA
MD
ME
MI
MN
MO
MS
MT
NC
ND
NE
NH
NJ
NM
NV
NY
OH
OK
OR
PA
PR
RI
SC
SD
TN
TX
UT
VA
VT
WA
WI
WV
WY

Y/Y Employment Change ('000)

average past 12 months
current month
Average weekly wages among those employed in private industry rose 3% in February 2020 from one year ago.

Wage rose in all states except North Dakota and Rhode Island. The states with the highest wage growth were Hawaii (12.2%), District of Columbia (11.4%), Arizona (8.4%), Idaho (8.3%), Utah (7.9%), Nebraska (7.4%), California (7.3%), South Dakota (7.3%), Oregon (7.2%), and Minnesota (7.1%). Wage rose at a faster pace than the state home price appreciation in 32 states.

Payroll workers in all industries (2-digit level) saw annual increases, although wage growth lagged behind the annual inflation rate of 2.3% in leisure and hospitality (2.2%), wholesale trade (2.1%), utilities (2%), education and health services (2%), and transportation & warehousing (1.7%).

In industries where workers earned at least $1,000 weekly, single-earner households were more likely to afford a median priced home ($270,000 nationally in February 2020), spending no more than 22 percent of wage income on a mortgage payment. Meanwhile a home purchase was unaffordable for leisure, hospitality, retail trade, education and health services, and other services workers where mortgage payments take up more than 25% of estimated annual wages.

### Mortgage Payment as Percent of Single-Worker Wages in February 2020

<table>
<thead>
<tr>
<th>Industry</th>
<th>Average Weekly Earnings</th>
<th>Mortgage payment as percent of wage income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Industries</td>
<td>$981</td>
<td>26%</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>$435</td>
<td>58%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>$620</td>
<td>40%</td>
</tr>
<tr>
<td>Other Services</td>
<td>$818</td>
<td>31%</td>
</tr>
<tr>
<td>Education &amp; Health Services</td>
<td>$924</td>
<td>27%</td>
</tr>
<tr>
<td>Transportation &amp; Warehousing</td>
<td>$962</td>
<td>26%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$1,148</td>
<td>22%</td>
</tr>
<tr>
<td>Construction</td>
<td>$1,232</td>
<td>20%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>$1,234</td>
<td>20%</td>
</tr>
<tr>
<td>Professional &amp; Business Services</td>
<td>$1,247</td>
<td>20%</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>$1,387</td>
<td>18%</td>
</tr>
<tr>
<td>Information Services</td>
<td>$1,557</td>
<td>16%</td>
</tr>
<tr>
<td>Mining &amp; Logging</td>
<td>$1,574</td>
<td>16%</td>
</tr>
<tr>
<td>Utilities</td>
<td>$1,799</td>
<td>14%</td>
</tr>
</tbody>
</table>

Calculations based on February median existing home sales price of $270,100, 10% D/P, and 3.45% 30-year rate.

Sources of data: BLS (weekly wage), NAR (median price), Freddie Mac (mortgage rate)
39 states had y/y increase in construction jobs in February 2020

- There were 208,000 new construction industry jobs in February 2020 from one year ago.

- Compared to one year ago, construction jobs rose in 39 states, led by New Mexico (10.6%), South Dakota (9%), North Dakota (8.4%), Washington (8.3%), Michigan (7.6%), New Hampshire (6.2%), Utah (6.2%), Nevada (5.8%), Arizona (5.6%), and Nebraska (5.2%).

- Construction (residential and non-residential) jobs stood at 6.6 million on a seasonally adjusted level, which is about 100,000 below the 6.7 million peak in April 2006. Housing starts have increased to a seasonally adjusted annual rate of 1.6 million since December 2019 with the steady increase in construction workers.

- As of February 2020, there were 531,000 unemployed construction workers, which is more than the 274,000 job openings. This means supply of construction labor can meet the demand for labor needed to increase housing supply.