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Jobs Revision Shows Weaker Growth

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The pace of job growth was likely significantly weaker than reported from early 2024 through early this year, the Labor Department's Bureau of Labor Statistics said Tuesday.

The U.S. added 911,000 fewer jobs over the 12 months that ended in March, the BLS said, trimming by a bit more than half the 1.79 million jobs the official data now show. If that holds, it would bring the average pace of seasonally adjusted employment gains from 147,000 jobs a month over the period to a bit over 70,000. Note

The leisure and hospitality sector, which includes businesses such as restaurants and hotels, likely had 176,000, or 1.1%, fewer jobs in March than the official data show, the BLS reported. Other sectors registering significantly fewer jobs included retailing, professional and business services, wholesale trade and manufacturing. In percentage terms, the information sector registered the biggest hit.

By total numbers of jobs lost, Tuesday's report marks the largest preliminary revision on record going back to 2000. When measured by percent of total jobs lost, the revision represents the largest since 2009, in the wake of the financial crisis.

Tuesday's report is just the preliminary part of an annual process in which the BLS updates the job figures from its monthly employer survey using more comprehensive data from state unemployment tax records. The official revision will come in February, and economists suspect it might not be quite as negative.

But the report, even though it is for a period that ended nearly a half year ago, could amplify worries that the job market, which has shown signs of significant weakening since March, started from a lower baseline than previously known.

And it comes shortly after President Trump fired the head of the BLS after the agency published monthly figures in August that he didn't like.

A smaller increase in job growth for the period ended March 2025 had been widely anticipated by private-sector economists and officials at the Federal Reserve. A footnote in a speech by Fed Chair Jerome Powell last month said he expected the level of employment "will be revised down materially" in Tuesday's report.

For its monthly jobs figures the BLS relies on a survey of about 121,000 employers. The BLS on Tuesday said its research suggested the overestimation of employment was likely the result of two factors. First, businesses within its survey reported higher employment in its survey than they did in their quarterly tax reports. Second, businesses that responded to its survey had stronger employment than those that had been selected for the survey but didn't respond.

One of the survey's shortcomings is that brand new businesses aren't included in it, while the BLS also can't quickly determine whether an employer that stops responding to its survey has gone out of business. The BLS uses a statistical model, based on historical data, to estimate these employer "births" and "deaths." But even though this birth-death model mitigates the problem, the job figures in monthly employment reports can still drift away from what is happening on the ground.

The annual revision process is how the BLS corrects for this drift. To do this it relies on data from state unemployment-tax records that nearly all employers are required to fill out, and which covers about 95% of U.S. employment. The data comes with a substantial lag and is also subject to revision itself, because some tax filers are late.

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