

SCOTUS OVERTURNS TARIFFS, JOBS GO UP

APRIL 2026 JOBS REPORT

Gadai Bulgac, Policy Analyst
Rachel Greszler, Senior Research Fellow
MAY 8, 2026



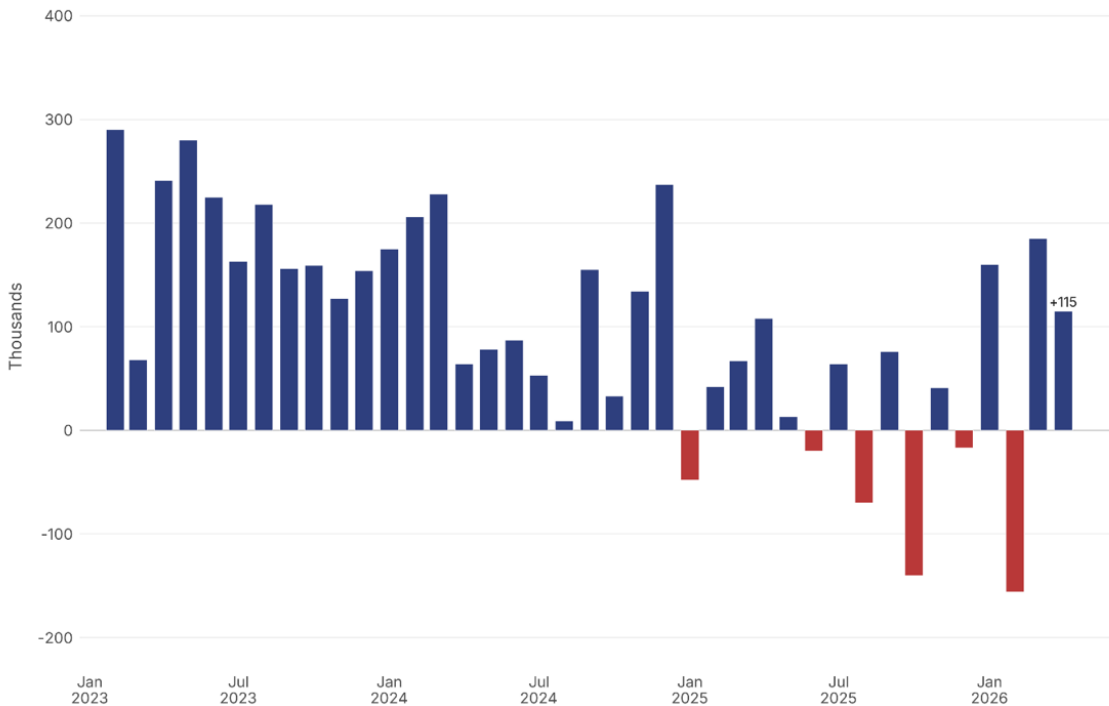
**ADVANCING AMERICAN
FREEDOM FOUNDATION**

TOPLINE: Payroll employment increased by 115,000 jobs in April, and the unemployment rate remained stable at 4.3 percent.¹

BACKGROUND: April marks the second full month of jobs data since the Supreme Court ruled President Trump's IEEPA tariffs unlawful. This might be the reason the only reported statistically significant gains in employment this month came from transportation and warehousing (+30,000) and retail trade (+22,000), which are quite sensitive to tariffs. Private education, healthcare, and social assistance saw modest gains (+46,000), relative to the sector's size.

Monthly change in payroll jobs

Total nonfarm employment, seasonally adjusted, thousands of jobs



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics. <https://www.bls.gov/ces/>

¹ Bureau of Labor Statistics, Employment Data, <https://www.bls.gov/data/home.htm#employment> (accessed May 8, 2026).



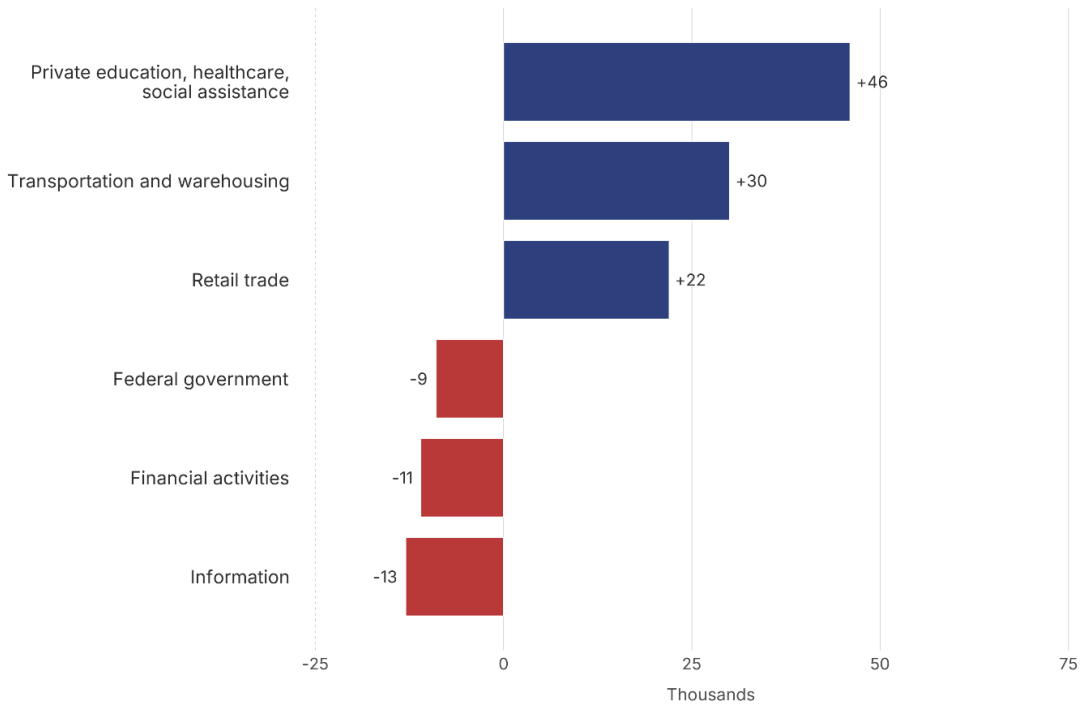
Federal government employment fell by 9,000 in April and is down by 345,000 since January 2025. Private sector employment rose by 123,000 in April and is up by 717,000 since January 2025 (an average of 48,000 per month).

Jobs by Sector: Monthly, April 2026

- The largest job gains occurred in health and education (+46,000), transportation and warehousing (+30,000), and retail trade (+22,000).
- Primary job losses occurred in federal government (-9,000), information (-13,000), and financial activities (-11,000).
- Within information, “computing infrastructure providers, data processing, web hosting, and related services” fell by 4,000 jobs in April. This subsector, which includes some (but not all) employment in AI data centers, has been declining since October 2025.

Largest payroll gains and losses by sector

Monthly change in employment, thousands of jobs



Source: U.S. Bureau of Labor Statistics. (2026, May 8). The employment situation -- April 2026 [News release]. https://www.bls.gov/news.release/archives/empsit_05082026.htm



Unemployment and Employment Rates

- The unemployment rate held steady in April at 4.3 percent.
- 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 in April, dropping to a post-COVID low of 59.1 percent. This is 1.0 percentage point lower than in January 2025 and amounts to 2.8 million fewer people working today.

Employment-to-population ratio

Share of the civilian population that is employed, seasonally adjusted



Source: U.S. Bureau of Labor Statistics, Current Population Survey. <https://www.bls.gov/cps/>

BOTTOMLINE: While additional months will be needed to confirm a trend, the SCOTUS decision ruling the IEEPA tariffs unlawful in February—and now an initial May 7 decision against President Trump’s subsequent Section 122 tariffs—may have provided a turning point in a previously lackluster labor market. Reduced tariff-related costs and uncertainty could allow employment growth to strengthen in the coming months. At the same time, the One Big Beautiful Bill likely helped keep the labor market afloat during this period, may have prevented employment conditions from deteriorating further, and could support stronger employment growth going forward.

