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Statement of

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Bureau of Labor Statistics

Friday, February 3, 2017

Nonfarm payroll employment rose by 227,000 in January, and the unemployment rate was little changed at 4.8 percent. Job gains occurred in retail trade, construction, and financial activities. In 2016, job gains averaged 187,000 per month.

Incorporating revisions for November and December, which decreased nonfarm payroll employment by 39,000 on net, monthly job gains have averaged 183,000 over the past 3 months.

Retail trade employment rose by 46,000 in January and by 229,000 over the year. Three industries added jobs in January-- clothing and clothing accessories stores (+18,000), electronics and appliance stores (+8,000), and furniture and home furnishing stores (+6,000).

Construction employment rose by 36,000 in January. Employment increased in residential building (+9,000) and continued to trend up among residential specialty trade

contractors (+11,000). These residential components have accounted for three-fourths of the 170,000 jobs gained in construction over the past 12 months.

Financial activities added 32,000 jobs in January. The industry added an average of 15,000 jobs per month in 2016. Over the month, gains occurred in real estate (+10,000), insurance (+9,000), and credit intermediation (+9,000).

Employment growth continued in professional and technical services (+23,000), in line with the average monthly gain over the prior year. In January, computer systems design added 13,000 jobs.

Employment in food services and drinking places continued to trend up in January (+30,000). The industry has added 286,000 jobs in the past 12 months.

Health care employment also continued to trend up in January (+18,000), following a gain of 41,000 in December. Over the past 12 months, health care has added 374,000 jobs.

Average hourly earnings of all employees on private nonfarm payrolls rose by 3 cents in January, following a gain of 6 cents in December. Over the past 12 months, average hourly earnings have risen by 2.5 percent. From December 2015 to December 2016, the Consumer Price Index for All Urban Consumers (CPI-U) increased by 2.1 percent (on a seasonally adjusted basis).

Turning to measures from the survey of households, both the unemployment rate, at 4.8 percent, and the number of unemployed people, at 7.6 million, remained little changed in January. There were 1.9 million unemployed people who had been looking for work for 27 weeks or more, representing 24.4 percent of the unemployed.

The labor force participation rate rose to 62.9 percent in January, and the employment-population ratio edged up to 59.9 percent. Both measures held fairly steady in 2016.

In January, there were 5.8 million people working part time for economic reasons (also referred to as involuntary part-time workers), little changed over the month.

Among those neither working nor looking for work in January, 1.8 million were marginally attached to the labor force, down by 337,000 from a year earlier. Discouraged workers, a subset of the marginally attached who believed that no jobs were available for them, numbered 532,000 in January, little changed 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 usual practice, there were routine annual adjustments to the data from our two surveys. The establishment survey data released today reflect the incorporation of annual

benchmark revisions. Each year, we re-anchor our sample-based survey estimates to full universe counts of employment, primarily derived from the Quarterly Census of Employment and Wages, which enumerates jobs covered by the unemployment insurance tax system. The effect of these revisions on the underlying trend in nonfarm payroll employment was minor. (Additional information about the benchmark revision and its impact is contained in our news release and on our website at [www.bls.gov/web/empsit/cesbmart.htm](http://www.bls.gov/web/empsit/cesbmart.htm).)

Household survey data for January reflect updated population estimates from the U.S. Census Bureau. Again this year, the impact of the new population controls on the unemployment rate and other ratios was negligible. (Further information can be found in our news release and on our website at [www.bls.gov/web/empsit/cps-pop-control-adjustments.pdf](http://www.bls.gov/web/empsit/cps-pop-control-adjustments.pdf).)

In summary, nonfarm payroll employment rose by 227,000 in January, and the unemployment rate was little changed at 4.8 percent.