



February Jobs Day Preview

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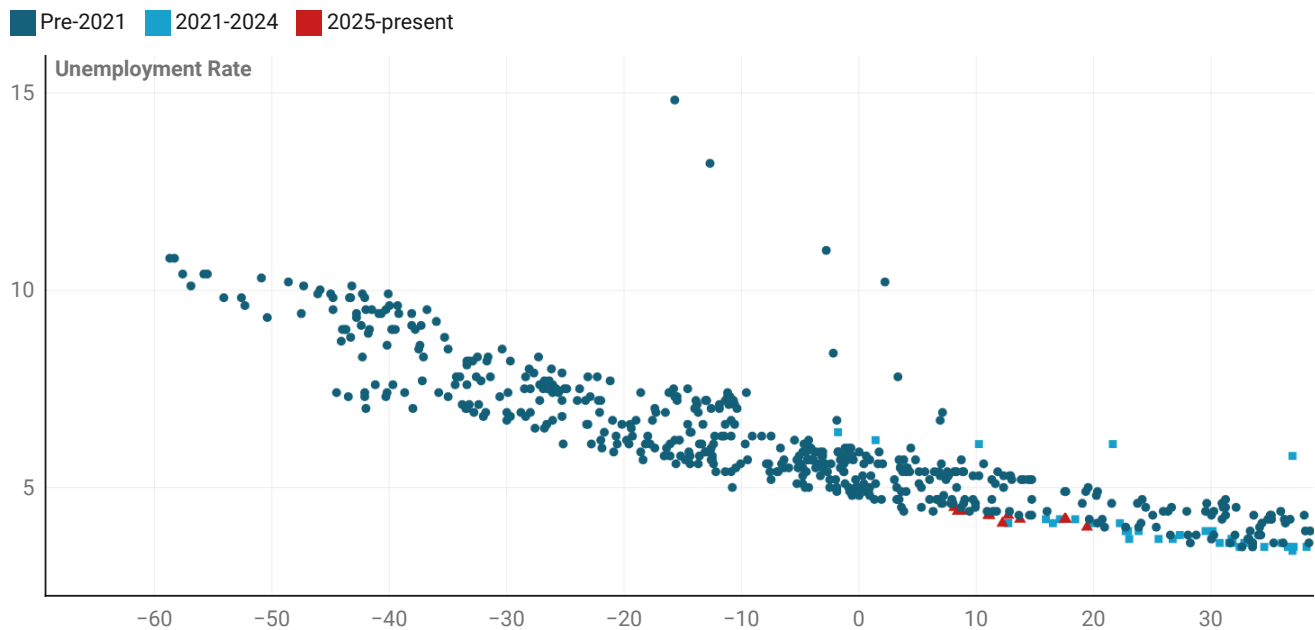
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Soon (hopefully) we will get an update on how the labor market was doing in January. But even if we get a strong reading... will it calm workers down?

The percent of respondents who expect fewer jobs to be available six months from now was 28.5% in January. Apart from a few months last year, that is the highest it has been since 2011. But while the unemployment rate has risen—it is nowhere near where it was in 2011.

It is not that workers cannot fairly evaluate the labor market—their views of what the labor market is like right now are exactly where we'd expect given the historical pattern.¹

Figure 1. Unemployment Rate vs. Current Labor Market Differential

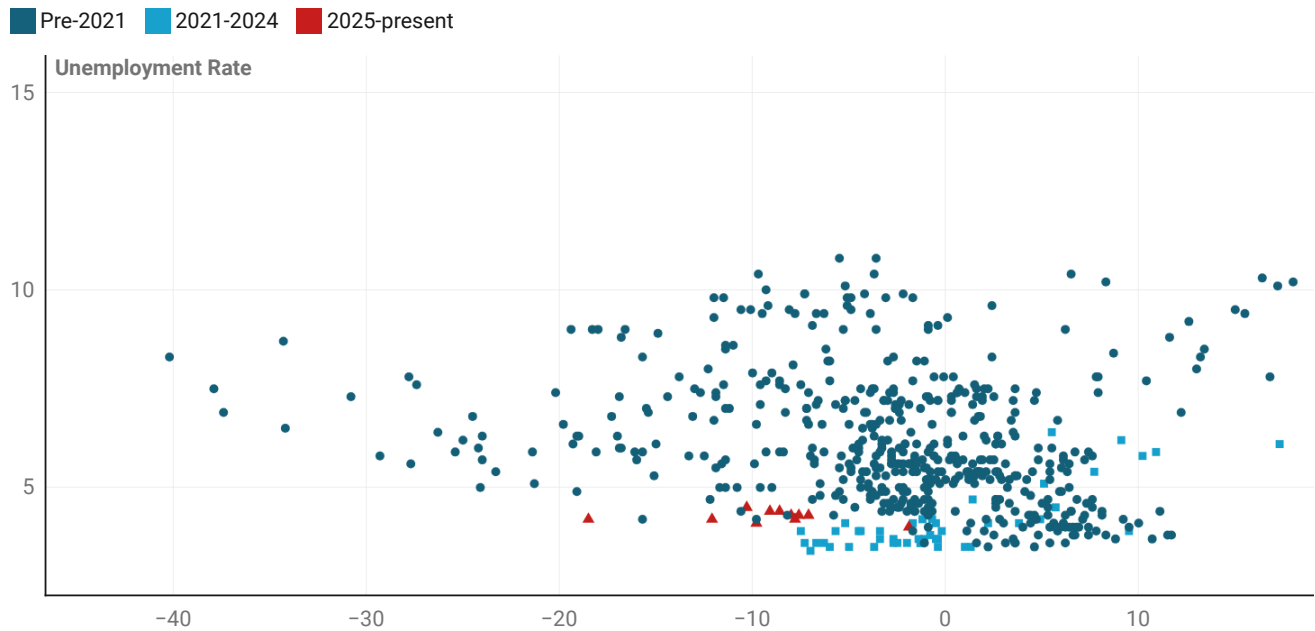


1978 to present.

Chart: The Budget Lab • Source: Bureau of Labor Statistics, Conference Board, Budget Lab Calculations. • Created with [Datawrapper](#)

But if we look at where they expect the labor market to be in six months—they are quite negative given the current unemployment rate. They started becoming more negative in the middle of the covid recovery—as seen in the graph below the grey dots (denoting 2021-2024) are largely on the negative side of where you'd expect given the unemployment rate. In 2025, that negativity has if anything, increased relative to where the unemployment rate is.

Figure 2. Unemployment Rate vs. Future Labor Market Differential



1978 to present.

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Are workers wrong? Or do they know something we don't? We don't know why they're so negative—is uncertainty getting to them? Are they concerned about AI? Are they sensing rumblings in the economy that are yet to emerge? Only time will tell. But don't expect a good reading on the labor market in the next report to calm workers down—it hasn't so far.

Footnotes

¹ Current labor market differential reflects positive views about the labor market minus negative views. Future labor market differential is the same, but six months in the future.