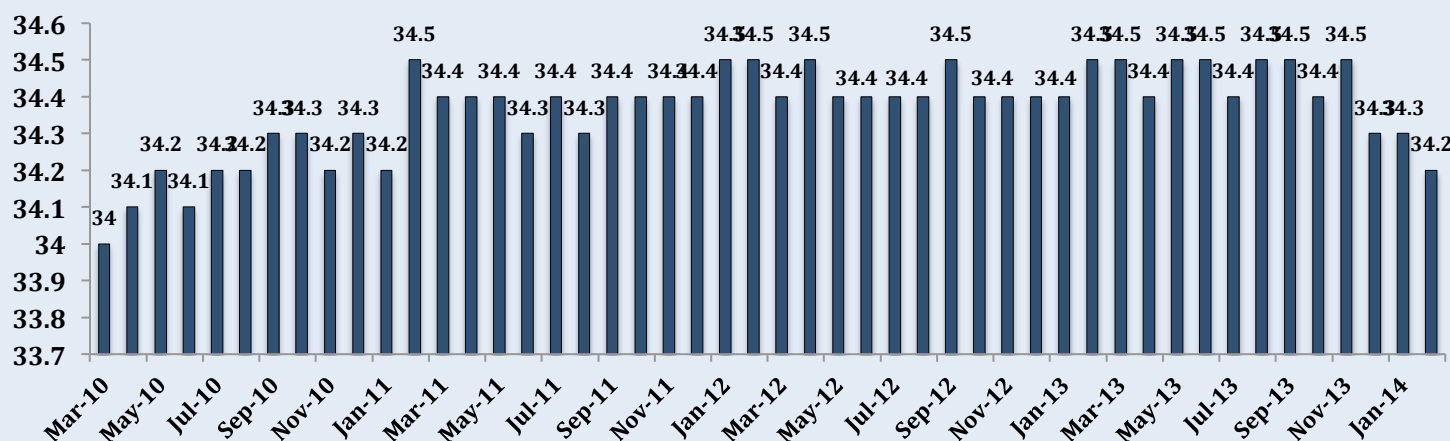


Decline In Hours Worked Means Net 100,000 Jobs Lost Since September: In his *Wall Street Journal* [op-ed](#) earlier this week, former Chairman of the president's Council of Economic Advisers Edward Lazear shed light on an often-overlooked number in the Bureau of Labor Statistics' (BLS) Employment Situation Summary. According to Dr. Lazear, the length of the average workweek reveals more about the labor market's strength than other better-known numbers. "The labor market's strength and economic activity are better measured by the number of total hours worked than by the number of people employed," he wrote. "An employer who replaces 100 40-hour-per-week workers with 120 20-hour-per-week workers is contracting, not expanding operations." From this perspective, the latest BLS report looks worse than how it was initially reported.

The average workweek was 34.2 hours in February. This is down only one-tenth from 34.3 hours in January, but down three-tenths from 34.5 hours in September 2013, and the lowest since January 2011. The number of jobs added to the nonfarm payroll since September was not enough to counter this decline in hours worked. According to Dr. Lazear's method of computing job equivalence from average hours worked, even though there were 900,000 jobs added since September, "the shortened workweek is equivalent to losing about one million jobs during this same period." The result is a net 100,000 jobs lost since September.

Average Weekly Hours Of All Employees



What causes this significant decline in hours worked from 2012 and earlier in 2013? Dr. Lazear suggests one possible culprit is the Affordable Care Act. The law incentivizes small businesses to keep employees' hours lower than 30 hours a week to avoid having to provide them with health insurance. If this is the driving force behind the decline in average week hours, these dismal numbers are just the beginning. The country's job market and overall economy will likely deteriorate further when ObamaCare's employer mandates are no longer delayed and go into full effect.