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Statement of

Kathleen P. Utgoff  
Commissioner  
Bureau of Labor Statistics  
before the  
Joint Economic Committee  
UNITED STATES CONGRESS

Friday, November 7, 2003

Mr. Chairman and Members of the Committee:

I appreciate this opportunity to comment on the labor market data we released this morning.

Nonfarm payroll employment rose by 126,000 in October, following increases in August and September that totaled 160,000, after revision. I would note that the payroll survey estimates for the prior 2 months are always subject to revision as we receive reports from additional survey respondents. The increase in payroll employment over the last 3 months contrasts with declines in the February-July period that averaged 85,000 per month. Several service industries added jobs in October. Manufacturing employment continued to decline, although at slower pace than earlier in the year. The unemployment rate, at 6.0 percent, was essentially unchanged over the month.

Professional and business services added 43,000 jobs in October, with gains in many of its component industries. Employment in temporary help services continued to rise and is up by 150,000 since April.

Employment in private educational services grew by 23,000 in October. Job gains over the last 3 months have more than offset declines that occurred in June and July. Over the year, employment in private education expanded by 56,000. Health care and social assistance added 34,000 jobs, with noteworthy gains in doctors' offices and in child day care services.

In the leisure and hospitality sector, employment in food services and drinking places rose by 23,000. Job growth in food services has picked up in recent months; since July, employment has increased by 57,000. Within

retail trade, food stores added 13,000 jobs in October. Employment in food stores was boosted by the hiring of additional workers in anticipation of strikes.

Employment in construction was little changed over the month, but the industry has added 147,000 jobs since its most recent trough in February. In October, employment in credit intermediation decreased by 10,000, reflecting the decline in mortgage refinancing activity.

Manufacturing job losses continued in October (-24,000). Declines in the sector have moderated in recent months, particularly in durable goods manufacturing. In October, both the factory workweek and overtime were unchanged.

After posting a small increase in September, employment in air transportation fell in October. Since reaching its most recent peak in March 2001, the industry has lost more than 20 percent of its jobs.

Average hourly earnings for production or nonsupervisory workers, at \$15.46, were essentially unchanged in October. Over the year, average hourly earnings rose by 2.4 percent.

Looking at some of the measures from our survey of households, the October unemployment rate of 6.0 percent was about the same as in September. The jobless rates for all the major worker groups showed little change over the month. About 8.8 million persons were unemployed, of whom 2.0 million had been without a job for 27 weeks or longer. Employment as measured by our household survey rose over the month.

In summary, nonfarm payroll employment rose by 126,000 in October. Since July, employment is up by 286,000. The unemployment rate, at 6.0 percent in October, was about unchanged.

My colleagues and I would be glad to answer any questions you might have.