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Statement of

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Employment rose in October and the unemployment rate declined to 4.4 percent. The number of nonfarm payroll jobs increased by 92,000 in October, following gains of 148,000 in September and 230,000 in August (as revised). Employment continued to trend up in several service-providing industries, while manufacturing and construction lost jobs over the month. Average hourly earnings increased 6 cents, or 0.4 percent.

Job growth continued in professional and business services, with a gain of 43,000 in October. Employment increased over the month in management and technical consulting services and in business support services.

Health care added 23,000 jobs in October, as gains occurred in hospitals and in nursing and residential care facilities. Employment in the health care industry has

risen by 302,000 over the year. Employment continued to grow over the month in food services and drinking places (+27,000). Mining employment rose by 5,000 in October; the industry has added 54,000 jobs over the year.

Manufacturing employment fell by 39,000 over the month. In October, job losses continued in wood products, and employment in motor vehicles and parts manufacturing decreased by 15,000. In plastics and rubber products, employment was down by 14,000 over the month, largely due to a strike. The factory workweek rose by 0.1 hour to 41.2 hours; overtime was unchanged at 4.3 hours.

Construction lost 26,000 jobs in October. Employment among residential specialty trade contractors fell by 31,000 over the month and has decreased by 99,000 since February, reflecting weakness in home building and remodeling.

Average hourly earnings for private production and nonsupervisory workers rose 6 cents in October to \$16.91, a gain of 0.4 percent. Over the year, average hourly earnings were up 3.9 percent.

Turning now to data from the survey of households, total employment rose and unemployment declined in October. The number of unemployed persons edged down to 6.7 million over the month, and the unemployment rate declined from 4.6

to 4.4 percent. Jobless rates were down for adult women and Hispanics. The number of persons unemployed for 27 weeks or more fell to 1.1 million in October, as compared to 1.4 million a year earlier. At 63.3 percent in October, the employment-population ratio was half a percentage point higher than a year earlier.

October 2006 was the final month that information was collected in the household survey about persons who evacuated from their homes, even temporarily, due to Hurricane Katrina. Special questions were added in October 2005 to provide a snapshot of the labor market activity of Katrina evacuees in the immediate aftermath of the storm. While the number of evacuees represented in the survey varied from month to month, some patterns regarding their labor force status were evident. Evacuees who returned to live at their pre-hurricane residences were more likely to be employed and less likely to be unemployed than evacuees who were living elsewhere.

For example, information gathered in October 2006 represented 1.1 million persons age 16 and over who had evacuated from their August 2005 residences due to Hurricane Katrina. About 6 in 10 evacuees were again living in their pre-hurricane residences at the time they were surveyed. Some 60 percent of these returnees were

employed, while 50 percent of those who were not living in their pre-hurricane residences held jobs. The unemployment rate of those living in their pre-hurricane residences (7.0 percent) was lower than the rate for those who were living elsewhere (17.9 percent).

In summary, payroll employment increased by 92,000 in October, and the unemployment rate declined to 4.4 percent.