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Statement of

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Nonfarm payroll employment increased by 108,000 in December, and the unemployment rate, at 4.9 percent, was little changed. In November, payroll employment rose by 305,000, and October employment was about unchanged (+25,000), as revised. Over the year, payroll employment increased by 2.0 million. Over the month, employment increased in manufacturing, food services, professional and business services, and health care. Construction employment was little changed in December.

Manufacturing added 18,000 jobs over the month. There were noteworthy gains in wood products and in computer and electronic products. The factory workweek declined by 0.1 hour to 40.7 hours, and overtime was unchanged at 4.5 hours.

Construction employment was little changed over the month, following a gain of 42,000 in November. In 2005, construction employment rose by 246,000. In December, employment in residential building construction continued to increase. Employment in heavy construction declined in December, following a large gain in November.

Within the service-providing sector, health care added 21,000 jobs in December and 271,000 jobs in 2005. Over the month, employment continued to trend up in hospitals and in doctors' offices.

Employment was up by 33,000 in professional and business services in December, following a much larger increase in November (+76,000, as revised). Over the year, this industry added 486,000 jobs. In December, employment continued to trend up in architectural and engineering services, management and consulting services, and accounting services. Employment in temporary help services was little changed over the month; over the year, the industry added 156,000 jobs.

In December, employment increased by 36,000 in food services and drinking places; over the year, the industry added 220,000 jobs. Employment growth continued in financial activities over the month; in 2005, the industry

added 188,000 jobs. Strength in the housing market contributed to job growth in credit intermediation (up by 84,000 over the year), and in real estate (up by 56,000 over the year).

Retail trade employment was little changed in December. After seasonal adjustment, employment declined in general merchandise stores, as seasonal hiring was less than usual. Building material and garden supply stores employment increased over the month.

Average hourly earnings of production or nonsupervisory workers on private nonfarm payrolls rose by 5 cents in December to \$16.34, following a 1-cent gain in November (as revised). Over the year, average hourly earnings were up by 3.1 percent.

Turning now to our survey of households, I would remind data users that, with the release of December's data, we revise seasonally adjusted estimates. Data going back 5 years--to January 2001--are subject to revision. All of the seasonally adjusted household data released today reflect the revisions.

The unemployment rate was little changed in December at 4.9 percent; a year earlier the jobless rate was 5.4 percent. The number of unemployed persons, at 7.4 million in December, was down from 8.0 million a year earlier. The

employment-population ratio was unchanged over the month at 62.8 percent. After trending up earlier in the year, the ratio has been 62.8 percent for 5 of the past 6 months. The labor force participation rate, at 66.0 percent in December, was unchanged from a year earlier.

With today's release, we have the third month of data derived from a special series of questions that were included in the household survey to identify and solicit information from survey respondents who had evacuated from their homes due to Hurricane Katrina. It is important to note that the estimates do not account for all evacuees. We do not gather information on those evacuees who remain outside the scope of the survey, such as those currently living in hotels or shelters.

The December data indicate that there were about 1.1 million persons age 16 and over who evacuated from their August residence due to Hurricane Katrina. By December, about 600,000 persons, or a little more than half, had returned to the home from which they had evacuated; the remainder had not returned.

Of the estimated 1.1 million evacuees identified in December, 58.2 percent were in the labor force, and their unemployment rate was 12.4 percent. Those evacuees who returned home had a lower unemployment rate in December

(5.6 percent) than those evacuees who had not returned to the residence they occupied in August (20.7 percent). The proportion of evacuees participating in the labor force in December was similar for both groups--58.4 percent for those who had returned to their homes, and 58.0 percent for those who had not returned.

To summarize December's labor market data, payroll employment increased by 108,000, and the unemployment rate was little changed at 4.9 percent. Over the year, payroll employment rose by 2 million, and the Nation's jobless rate was down by half a percentage point.