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Statement of

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Commissioner
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Friday, January 6, 2017

Nonfarm payroll employment increased by 156,000 in December, and the unemployment rate was little changed at 4.7 percent. Job growth occurred in health care and social assistance. In 2016, job gains averaged 180,000 per month, slower than the average increase of 229,000 per month in 2015.

Incorporating revisions for October and November, which increased nonfarm payroll employment by 19,000 on net, monthly job gains have averaged 165,000 over the past 3 months.

Employment in health care increased by 43,000 in December. Health care added an average of 35,000 jobs per month in 2016, roughly in line with growth in 2015 (+39,000 per month). Ambulatory health care services added 30,000 jobs in December, including a gain in outpatient care centers (+7,000). Hospitals added 11,000 jobs over the month.

Employment in social assistance grew by 20,000 in December, reflecting a job gain in individual and family services (+21,000). In 2016, employment in social assistance rose by 92,000, down from an increase of 162,000 in 2015.

Within leisure and hospitality, employment in food services and drinking places continued to trend up in December (+30,000). Food services and drinking places added 247,000 jobs in 2016, about two-thirds of the gain in 2015 (+359,000).

In December, employment in transportation and warehousing continued to trend up (+15,000). Within the industry, couriers and messengers added 12,000 jobs. In 2016, transportation and warehousing added 62,000 jobs, down from a gain of 110,000 jobs in 2015.

Employment in financial activities continued on an upward trend in December (+13,000). This is in line with the average monthly gains for the industry over the past 2 years.

Over the month, employment edged up in manufacturing (+17,000), mostly in the durable goods component (+15,000). However, since reaching a recent peak in January, employment in manufacturing has declined by 63,000.

Employment in professional and business services was little changed in December (+15,000), following an increase of 65,000 in November. The industry added 522,000 jobs in 2016.

Employment in other major industries--mining, construction, wholesale trade, retail trade, information, and government--changed little in December.

Average hourly earnings of all employees on private nonfarm payrolls increased by 10 cents in December to \$26.00, after edging down in November (-2 cents). The over-the-year percent change in average hourly earnings trended up in 2016, reaching 2.9 percent in December. From November 2015 to November 2016, the Consumer Price Index for All Urban Consumers (CPI-U) increased by 1.7 percent (on a seasonally adjusted basis).

Turning to measures from the survey of households, both the unemployment rate, at 4.7 percent, and the number of unemployed people, at 7.5 million, were little changed in December. However, both measures edged down in the fourth quarter of 2016 after showing little change for most of the year. In December, there were 1.8 million unemployed people who had been looking for work for 27 weeks or more, little changed over the month but down from 2.1 million a year earlier.

The labor force participation rate, at 62.7 percent, changed little in December. The employment-population ratio was 59.7 percent for the third month in a row. Both measures held fairly steady in 2016.

In December, there were 5.6 million people working part time for economic reasons (also referred to as involuntary part-

time workers). This measure was essentially unchanged over the month but was down by 459,000 from a year earlier.

Among those neither working nor looking for work in December, 1.7 million were marginally attached to the labor force, little different from a year earlier. Discouraged workers, a subset of the marginally attached who believed that no jobs were available for them, numbered 426,000 in December, down by 237,000 from a year earlier. (People who are marginally attached to the labor force had not looked for work in the 4 weeks prior to the survey but wanted a job, were available for work, and had looked for a job within the last 12 months.)

Following our regular annual practice, seasonal adjustment factors for the household survey data have been updated with the release of December data. Seasonally adjusted estimates going back 5 years--to January 2012--were subject to revision.

In summary, nonfarm payroll employment increased by 156,000 in December, and the unemployment rate was little changed at 4.7 percent.