

JOBS REPORT: MARCH 2026

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APRIL 7, 2026

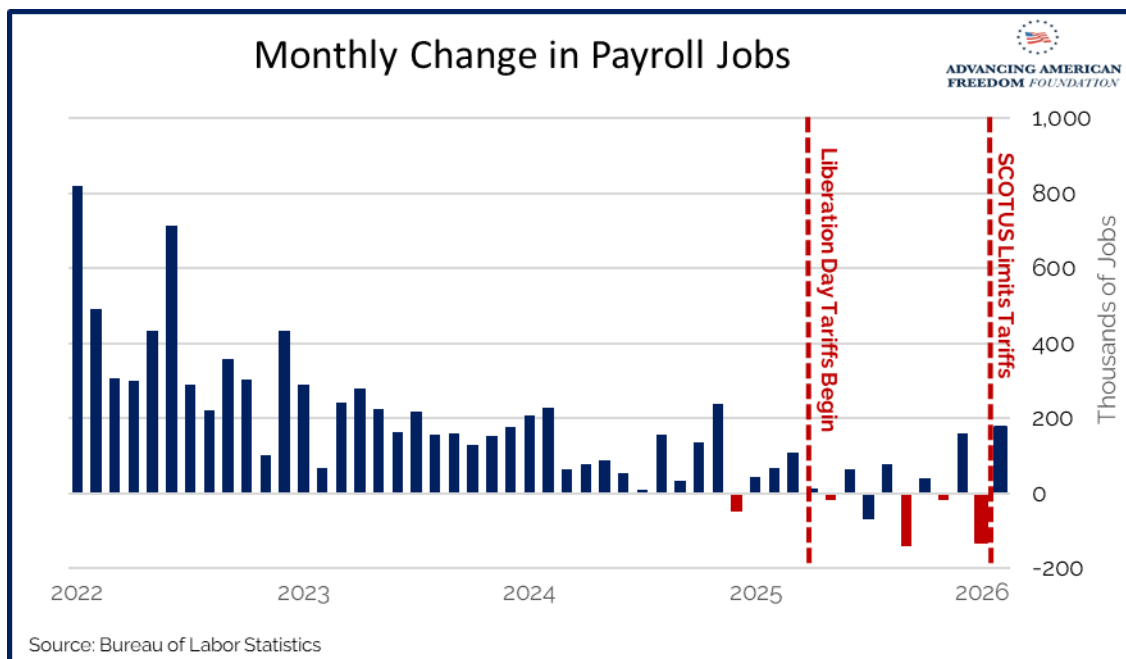


**ADVANCING AMERICAN
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TOPLINE: Payroll employment increased by 178,000 jobs in March as the unemployment rate edged down to 4.3 percent.¹

BACKGROUND: March job gains provided welcome news following a weak year of job growth that averaged just 22,000 per month. Liberation Day tariffs and fluctuating tariff policies have caused uncertainty and higher costs for businesses, which undoubtedly held back job creation. At the same time, pro-growth tax cuts and energy reforms in the One Big Beautiful Bill Act (OBBBA) continue to work in the opposite direction, providing certainty for businesses and incentives to invest. The OBBBA likely helped prevent a significant decline in job openings or increase in unemployment.

While one month is not long enough to indicate a new trend, and while certain tariff policies are still in play, the Supreme Court's decision restricting the Administration's use of tariffs may have contributed to March job gains and will likely have a positive impact on future job gains and economic growth by alleviating tariff-related cost increases and uncertainties.

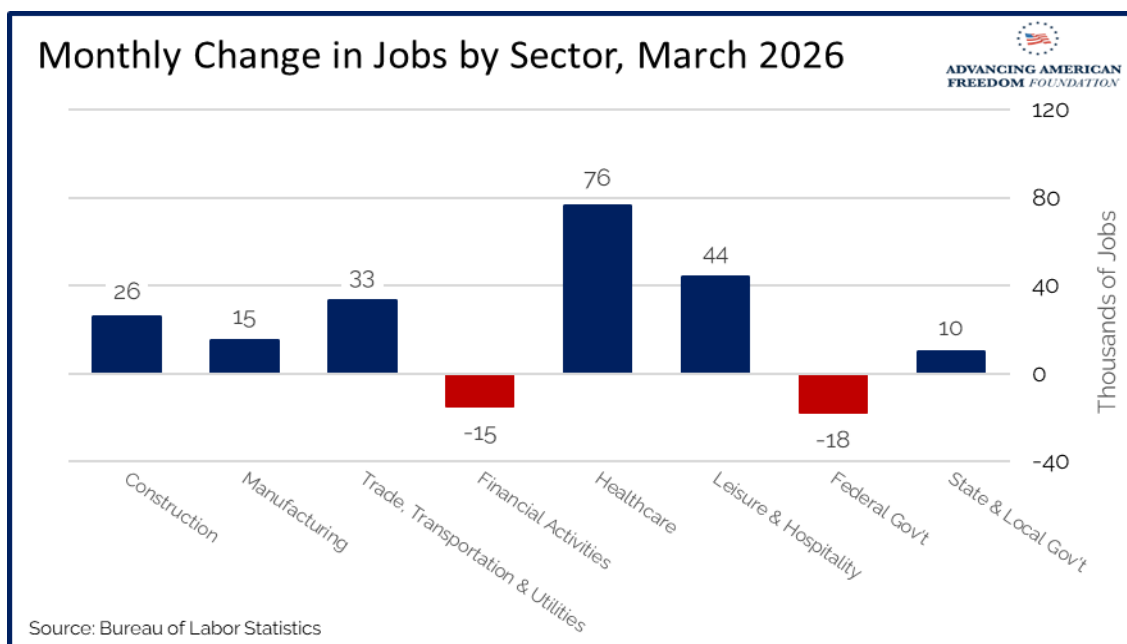


¹ Bureau of Labor Statistics, Employment Data, <https://www.bls.gov/data/home.htm#employment> (accessed April 3, 2026).

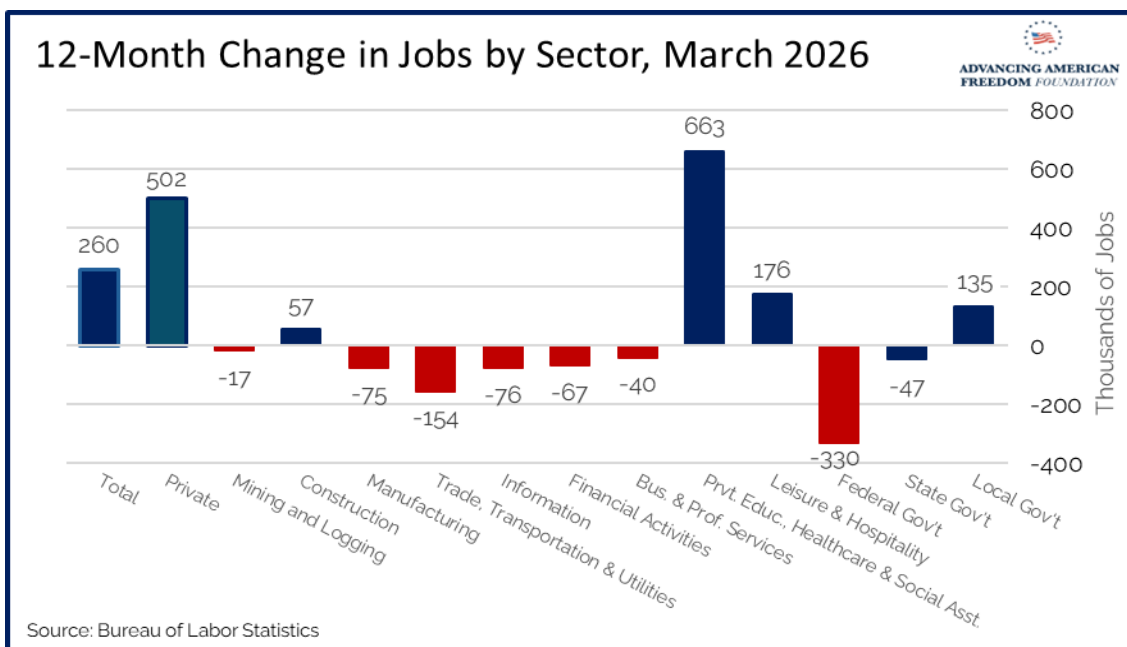


Jobs by Sector: Monthly and Annual, March 2026

- The largest job gains occurred in: healthcare (+76,000, which included 35,000 workers returning from strikes); leisure and hospitality (+44,000); trade, transportation, and utilities (+33,000); and construction (+26,000).
- Primary job losses occurred in: federal government (-18,000) and financial activities (-15,000).

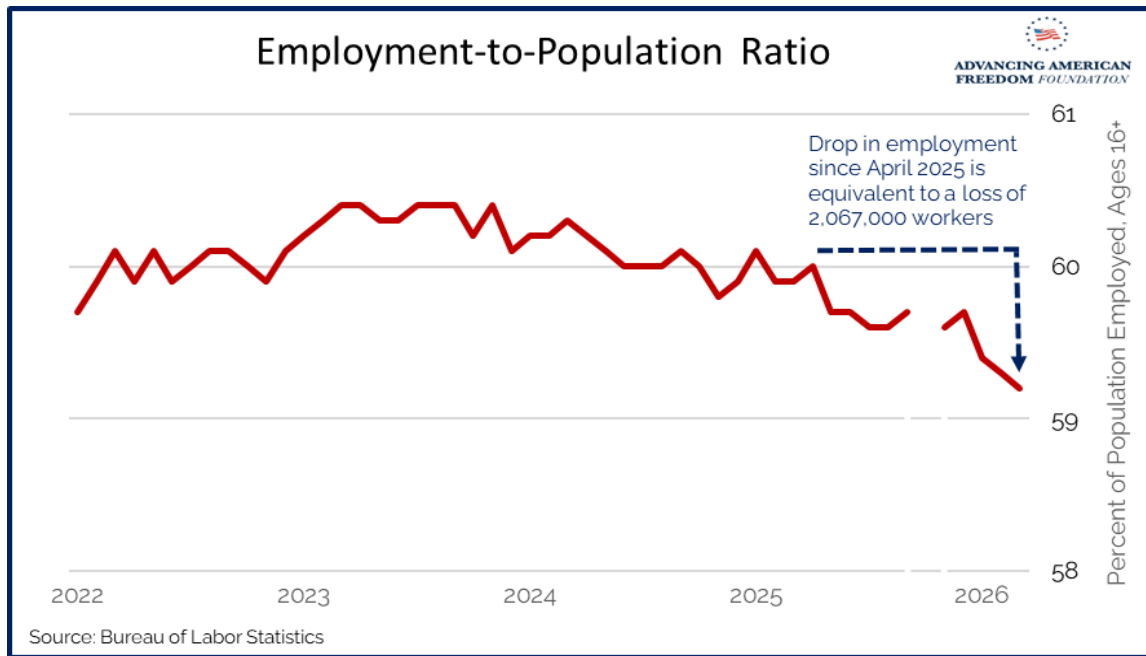


- Over the past year, the biggest job gains occurred in: private education, healthcare, and social assistance (+663,000), leisure and hospitality (+176,000), and local government (+135,000).
- Major job losses included: federal government (-330,000); trade, transportation, and utilities (-154,000); information (-76,000), and manufacturing (-75,000). Shifts from government to more productive private sector jobs can increase output.



Unemployment and Employment Rates

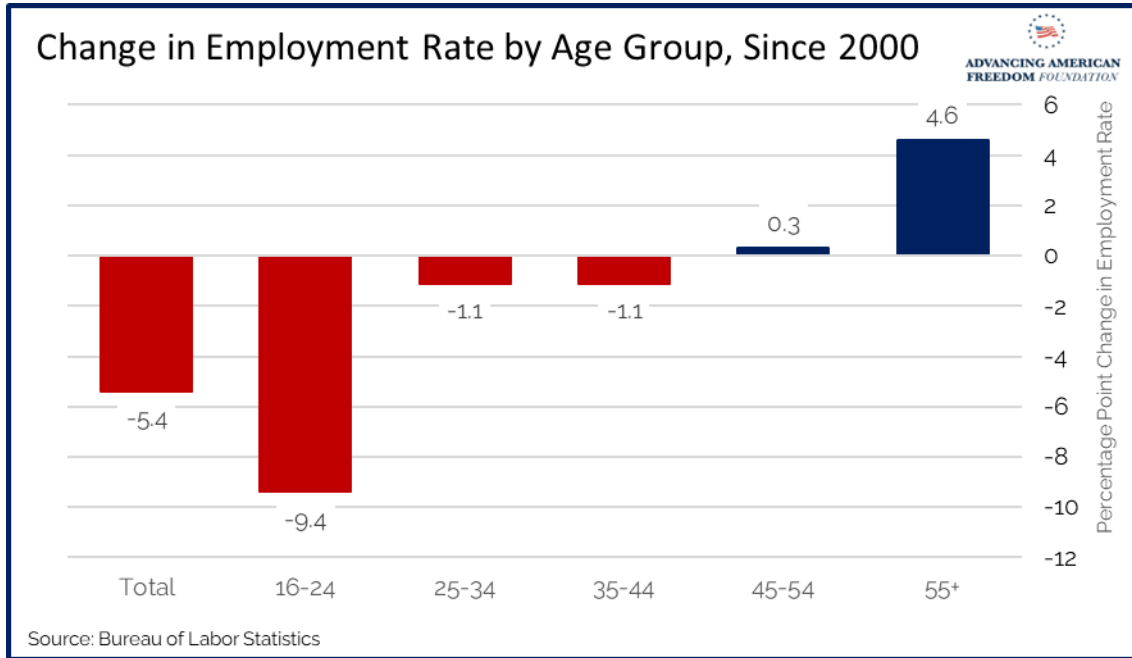
- The unemployment rate edged down slightly to 4.3 percent in March. This decline was almost entirely due to people leaving the labor force.
- The employment-to-population ratio—or employment rate—captures both labor force participation and unemployment by measuring the proportion of people ages 16 and older who are working.
- The employment-to-population ratio continued to decline to 59.2 percent in March. This means that 59.2 percent, or just under three in five persons ages 16+ were working.



- Since April 2025, the employment rate has dropped by 0.8 percentage points. Absent this decline, there would be 2,067,000 additional people working today.
- The percentage of people working has declined significantly in recent decades. While part of that can be attributed to the aging of the Baby Boomers, it has been younger generations who have experienced the biggest declines in employment.



- Since 2000, the percentages of younger adults who are employed have declined significantly, including a 9.4 percentage point decline in employment among individuals ages 16 to 24. Meanwhile, employment of older Americans has shot up, including a 4.6 percentage point increase among individuals ages 55+.
- Fewer young people working during the prime years of gaining work experience is highly problematic, while gains among older workers provide tremendous economic and cultural contributions.



BOTTOMLINE: While still tenuous, March's job gains provide hope for an uptick in the weak labor market. Yet, lasting growth will not happen until job gains extend outside of limited sectors like healthcare, social assistance, and leisure and hospitality. Policymakers can help enable growth by curbing federal spending, which reached a record high of \$7.0 trillion in 2025—surpassing even the COVID-19 spending surge of 2021. Such massive federal spending is suppressing private sector expansion and raising costs for ordinary Americans and businesses. Coupling the pro-growth provisions in the One Big Beautiful Bill Act with reduced tariffs and a potential reconciliation 2.0 bill that significantly reduces growth in government spending would boost the sluggish labor market.

