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Statement of

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Nonfarm payroll employment held steady in September (+51,000), and the unemployment rate, at 4.6 percent, was essentially unchanged. Payroll employment had increased by 188,000 in August and by 123,000 in July, as revised. Over the month, employment rose in health care and in financial activities and declined in manufacturing. Employment was little changed in other major industry groups. Average hourly earnings rose by 4 cents, or 0.2 percent, in September.

In the service-providing sector, health care added 24,000 jobs in September, in line with the average monthly gain for the first 8 months of this year. Since December, health care employment has expanded by 231,000.

Employment in financial activities rose by 16,000 over the month. Job growth continued in credit intermediation

and in insurance. Real estate employment was flat over the month and has shown no net change since April. Employment continued to expand in food services and drinking places (+15,000) and in the durable goods component of wholesale trade (+9,000).

Within professional and business services, employment increased by 10,000 in accounting and bookkeeping services and by 6,000 in management of companies and enterprises. Employment in both computer systems design and temporary help services was little changed in September. Computer systems design employment has trended up during the year, while temporary help employment has been relatively flat.

Elsewhere in the service-providing sector, employment continued to trend down in retail trade. In September, job losses occurred in sporting goods, hobby, book, and music stores and in department stores. Over the past 6 months, employment declines in department stores have totaled 48,000. The number of jobs in state education declined in September, and employment in private education edged down following an unusually large gain in August.

In the goods-producing sector, construction employment was little changed, following a gain of 23,000 in August. Since February, employment has grown by a modest 41,000, largely reflecting job gains in nonresidential specialty

trade contracting that more than offset job losses in residential specialty trade contracting.

Employment in mining was flat in September. In the 12-month period ending in August, job growth in the industry totaled 57,000.

Manufacturing employment declined in September (-19,000). Job losses continued in wood products, nonmetallic mineral products, and furniture and related products--industries related to home building. Employment also continued to trend down in a number of nondurable components, including textile mills, paper and paper products, and plastics and rubber products. Manufacturing hours declined by 0.2 hour to 41.1 hours, and factory overtime was down by 0.1 hour to 4.3 hours.

Average hourly earnings for private production and nonsupervisory workers rose by 4 cents (0.2 percent) in September to \$16.84. Over the 12-month period ending in September, average hourly earnings rose by 4.0 percent.

Most major labor market indicators from our household survey showed little or no change in September. Both the unemployment rate and the number of unemployed persons were essentially unchanged at 4.6 percent and 6.9 million, respectively. Thus far this year, the unemployment rate has held in a narrow range from 4.6 to 4.8 percent. In

September, both the labor force participation rate, at 66.2 percent, and the employment-population ratio, at 63.1 percent, were unchanged. Over the year, the labor force participation rate was unchanged and the employment-population rate was up slightly from 62.8 percent.

In keeping with standard practice, this month BLS is announcing the preliminary estimate for the next benchmark revision to payroll employment. The benchmark process annually revises the payroll survey's sample-based employment estimates to incorporate universe employment counts derived largely from unemployment insurance tax reports.

Preliminary tabulations of employment from state unemployment insurance tax reports indicate that the estimate of total nonfarm payroll employment for March 2006 will require an upward revision of approximately 810,000, or six-tenths of one percent. The historical average for the benchmark revision over the prior 10 years has been plus or minus two-tenths of one percent. BLS currently is researching possible sources for this larger-than-normal expected revision. The final CES benchmark revision will be incorporated into the payroll survey on February 2, 2007, with the publication of the January 2007 Employment Situation news release.