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Statement of

Keith Hall  
Commissioner  
Bureau of Labor Statistics

Friday, February 4, 2011

The unemployment rate declined from 9.4 to 9.0 percent in January, and nonfarm payroll employment changed little (+36,000). Since a recent low point in February 2010, nonfarm employment has increased by 1.0 million. In January, employment increased in manufacturing and retail trade, while job losses occurred in transportation and warehousing and in construction. Employment in most other major industries changed little.

Manufacturing employment grew by 49,000 over the month and has increased by 161,000 since a recent low point in December 2009. Over the period, durable goods industries accounted for the entire increase. In January, employment increased in motor vehicles and parts (+20,000), fabricated metal products (+13,000), machinery (+10,000), and computer and electronic products (+5,000).

Retail trade added 28,000 jobs over the month with a notable increase in clothing stores (+15,000). Employment in retail trade has increased by 123,000 since its recent low point in December 2009.

Employment in transportation and warehousing decreased by 38,000 in January. A decline of 45,000 jobs in courier and messenger services offset a gain of similar magnitude in December.

Construction employment continued to decline in January (-32,000). Severe weather in some parts of the country may have impacted employment and hours in this industry. Nonresidential specialty trade contracting accounted for much of the over-the-month employment decline in construction.

Average hourly earnings of all employees on private nonfarm payrolls rose by 8 cents in January to \$22.86. Over the past 12 months, average hourly earnings have risen by 1.9 percent. From December 2009 to December 2010, the Consumer Price Index for All Urban Consumers (CPI-U) increased by 1.4 percent.

Turning now to some measures from our household survey, the number of unemployed persons fell by about 600,000 in January, and the unemployment rate declined by 0.4 percentage point to 9.0 percent. The labor force, at 153.2 million, was unchanged after adjustment for updated population controls. Among the

unemployed, 43.8 percent had been jobless for 27 weeks or more in January.

The number of persons working part time in January who would have preferred full-time employment dropped by about half a million to 8.4 million, the lowest level in a year.

Before closing, I would note 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 administrative records of the unemployment insurance tax system. Household survey data for January reflect updated population estimates from the U.S. Census Bureau. Further information about the impact of these adjustments is contained in our news release and on our Web site.

In summary, the unemployment rate declined to 9.0 percent in January, and nonfarm payroll employment changed little (+36,000).