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Statement of

Keith Hall  
Commissioner  
Bureau of Labor Statistics

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Nonfarm payroll employment fell by 240,000 in October, and the unemployment rate rose from 6.1 to 6.5 percent. Job losses over the last 3 months totaled 651,000, after accounting for downward revisions to employment estimates for August and September. So far this year, payroll employment has decreased by 1.2 million.

In October, manufacturing employment continued to fall (-90,000), with declines occurring throughout the sector. A large drop in transportation equipment employment (-40,000) reflected continued weakness in motor vehicles and parts as well as a strike involving 27,000 workers in the aerospace industry. Other sizable job losses occurred in fabricated metal products (-11,000), furniture (-10,000), wood products (-7,000), and plastics and rubber products (-6,000). Manufacturing hours and overtime were unchanged at 40.6 and 3.6 hours, respectively.

Construction employment declined by 49,000 over the month. Since its peak in September 2006, employment in this industry has fallen by 663,000. Most of the declines over this period occurred in residential specialty trades (-349,000) and in residential building (-199,000).

Retail trade employment fell by 38,000 in October, with the largest losses occurring among automobile dealers (-20,000) and department stores (-18,000). Wholesale trade employment fell by 22,000 over the month, with most of the loss occurring in durable goods distribution.

Employment in financial activities declined by 24,000 in October; credit intermediation, which includes banking, accounted for about half of the loss. The securities industry shed 6,000 jobs in October, following a loss of 9,000 in September. The employment services industry, which includes temporary help agencies, continued to contract in October (-51,000) and has lost about half a million jobs since the most recent peak in August 2006.

Health care employment rose by 26,000 in October and by 348,000 over the past 12 months. Mining added 7,000 jobs over the month. Since a low in April 2003, mining employment has increased by 246,000 (nearly 50 percent).

Average hourly earnings for production and nonsupervisory workers in the private sector increased by 4 cents, or 0.2

percent, in October. Over the past 12 months, average hourly earnings have increased by 3.5 percent. From September 2007 to September 2008, the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) rose by 5.4 percent.

Turning to labor market measures from the survey of households, the unemployment rate rose by 0.4 percentage point to 6.5 percent in October. The rate was 4.8 percent a year earlier.

About 10.1 million persons were unemployed in October, an increase of 603,000 over the month and 2.8 million over the past 12 months. About 2.3 million individuals had been unemployed for 27 weeks or more, an increase of 249,000 over the month and 942,000 over the past 12 months.

Both the labor force participation rate, at 66.1 percent, and the employment-population ratio, at 61.8 percent, were little changed over the month. The employment-population ratio has declined by 0.9 percentage point over the year and by 1.6 percentage points from its recent peak in December 2006.

The number of persons working part time who would have preferred full-time employment increased by 645,000 in October to 6.7 million. Over the last 12 months, the number of such workers has grown by 2.3 million.

In summary, nonfarm payroll employment declined by 240,000 in October, and the unemployment rate rose to 6.5 percent.