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Statement of

John M. Galvin  
Acting Commissioner  
Bureau of Labor Statistics

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Nonfarm payroll employment increased by 171,000 in October, and the unemployment rate was essentially unchanged at 7.9 percent. Job gains occurred in professional and business services, health care, and retail trade over the month. Thus far in 2012, employment growth has averaged 157,000 per month, about the same as the average monthly gain in 2011 (+153,000).

Before discussing the details of this month's report, I would note that Hurricane Sandy had no discernable effect on the employment and unemployment data for October. Household survey data collection was completed before the storm struck the East Coast, and establishment survey data collection rates were within the normal ranges nationally and for the affected areas.

Returning to the estimates for October, professional and business services employment increased by 51,000. Within the professional and technical services component, employment in

computer systems design continued to trend up (+7,000). Within the administrative and support services component, employment in services to buildings and dwellings rose by 13,000. Employment in temporary help services changed little over the month and has shown little net change over the past 3 months.

Health care employment rose by 31,000 in October, with job gains in ambulatory health care services (+25,000) and in hospitals (+6,000). Over the past 12 months, health care has added 296,000 jobs.

Employment in retail trade was up by 36,000 in October, with increases occurring in motor vehicle and parts dealers (+7,000) and in furniture and home furnishings stores (+4,000). Over the past 3 months, retail employment has increased by 82,000.

In construction, employment in specialty trade contractors rose by 17,000 in October. Elsewhere in the goods-producing sector, mining employment declined by 9,000, and manufacturing employment was little changed. On net, manufacturing employment has shown little change since April.

Average hourly earnings of all employees on private nonfarm payrolls edged down by 1 cent in October to \$23.58. Over the past 12 months, average hourly earnings have risen by 1.6 percent. From September 2011 to September 2012, the Consumer

Price Index for All Urban Consumers (CPI-U) increased by 2.0 percent.

Turning to measures from the survey of households, the unemployment rate was essentially unchanged at 7.9 percent in October, following a decline in the prior month. There were 12.3 million unemployed persons in October, little different from the prior month.

The number of involuntary part-time workers declined by 269,000 to 8.3 million in October; this follows an increase of 582,000 in September. On net, involuntary part-time employment has changed little over the past 3 months.

The labor force increased by 578,000, and the labor force participation rate edged up to 63.8 percent in October. Total employment, as measured by the household survey, increased by 410,000, while the employment-population ratio was little changed at 58.8 percent.

I would note that the household survey and establishment survey employment measures often show different month-to-month changes. The establishment survey employment series has a smaller margin of error than the household survey because of its much larger sample size. An over-the-month employment change of about 100,000 is statistically significant in the establishment survey, while the threshold for a statistically significant change in the household survey is about 400,000. However, the

household survey has a more expansive scope than the establishment survey because it includes the self-employed, agricultural workers, and other workers who are excluded by the establishment survey. Over longer periods of time, the employment measures from the two surveys tend to track more closely. Each month, BLS provides a report intended to help data users better understand the differences in the surveys' employment measures and trends on our website at [www.bls.gov/web/empsit/ces\\_cps\\_trends.pdf](http://www.bls.gov/web/empsit/ces_cps_trends.pdf).

In summary, nonfarm payroll employment rose by 171,000 in October, and the unemployment rate, at 7.9 percent, was essentially unchanged.