



JOBS REPORT: FEBRUARY 2026

Rachel Greszler, Senior Research Fellow

Philip Eigen, Policy Analyst

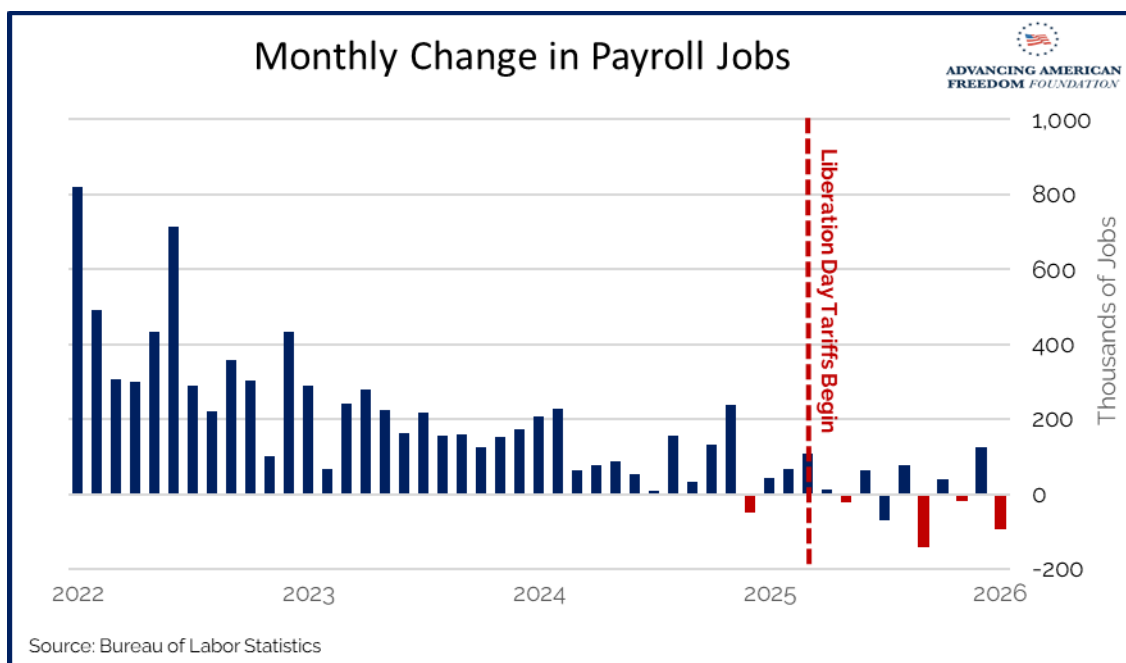
MARCH 6, 2026

**ADVANCING AMERICAN
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TOPLINE: Payroll employment fell by 92,000 jobs in February as the unemployment rate edged up to 4.4 percent.¹

BACKGROUND: The jobs market weakened over the past year, with only 156,000 jobs gained in total, all of which was before the imposition of the Liberation Day tariffs. New and fluctuating tariffs have been weighing down job growth as companies have faced higher costs and uncertainty over changing tariff policies caused many companies to pause or pull back on planned expansions.

Pro-growth tax cuts and energy related permitting reform in the One Big Beautiful Bill Act worked in the opposite direction, reducing employers' costs and providing certainty and incentives to invest and grow. The Supreme Court's decision regarding a portion of the President's tariff authority should partially alleviate tariff-induced cost increases and uncertainties over the coming months, which would positively impact employment, but certain tariff policies are still in flux.

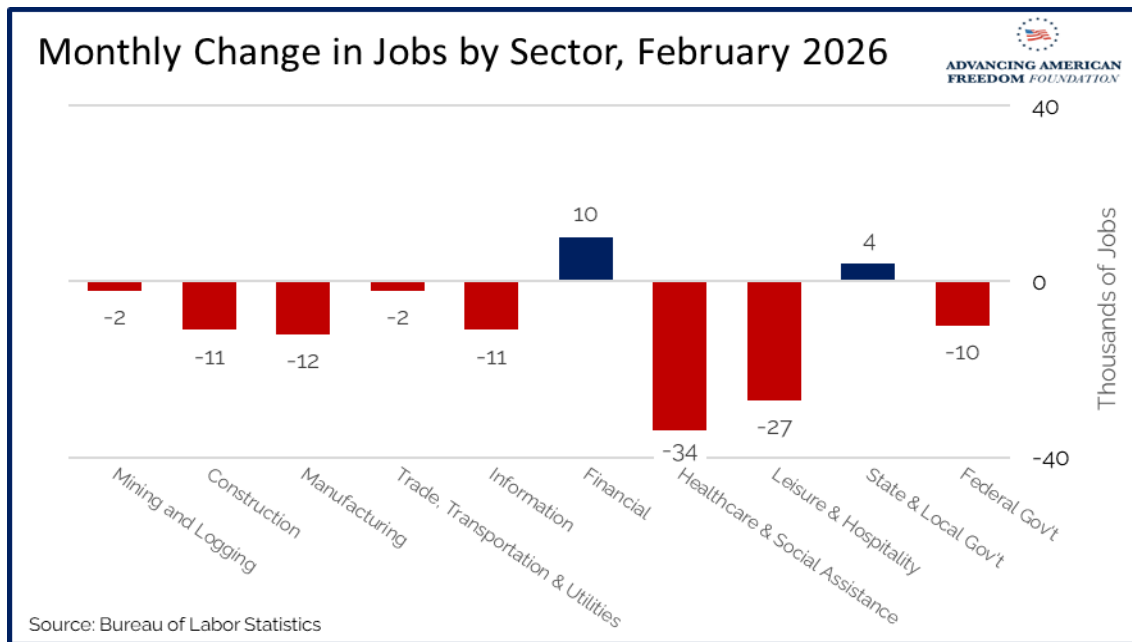


¹ Bureau of Labor Statistics, Employment Data, <https://www.bls.gov/data/home.htm#employment> (accessed March 6, 2026).

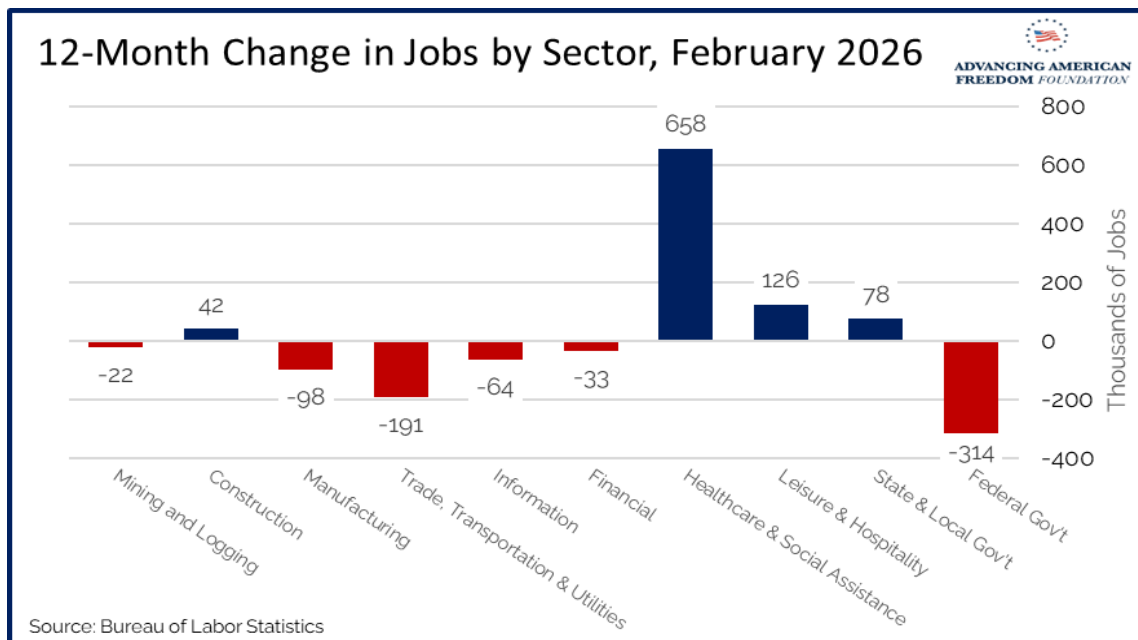


Jobs by Sector: in February 2026, and Since February 2025

- Job gains occurred in financial (+10,000) and state and local government (+4,000).
- Job losses were widespread, with the largest declines in: healthcare and social assistance (-34,000), leisure and hospitality (-27,000), manufacturing (-12,000), construction (-11,000), information (-11,000), and federal government (-10,000). Healthcare losses were the result of striking workers in California and Hawaii.

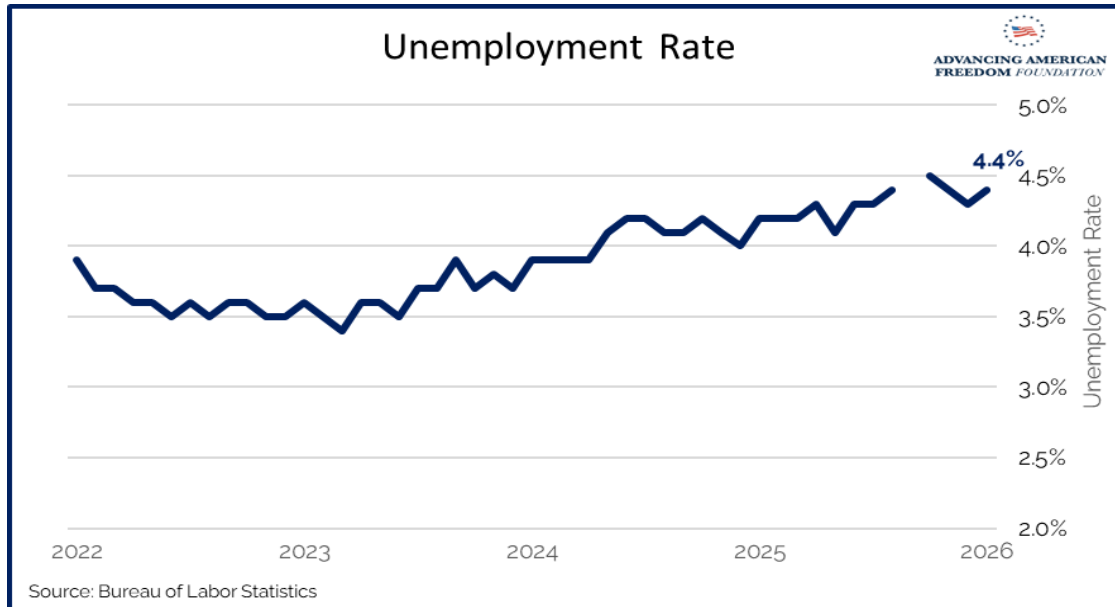


- Over the past year, the biggest job gains were in: healthcare and social services (+658,000), leisure and hospitality (+126,000), and state and local government (+78,000).
- The largest job losses were in: federal government (-314,000); trade, transportation, and utilities (-191,000); and manufacturing (-98,000). Government declines can increase output because productivity is higher in the private sector.

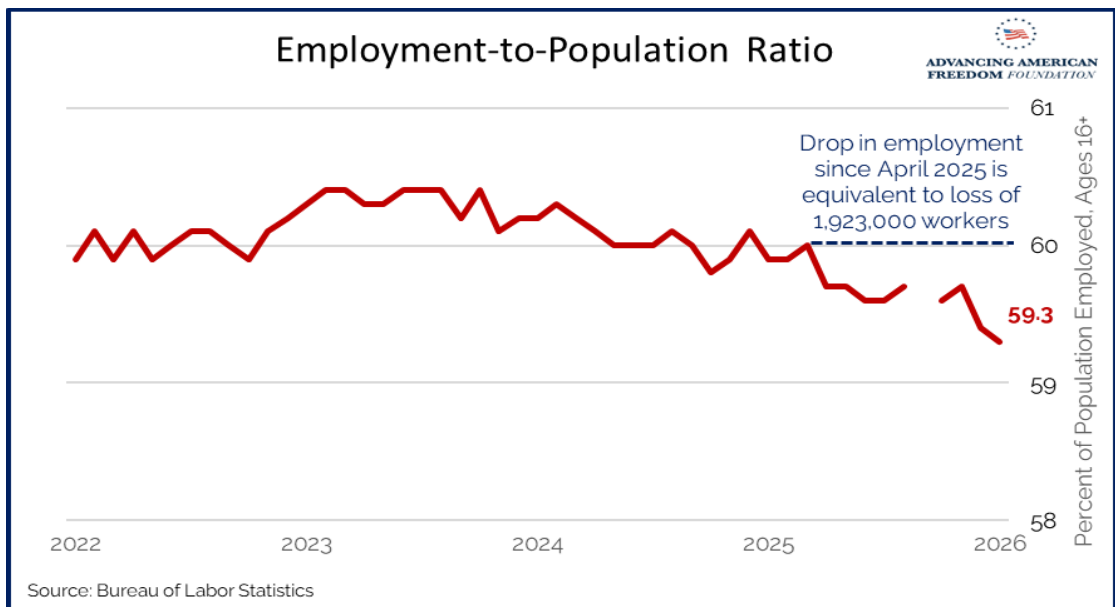


Unemployment and Employment Rates

- The unemployment rate edged up to 4.4 percent in February.
- The unemployment rate was lowest among workers ages 35-44 and ages 55+ (3.3 percent), and highest among workers ages 16-24 (9.5 percent).



- The employment rate—or employment-to-population ratio—edged down to 59.3 in February. This means that 59.3 percent of persons ages 16+ were working.
- Since April 2025, the employment rate is down by 0.7 percentage points. This translates into 1,923,000 fewer workers.



BOTTOMLINE: The labor market is showing continued signs of weakness, both in the number of jobs and the number of people working. However, if we couple the pro-growth provisions in the One Big Beautiful Bill Act with stepping back from tariff policies and reducing growth in government spending—which drives up private investment costs and future tax burdens—that would help improve the labor market.

