

US job growth through March expected to be revised down sharply

By Lucia Mutikani, Reuters, September 8, 2025

The level of U.S. employment for the 12 months through March could be slashed by as many as one million jobs when the government publishes its preliminary nonfarm payrolls benchmark estimate on Tuesday, economists predicted. The payrolls benchmark revision would come on the heels of news last Friday that job growth almost stalled in August and the economy shed jobs in June for the first time in 4-1/2 years. It would suggest the labor market was already struggling before President Donald Trump's aggressive tariffs on imports. An immigration crackdown by the White House has undercut labor supply, while a shift by businesses to artificial intelligence tools and automation is curbing demand for workers.

"The slowdown in job growth is less about a sudden collapse and more about a gradual recalibration by businesses facing technological change, higher financing costs, and uncertain policy signals," said Sung Won Sohn, a finance and economics professor at Loyola Marymount University. "The era of easy job gains is over. The economy is entering a more complex and uneven phase of adjustment." Economists estimated that the Labor Department's Bureau of Labor Statistics could revise down the level of employment from April 2024 through March 2025 by between 400,000 and 1 million jobs. The estimate is based on the Quarterly Census of Employment and Wages (QCEW) data from the second quarter through the fourth quarter of 2024. QCEW data for the first quarter of 2025 will be published together with the payrolls estimate. The level of employment for the 12 months through March 2024 was revised down by 598,000 jobs. "If the downward revisions are closer to the higher end of our estimate range at 1 million ... that would suggest the labor market had already nearly stalled in the first quarter of 2025, before the trade uncertainty shock," said Shruti Mishra, an economist at Bank of America Securities.

'BIRTH-AND-DEATH' MODEL FAULTED

Economists saw little impact on monetary policy, with the Federal Reserve expected to resume cutting interest rates next Wednesday after pausing its easing cycle in January because of uncertainty over the economic impact of tariffs. The monthly employment report is based on data derived from the Current Employment Statistics (CES) program, which surveys about 121,000 businesses and government agencies, representing about 631,000 individual worksites. The QCEW data is derived from reports by employers to the state unemployment insurance programs, and represents about 95% of total employment. A final benchmark revision will be released in February along with the BLS' report on employment for January.

Sharp downgrades to May and June employment totaling 258,000 jobs angered Trump last month, who fired BLS Commissioner Erika McEntarfer, accusing her, without evidence, of faking the employment data. Trump has nominated E.J. Antoni, who has penned opinion pieces critical of the BLS and even suggested suspending the monthly employment report. Antoni is viewed as unqualified by economists across political ideologies. The National Association for Business Economics on Monday urged "policymakers, business leaders, and the economics community to stand with BLS and ensure that America's statistics remain accurate, independent, and trusted worldwide."

Economists have attributed the revisions to the 'birth-and-death' model, a method the BLS uses to try to estimate how many jobs were gained or lost because of companies opening or closing in a given month. These companies are not initially available for sampling. "The average monthly contribution of the birth-death factor slipped in the 12 months ending March 2025 and is nearly back in line with its pre-pandemic contribution," said Sarah House, a senior economist at Wells Fargo. "Yet, this comes as separate data on business openings show the rate of net new firm creation has fallen below its pre-pandemic pace. Therefore, we still see scope for the birth-death factor to be overestimating job growth at firms outside the survey sample."

What the latest jobs report means for you ... buckle up

Alicia Wallace, CNNMone, Sep 6, 2025

After years of plentiful employment opportunities, healthy pay bumps and pandemic savings-fueled spending sprees, American workers now face a sobering economic reality: It's getting harder and harder to find work, and more and more industries are shedding jobs. The latest jobs report, released Friday, indicated that the US economy added about 22,000 jobs in August and the unemployment rate ticked up to 4.3%, the highest it's been in nearly four years. The job market is "stalling," Glassdoor economist Daniel Zhao told CNN on Friday, "it's slowing to a dangerous speed." Job growth is practically nonexistent. And if the labor market is showing signs of a cold, that doesn't bode well for the overall health of the economy.

Here's a rundown of the latest data, and how the situation could turn around or take a turn for the worse:

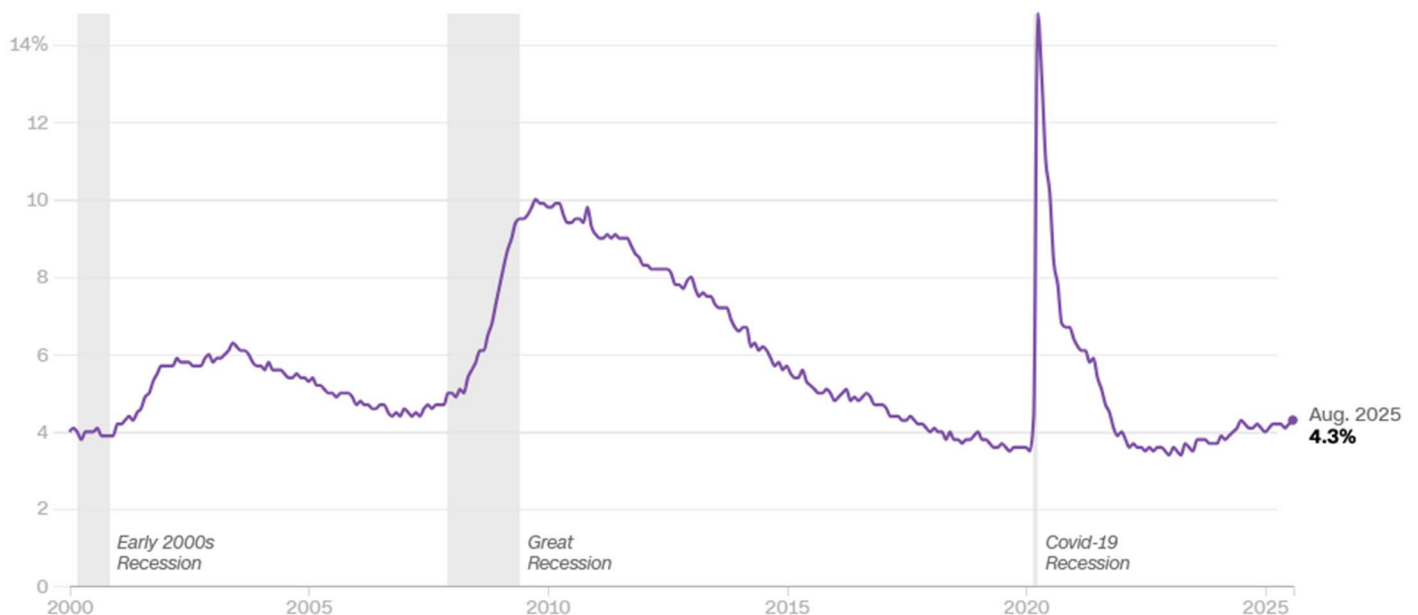
Takeaways from the August jobs report

Job growth hasn't just been weak, it turned negative recently: During the past three months, the US economy has seen a net gain of roughly 29,000 jobs per month, Bureau of Labor Statistics data shows. If that sounds soft, it's because it is: Excluding the massive employment plunge at the start of the pandemic, that's the slowest three-month average since the summer of 2010, when the United States was still clawing its way back from the Great Recession. Bringing that average down was a now-negative report for June. The second revision for that month (which includes more comprehensive dispatches from US businesses) now shows a net loss of 13,000 jobs.

More industries lost jobs in August than added them: The jobs report contains a nerdy little gauge (a diffusion index) that is meant show the breadth of employment changes across 250 private-sector industries. If it's above 50, that means more industries added jobs than lost them. It's been under 50 since April and measured 49.6 in August. Most of those gains, however, were minimal. And the hardest-hit sectors are those in the goods business: The impact of President Donald Trump's tariff policy, and the whipsaw manner in which it's being applied, is having an "undeniable" impact on hiring, RSM US economist Joe Brusuelas wrote in a note to investors Friday. Goods businesses have posted "four straight months of declines since May," he wrote. "Manufacturing, which was supposed to benefit from restrictive trade policies, instead slipped into reverse as supply chain uncertainty deepened."

Tracking US unemployment

The unemployment rate increased to **4.3%** in August.



Notes: The seasonally adjusted figures are current though August as of September 8, 2025 at 4:48 p.m. ET. The most-recent two values are preliminary.

Source: US Bureau of Labor Statistics

Opportunities are growing increasingly limited: The health care industry, which has an aging US populus working in its favor, has been a leading driver of employment growth in recent years. Now it's practically the only game in town. Health care businesses added an estimated 46,800 jobs in August. The industry, however, accounts for only 15% of overall US employment, BLS data shows. "For 85% of workers, they're not seeing a lot of the jobs added," Kory Kantenga, LinkedIn's head of economics Americas, told CNN this week.

The "canary in the coal mine" is chirping: The unemployment rate for Black workers in the United States rose again last month to 7.5%, the highest level since October 2021. During the past two months, the unemployment rate for Black workers has risen considerably higher, jumping from 6% to 6.8% in June and then to 7.2% in July. "The unemployment rate for Black workers will usually rise more than for [White workers] when the labor market weakens, but they usually move in the same direction," economist Dean Baker, co-founder of the Center for Economic and Policy Research, noted on Friday. By comparison, the unemployment rate for White workers fell by 0.1 percentage point, to 3.7%. A rise in the Black unemployment rate is often considered the "canary in the coal mine," foretelling a broader-scale job market slowdown.

Black workers are disproportionately employed in frontline and lower-wage industries as well as the government workforce. Economists warned earlier this year that Trump's sweeping policy changes related to trade, immigration, federal employment reductions, as well as a crackdown on diversity, equity and inclusion efforts, could reverse some of the historic employment gains made recently by women, Black workers, Latino workers and other underrepresented Americans.

How things can turn for the worse, or the better

Economic headwinds and uncertainty are putting a drag on hiring: There's not one single cause for the slowing job market, but uncertainty certainly hasn't helped, Glassdoor economist Zhao said. "Even before this year, the job market was on a slowing trend, interest rates have been fairly high, but we do see with the data in the last few months that some of these tariff-sensitive sectors like manufacturing or construction have slowed and in fact, started losing jobs," he said. "So, there does seem to be some impact from tariffs and the uncertainty associated with them." "It's not just the fact that there are these tariffs being implemented, policy uncertainty makes it very hard for businesses to commit to hiring plans," he added.

Rising unemployment can get out of hand ... quickly: The unemployment rate of 4.3% still lands within that "healthy"/full employment arena, but if it keeps rising, that's a big problem. Unemployment has stayed relatively low in part because of dampened demand for workers as well as a depressed supply (people aging out of the workforce as well as reductions in immigrant workers). "But, as we start to see unemployment rise, that does start to suggest that this is not just because of shifts on the labor supply side," Zhao said. "When unemployment starts to rise, those impacts can start to stack up very quickly and unpredictably." And if the job market cools further, that means less money in the pockets of American households — and less spending to support more hiring. "That can build into a cycle of a sharper economic slowdown," he said.

Why the jobs report is a problem

But a recession isn't necessarily imminent: The current labor market dynamics are a function of cyclical and structural factors driven largely by trade and immigration policy, said Brusuelas. Those dynamics, as well as the effects of "pervasive uncertainty" will play out over the near to medium term, he noted Friday. "We expect growth and hiring to reaccelerate as the combination of interest rate cuts, tax cuts and full expensing of business investment bolster demand for labor later this year and early next," he wrote in the note. "Thus, we do not expect the economy to slip into recession in the near term." An interest rate cut, even a small one, could unleash pent-up demand: Toward the end of last year, including after the election, hiring and investment picked up and so did sentiment — especially as inflation appeared to be getting tamed, Ron Hetrick, senior labor economist at Lightcast, told CNN. "Then that got squandered, when we started doing tariffs, and that possibility of inflation got introduced, then the [Federal Reserve] was like, 'Hey, all that stuff's off the table now' — and so, all of this underground fervor was gone," he said. "When you lower the interest rate, the Fed is signaling, 'We think it's time to start this engine again.'"