

---

Advance copies of this statement are made available to the press under lock-up conditions with the explicit understanding that the data are embargoed until 8:30 a.m. Eastern Daylight Time.

---

Statement of

Keith Hall  
Commissioner  
Bureau of Labor Statistics

before the

Joint Economic Committee

UNITED STATES CONGRESS

Friday, October 3, 2008

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to discuss the employment and unemployment data we released this morning.

Nonfarm payroll employment declined by 159,000 in September. By comparison, from January through August, payroll employment decreased by 75,000 a month on average. In September, job losses continued in manufacturing, construction, and retail trade. Mining and health care employment continued to trend up. The unemployment rate was unchanged at 6.1 percent, following an increase of 0.4 percentage point in August.

Manufacturing job losses continued in September (-51,000), with employment declines occurring throughout much of the sector. In particular, motor vehicle and parts manufacturers shed 18,000 jobs; over the past 12 months, employment in this industry has fallen by 140,000. In September, manufacturing hours and overtime declined by 0.2 hour and 0.1 hour, respectively.

Construction employment was down by 35,000 over the month. Since its peak in September 2006, employment in this industry has fallen by 607,000. Eighty-five percent of the job losses over this 2-year period have occurred in residential building and residential specialty trades.

Mining employment continued to expand, with an increase of 8,000 in September. Mining has added 241,000 jobs since April 2003, with most of the growth in oil and gas extraction and support activities.

In the service-providing sector, retail employment fell by 40,000 over the month, with the largest job losses occurring among department stores and motor vehicle and parts dealers. Over the past 4 months, auto and parts dealerships have shed an average of 12,000 jobs per month, four times the average decline in the first 5 months of the year (-3,000).

Elsewhere in the service-providing sector, employment in financial activities declined by 17,000 in September; securities

and investment firms accounted for 8,000 of the loss. The employment services industry, which includes temporary help agencies, continued to contract in September and has lost 303,000 jobs thus far this year.

Health care employment continued to trend up over the month. However, the September increase of 17,000 was only about half the average monthly gain for the prior 12 months (30,000).

Average hourly earnings for production and nonsupervisory workers in the private sector edged up by 3 cents, or 0.2 percent, in September. Over the past 12 months, average hourly earnings have increased by 3.4 percent. From August 2007 to August 2008, the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) rose by 5.9 percent.

Although Hurricane Ike struck the east coast of Texas and portions of coastal Louisiana during the September reference period for the establishment survey, we believe the storm did not substantially impact the payroll employment estimates that we released today. For weather conditions to have affected payroll employment, people would have had to be off work for the entire pay period and not paid for the time missed.

Turning to labor market measures from the survey of households, the unemployment rate held at 6.1 percent in September; it is 1.4 percentage points higher than a year earlier. Among the major worker groups, the jobless rate for

adult men rose by 0.5 percentage point over the month to 6.1 percent, and the rate for blacks increased to 11.4 percent. The unemployment rate for adult women declined to 4.9 percent in September, partially offsetting a sharp increase in August.

Approximately 9.5 million persons were unemployed in September, little changed from August. Two million of these individuals had been unemployed for 27 weeks or more, an increase of 167,000 over the month and 728,000 over the past 12 months.

Both the labor force participation rate, at 66.0 percent, and the employment-population ratio, at 62.0 percent, were little changed over the month. Labor force participation has shown virtually no movement over the past 12 months, while the employment-population ratio has declined by 0.9 percentage point.

The number of persons working part time who would have preferred full-time employment increased by 337,000 in September to nearly 6.1 million. Over the last 12 months, the number of such workers has grown by 1.6 million.

In keeping with standard practice, this month we are providing a preliminary estimate of the next benchmark revision to nonfarm payroll employment. Each year the Bureau revises, or benchmarks, the payroll survey's sample-based employment

estimates to reflect comprehensive employment counts derived primarily from state unemployment insurance tax reports.

Preliminary tabulations of employment from the state tax reports indicate the March 2008 payroll employment will require a small downward revision of 21,000. The final benchmark will be incorporated into the establishment survey data released on February 6, 2009.

In summary, nonfarm payroll employment declined by 159,000 in September, and the unemployment rate was unchanged at 6.1 percent.

My colleagues and I now would be glad to answer your questions.