The National Bureau of Economic Research dated the start of the latest recession at March 2001. Many analysts have proposed December 2001, or perhaps January 2002, as an ending date, and recent labor market data tend to support their view.

The diffusion index of employment is based on firms’ responses as to whether they have increased employment, decreased it, or kept it the same. The index turned around in December. As reported in February, it approached 50 for the 1-month time span, indicating that the same fraction of firms increased employment as decreased it in February.

Between the beginning of the recession and its presumed end in December, employment declined in all regions and almost all industries. However, while the declines were about the same size in all regions, they were much more concentrated in some industries than in others.

Most regions posted month-to-month employment declines until December. In that month, most regions showed net gains. The positive changes in January were smaller, and some changes were negative.

Employment was hardest hit in manufacturing and in transportation and public utilities. Since October, percentage losses have been smaller, but the manufacturing sector is still posting employment declines, and wholesale trade shows no sure signs of recovery.

Unemployment rates have also begun to drop. In December, the Pacific region was the only one in which they rose.