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Statement of

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Commissioner  
Bureau of Labor Statistics

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Nonfarm payroll employment rose by 337,000 in October, and the unemployment rate was essentially unchanged at 5.5 percent. The large increase in payroll employment followed gains of 139,000 in September and 198,000 in August (as revised). In October, there was a substantial job gain in construction as well as increases in several service-providing industries. Since the most recent low in August 2003, payroll employment has risen by 2.2 million.

Employment in construction rose by 71,000 in October. Some of this unusually large gain reflected rebuilding and cleanup activity in the Southeast following the four hurricanes that struck the U.S. in August and September. In the 12 months prior to October, construction employment increased by 16,000 per month on average. About three-fourths of October's gain occurred among specialty trade

contractors (54,000). Building construction also added jobs over the month.

Elsewhere in the goods-producing sector, manufacturing employment was little changed in October. Factory employment has held fairly steady over the past 5 months, following some improvement earlier this year. The factory workweek and overtime hours each edged down by 0.1 hour over the month.

Within the service-providing sector, employment in professional and business services increased by 97,000 in October. About half of the gain was in temporary help services (48,000). Since its recent low point in April 2003, temporary help services has added 397,000 jobs. Employment in architectural and engineering services also increased over the month and has risen by 62,000 since June 2003.

Health care and social assistance added 41,000 jobs in October, following a relatively small increase in September (10,000). Over the month, there were employment gains in doctors' offices, hospitals, and in social assistance. Over the year, health care and social assistance added nearly 300,000 jobs, with gains in nearly all of its component industries.

Financial services added 17,000 jobs in October, with the gain essentially split between securities and commodities brokerages and the credit intermediation industry (which includes mortgage brokers and commercial banks). Employment in private education and in the education component of local government increased in October.

Average hourly earnings for private production or nonsupervisory workers rose by 5 cents over the month, following a 2-cent increase in September. Over the year, average hourly earnings grew by 2.6 percent.

Turning to our measures from the household survey, the unemployment rate was essentially unchanged in October at 5.5 percent. The jobless rate has been at or near its current level thus far in 2004. The civilian labor force increased to 147.9 million in October; the labor force participation rate remained at 65.9 percent.

Employment as measured by the household survey edged up over the month. The employment-to-population ratio held in October at 62.3 percent. This ratio has stayed within a range of 62.1 to 62.5 since late 2002.

In summary, nonfarm payroll employment increased by 337,000 in October and has risen by 2.2 million since

August 2003. The unemployment rate was essentially unchanged over the month, at 5.5 percent.