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Statement of

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Reissued Monday, December 9, 2002

The job market remained weak in November. The unemployment rate rose from 5.7 to 6.0 percent and nonfarm payroll employment was little changed (-40,000). There has been very little employment growth since the spring of this year, as evidenced by both our household and establishment surveys. In fact, payroll employment has shown no net growth over the past 3 months, after edging up in the spring and summer.

At 6.0 percent in November, the unemployment rate matched the level last reached in April of this year. From May through October, the jobless rate remained within a range of 5.6 to 5.9 percent. The November rise in unemployment was concentrated among adult men, whose jobless rate increased from 5.2 to 5.7 percent. For the

year prior to November, the rate for adult men held at or close to 5.2 percent. The rates for blacks and teenagers also rose in November.

Although overall payroll employment (as measured by our establishment survey) changed little in November, there were offsetting movements among some of the major industries. Employment in the nation's factories continued to decline; there was a loss of 45,000 jobs over the month. Durable goods manufacturing continued to bear the brunt of the job losses, with substantial cutbacks occurring in fabricated metals, electronic equipment, and transportation equipment. The factory workweek and overtime hours held steady over the month, at 40.7 and 4.1 hours, respectively.

Countering the job losses in manufacturing was an employment increase of 50,000 in services, in line with the average monthly gain in the industry for this year. Health services made up a little over half of the November increase, with notable gains in hospitals and in nursing facilities. Several other component industries within services added jobs over the month, but employment in help supply services--an industry where employment had been on

the upswing for much of this year--fell for the third month in a row.

Employment was down by 39,000 in retail trade after seasonal adjustment, due in part to weaker-than-usual hiring among miscellaneous retailers. Taking a longer perspective, employment in retail trade has continued to drift downward thus far in 2002, following steeper losses that occurred in the second half of 2001. Employment at the wholesale trade level was little changed in November but generally has been receding over a longer span of time--since early 2000. As with retail trade, the rate of job loss tapered off considerably early this year.

Other major industries showed little significant change in employment in November, including construction and government. Within government, Federal employment continued to be buoyed by hiring for the Transportation Security Administration.

Average hourly earnings of production or nonsupervisory workers in the private sector rose by 4 cents to \$14.93 in November. Over the year, hourly earnings increased by 2.9 percent.

In summary, the unemployment rate increased to 6.0 percent in November and total nonfarm payroll employment was little changed. Manufacturing employment continued to contract by an amount similar to recent decreases, but employment in services continued to trend upward, especially health services. Job totals in most other major industries changed little over the month.