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Statement of

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Payroll employment rose by 167,000 in December, and the unemployment rate was unchanged at 4.5 percent. In 2006, payroll employment increased by 1.8 million, or an average of 153,000 per month. Over the month, there were job gains in several service-providing industries.

Employment in construction was about unchanged, and the number of manufacturing jobs continued to trend down.

Average hourly earnings increased by 8 cents, or 0.5 percent.

Employment in professional and business services rose by 50,000 in December. Over the year, this industry has added 420,000 jobs. Over the month, there were job gains of 13,000 in businesses that supply services to buildings and dwellings and 7,000 in management consulting services.

Employment continued to trend up in architectural and engineering services and in computer systems design. All of these industries had significant over-the-year gains in employment. In contrast, temporary help services employment was essentially unchanged over the year.

Health care continued to add jobs, with a gain of 31,000 in December and 324,000 over the year. Over the month, employment grew by 14,000 in ambulatory health care (which includes doctors' offices). Employment also increased in hospitals and in nursing and residential care facilities.

In December, employment in food services and drinking places expanded by 23,000; job gains for 2006 totaled 304,000. Within financial activities, employment continued to trend up over the month in credit intermediation and in insurance; over the year, these industries have added 62,000 and 46,000 jobs, respectively. Transportation and warehousing added jobs in December, with gains in air transportation and in warehousing and storage. Over the year, transportation and warehousing employment increased by 106,000.

Employment was up in the information sector in December, largely due to an increase in its telecommunications component. Over the year, however,

employment in both the information sector and telecommunications was essentially flat. Retail trade employment was little changed in December, following a large increase in November. Over the year, retail employment edged down.

Mining employment trended up in December. Over the year, employment in mining has grown by 54,000, or 9 percent, mainly in support activities. Employment in construction was about unchanged over the month, following job losses in October and November that totaled 53,000. For all of 2006, construction employment was little changed, following an increase of 295,000 in 2005. In 2006, job gains in nonresidential specialty trades and in heavy construction were largely offset by a loss in residential specialty trades.

Manufacturing employment continued to trend down (-12,000) in December; over the year, the industry lost 72,000 jobs. Over the month, employment fell in motor vehicles, primary metals, and textile mills. The factory workweek was unchanged at 41.0 hours, and overtime increased by 0.1 hour to 4.3 hours.

Average hourly earnings for private production and nonsupervisory workers increased 8 cents in December to

\$17.04, a gain of 0.5 percent. Over the year, average hourly earnings rose by 4.2 percent.

Turning now to the survey of households, data users are reminded that, with the release of December's data, we update seasonal adjustment factors for the household survey. Data going back 5 years--to January 2002--are subject to revision. All of the seasonally adjusted household data released today incorporate the updated seasonal factors.

In December, the unemployment rate held at 4.5 percent; a year earlier the jobless rate was 4.9 percent. The number of unemployed persons was essentially unchanged in December at 6.8 million, down from 7.3 million a year earlier. The civilian labor force edged up in December to 152.8 million. The labor force participation rate, at 66.4 percent, has trended up from 66.0 percent a year earlier.

The employment-population ratio, at 63.4 percent, was essentially unchanged in December, but was up 0.6 percentage point from a year earlier. The number of discouraged workers fell over the year to 274,000 (not seasonally adjusted). Discouraged workers are those persons outside the labor force who had stopped looking for work because they believed their job search efforts would be unsuccessful.

In summary, nonfarm employment rose by 167,000 in December, and by 1.8 million in 2006. The unemployment rate held at 4.5 percent in December, down from 4.9 percent a year earlier.