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Statement of

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Friday, December 7, 2012

Nonfarm payroll employment increased by 146,000 in November, and the unemployment rate edged down to 7.7 percent. In 2012, job gains have averaged 151,000 per month, essentially the same as in 2011. In November, employment rose in retail trade, professional and business services, and health care.

Before providing the details of this month's data, I would like to comment on the impact of Hurricane Sandy on our November estimates. On October 29, the storm made landfall on the Northeast coast, causing severe damage in some states. Nevertheless, response rates in the affected states were within normal ranges in November. Our analysis leads us to conclude that Hurricane Sandy did not substantively impact the national employment and unemployment estimates for November. We will release the November regional and state estimates on December 21st.

For weather conditions to reduce the estimate of payroll employment, employees have to be off work for an entire pay period and not be paid for the time missed. In our household survey, persons with a job who miss work for weather-related events are counted as employed whether or not they are paid for the time off.

In November, retail trade added 53,000 jobs. Over the past 3 months, retail trade employment has increased by 140,000. Over the month, job gains occurred in clothing and accessories stores (+33,000), in general merchandise stores (+10,000), and in electronics and appliance stores (+9,000).

Professional and business services added 43,000 jobs in November. Employment continued to increase in computer systems design and related services.

Health care continued to add jobs over the month (+20,000). Within this industry, employment rose in hospitals (+8,000) and in nursing care facilities (+5,000).

Wholesale trade employment edged up in November (+13,000). Since a recent low in May 2010, wholesale trade has added 228,000 jobs. Employment in information also edged up (+12,000) in November due to a gain in motion picture and sound recording. Information employment has changed little, on net, over the past 12 months.

Construction employment declined by 20,000 over the month. Construction of buildings accounted for much of the decline.

Manufacturing employment changed little over the month. Job losses in food manufacturing (-12,000) and in chemicals (-9,000) more than offset gains in motor vehicles and parts (+10,000) and in wood products (+3,000).

Average hourly earnings of all employees on private nonfarm payrolls rose by 4 cents in November to \$23.63. Over the past 12 months, average hourly earnings have risen by 1.7 percent. From October 2011 to October 2012, the Consumer Price Index for All Urban Consumers (CPI-U) increased by 2.2 percent. The average workweek for all employees on private nonfarm payrolls remained at 34.4 hours in November.

Turning to data from our survey of households, the unemployment rate edged down to 7.7 percent in November. Of the 12.0 million unemployed, 40.1 percent had been jobless for 27 weeks or more in November, about the same as in October.

The labor force participation rate--the share of the population that was working or looking for work--declined to 63.6 percent in November, offsetting an increase of the same amount in October. The employment-population ratio, at 58.7 percent, changed little in November.

Among persons who were neither working nor looking for work in November, 2.5 million were classified as marginally attached

to the labor force, about unchanged from a year earlier. These individuals wanted a job, were available for work, and had looked for a job within the last 12 months. The number of discouraged workers, a subset of the marginally attached who believed that no jobs were available for them, was 979,000 in November, little changed from a year earlier.

In summary, nonfarm payroll employment rose by 146,000 in November, and the unemployment rate edged down to 7.7 percent.