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Statement of

Kathleen P. Utgoff  
Commissioner  
Bureau of Labor Statistics

before the

Joint Economic Committee

UNITED STATES CONGRESS

Friday, October 4, 2002

Mr. Chairman and Members of the Committee:

I appreciate this opportunity to comment on the labor market data we released this morning.

Nonfarm payroll employment, at 130.9 million, was essentially unchanged (down 43,000) in September, after increasing by 107,000 in August (as revised). From April through August, nonfarm payroll employment growth had averaged 54,000 a month. September job losses were concentrated in manufacturing and transportation.

Employment in health services and in finance, insurance, and real estate rose over the month. The unemployment

rate, at 5.6 percent in September, was about the same as in August.

Looking in more detail at the data from our survey of employers for September, job losses continued in manufacturing (-35,000). The industry lost almost 100,000 jobs in August and September combined, after losing a total of 80,000 in the prior 4 months. In September, job losses were concentrated in durable goods manufacturing, with the largest declines in electrical equipment, transportation equipment, and industrial machinery. In nondurable goods, an employment increase in food products more than offset a loss in apparel. The manufacturing workweek in September, at 40.9 hours, was unchanged over the month, while factory overtime edged down by one-tenth of an hour to 4.1 hours.

Employment in transportation and public utilities fell by 32,000 in September, with most of the decline occurring in transportation. Trucking had an unusually large employment decline in September (-17,000). Air transportation lost 12,000 jobs over the month. Employment in the industry has shown no clear trend so far this year, following losses totaling 132,000 in the last 4 months of 2001.

Finance, insurance, and real estate added 16,000 jobs over the month. Most of September increase was in finance, primarily in mortgage bankers and brokers.

Employment in other major private-sector industries was little changed in September. For the services industry, September had the smallest job gain (+28,000) in a string of increases that dates back to March. In September, job gains in health services and engineering and management services were partly offset by job losses in amusement and recreation services. The Federal government continued to add workers in the Transportation Security Administration.

Average hourly earnings of production or nonsupervisory workers in the private sector rose by 5 cents to \$14.87 in September. Over the year, hourly earnings increased by 3.0 percent.

Turning to data from our survey of households, both the number of unemployed persons, at 8.1 million, and the unemployment rate, at 5.6 percent, showed no statistically significant change in September. The jobless rates for all the major worker groups—adult men, adult women, teenagers, whites, blacks, and Hispanics—were essentially the same as in August.

In summary, payroll employment was little changed in September. The unemployment rate, at 5.6 percent, was about the same as in the prior month.

My colleagues and I would be glad to answer any questions you might have.