

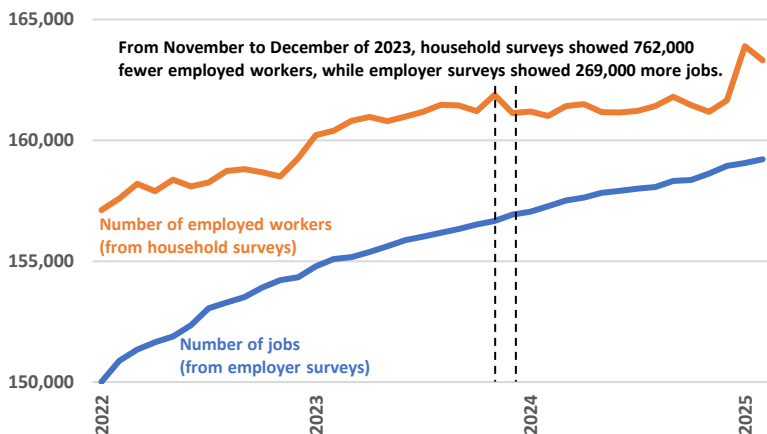
Economic & Market Watch Intelligence Brief

Briefing

- Due to delays and errors in reporting, preliminary jobs numbers go through three rounds of revisions before becoming the “final official” numbers.
- Under normal circumstances, one would expect the direction of revisions to be random. However, since 2023, jobs numbers have been revised downward twice as often as they have been revised upward (Figure 1).
- Since January 2023, the average downward revision has been 50% larger than the average upward revision. Over this period, downward revisions have totaled almost 900,000 jobs, while upward revisions have totaled less than 300,000 jobs.
- Since 2023, public sector hiring has been pushing down unemployment numbers. From January 2023 to the present, the number of private sector jobs grew 2.5%. Over the same period, the number of public sector jobs (i.e., jobs at the local, state and federal levels of government) grew 5%.
- Had the number of public sector jobs grown at the same pace as did the number of private sector jobs, there would be 625,000 more unemployed people today and the unemployment rate would be 4.5% instead of 4.1% (Figure 2).

Chart of the Week

Employed Workers vs. Jobs (thousands)



Commentary

Each month, the U.S. Bureau of Labor Statistics (BLS) surveys about 120,000 businesses and government agencies covering around 650,000 worksites to estimate the number of jobs in the economy. For each month, BLS reports three numbers: an “initial estimate” (published shortly after the month’s end); a “first revision” (published a month later and including late data submissions); and a “second revision” (published two months after the initial estimate and including almost all data). Each year, BLS also publishes a “benchmark revision” that is cross-referenced with tax records and represents the most accurate and final estimate.

Jobs data and employment data can sometimes contradict each other (Chart of the Week). This is due to differences in respondents, differences in survey questions and random chance.

Surveys of businesses and government agencies ask about the number of jobs, not the number of workers. Surveys of households ask about the number of workers, not the number of jobs. Workers holding multiple jobs cause the two surveys to yield different counts. For example, a worker who holds two jobs will show up twice in the employer survey (once for each employer) and so be counted as two “jobs.” But in the household survey, the worker will show up as “employed” and so be counted as one “worker.”

Snapshots

Figure 1. Revisions to Preliminary Jobs Numbers (thousands)

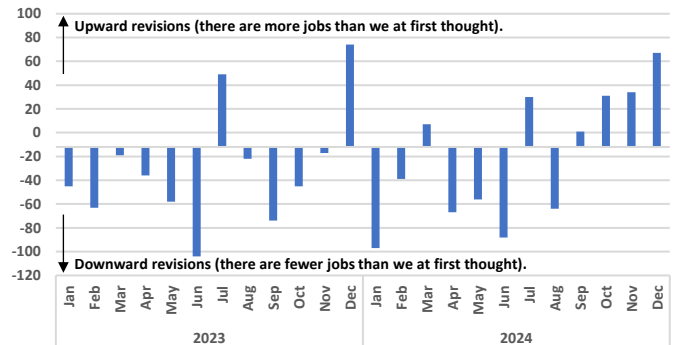


Figure 2. Effect of Public Sector Job Growth on Unemployment Since 2023

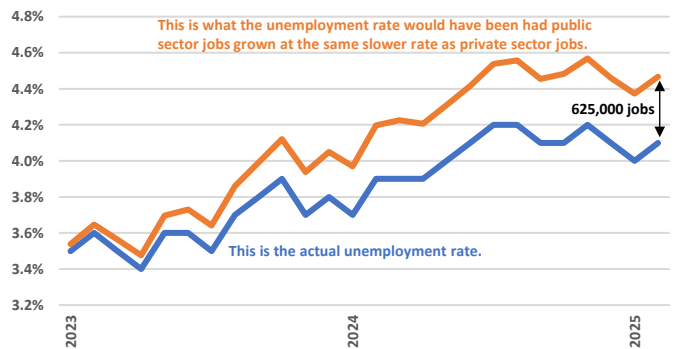
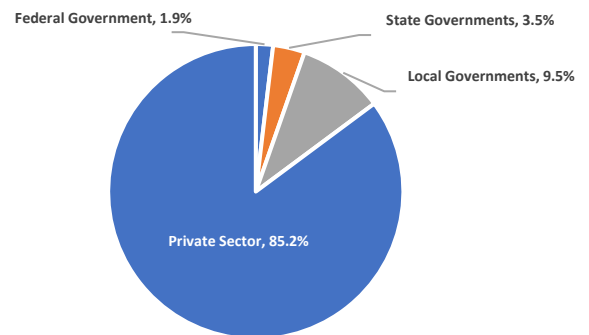


Figure 3. Share of US Jobs According to Employer



Public sector jobs have recently grown faster than private sector jobs. But, since 2012, the private sector’s share has increased slightly from under 84% to just over 85% of all U.S. jobs.

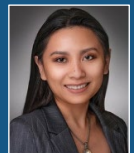
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Economic & Market Watch Dashboard

Key Indicators

INTEREST RATES¹

		2025					2026
	Current	Q1	Q2	Q3	Q4	Q1	
Fed Funds Target ² (%)	4.50	4.50	4.25	4.00	3.75	3.75	
SOFR (%)	4.34	4.20	4.00	3.90	3.80	3.75	
2Y UST (%)	3.94	4.15	3.95	3.90	3.90	3.75	
5Y UST (%)	4.01	4.25	4.15	4.10	4.05	4.00	
10Y UST (%)	4.24	4.45	4.40	4.40	4.35	4.25	
30Y UST (%)	4.55	4.70	4.70	4.70	4.65	4.55	

ECONOMY

		2025					2026
	Current	Q1	Q2	Q3	Q4	Q1	
PCE Inflation (YoY %)	2.5	2.8	2.6	2.5	2.5	2.5	
CPI Inflation (YoY %)	3.0	2.8	2.7	2.6	2.6	2.8	
Real GDP (QoQ %)	2.3	2.3	2.0	1.9	1.9	2.0	
Unemployment (%)	4.1	4.3	4.3	4.3	4.3	4.3	
Consumer Spending (QoQ %)	4.2	2.3	2.1	2.0	1.9	2.0	
Industrial Production (YoY %)	2.0	0.7	0.7	1.0	1.6	1.5	

Equities & Currency

	Current	Year ago
DJIA	42,480	38,770
Nasdaq	17,833	16,019
S&P 500	5,700	5,118
US Dollar Index	\$1,267.31	\$1,229.28

Commodities

	Current	Year ago
Crude Oil (Per Barrel)	\$67.01	\$77.50
Natural Gas (Per MMBtu)	\$4.51	\$1.84
Coal (Per Short Ton)	\$10.50	\$13.32
Gold (Per Ounce)	\$2,900.00	\$2,177.90
Corn (Per Bushel)	\$4.59	\$4.36
Soybean (Per Bushel)	\$10.07	\$11.84

Industry

	Current	Year ago
Natural Gas Storage (Billion Cubic Feet)	1,760	2,345
U.S. Daily Power Consumption (MWh)	11,181,750	10,369,105
World Container Index (Per 40ft)	\$2,541	\$3,493

¹ Unless otherwise indicated, forecasts are from the Blue Chip Professional Forecasters.

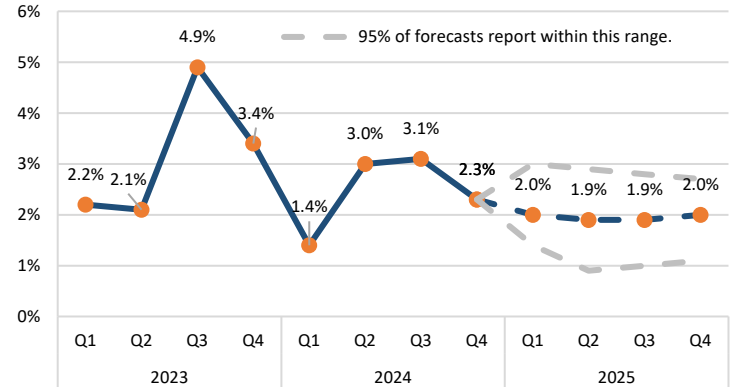
² Target rate forecast is based on futures market contracts.

Source: Blue Chip Financial Forecasts, Trading Economics, Moody's Analytics, Statista, Trading Economics, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, U.S. Energy Information Administration, U.S. Treasury Department, Federal Reserve Bank of Atlanta, Federal Reserve Bank of New York, Federal Reserve Bank of St. Louis, International Monetary Fund, World Bank, University of Michigan, The Conference Board.

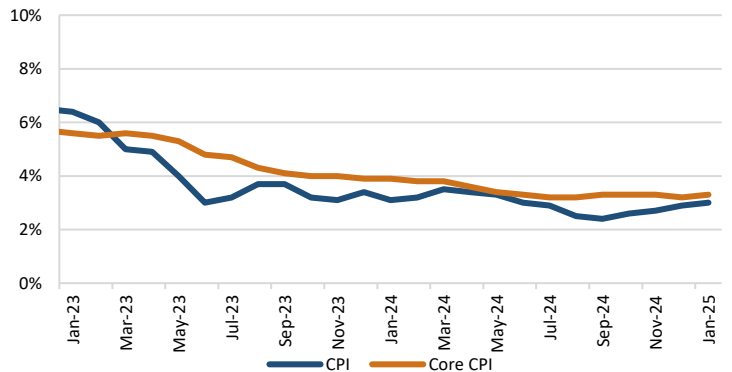
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Forecasts

Real GDP Growth Trend



Headline vs. Core Inflation



10-Year US Treasury vs. Fed Funds Trend

