



Source: Bureau of Labor Statistics

This week’s MBA Chart of the Week focuses on [June’s employment report](#) from the U.S. Bureau of Labor Statistics (BLS).

The economy added a record 4.8 million jobs to nonfarm payrolls in June, bringing the cumulative increase in May and June to one-third of the sharp decreases in March and April. Similarly, the June unemployment rate, at 11.1%, was down 3.6% from its high in April, and labor force participation jumped by 0.7% to 61.5% (1.9% below its pre-coronavirus level in February).

However, we are not yet out of the woods. The June BLS employment data are based on surveys from the week of June 7-13, prior to the recent growth in newly reported COVID-19 cases in 35 states, and as MBA Chief Economist, Mike Fratantoni stated, we are also continuing to see a very high level of new layoffs, with 1.4 million initial claims for unemployment insurance last week. Moreover, there are still 10.6 million people who remain without work following a temporary layoff, and the longer they remain out of work, the greater the risk that their situation becomes permanent.

While 40% of the June job gains were in leisure and hospitality, gains were across many industries. BLS measures how broadly jobs are added or lost through its diffusion index. An index reading above 50 means more private industries added jobs that month than lost jobs. The June diffusion index was up to 75.2 from 63.0 in May, and most sectors enjoyed job gains.

Although job gains have been broad, the unemployment rate remains uneven across the labor force. For example, the unemployment rate for White workers was 10.1% in June (vs. 3.3% in June 2019), while it was 15.4% for Black or African American workers (vs. 6.0% in June 2019), and 14.5% for Hispanic/Latino workers (vs. 4.3% last year).

We are closely tracking the employment situation and how it directly affects homeowners, renters, and commercial real estate tenants. MBA continues to believe that Congress needs to extend enhanced unemployment insurance benefits to support those households that remain unemployed.