
Transmission of material in this statement is embargoed until
8:30 a.m. (ET) December 4, 2020.

Statement of

William W. Beach
Commissioner
Bureau of Labor Statistics

Friday, December 4, 2020

Nonfarm payroll employment increased by 245,000 in November, and the unemployment rate edged down to 6.7 percent. These improvements reflect the continued resumption of economic activity that had been curtailed due to the coronavirus (COVID-19) pandemic and efforts to contain it. However, the pace of improvement in the labor market has moderated in recent months.

In November, private nonfarm employment rose by 344,000, while employment in government declined by 99,000. In the private sector, notable employment gains occurred in transportation and warehousing, professional and business services, and health care, while retail trade lost jobs.

The November increase in nonfarm payroll employment marked the 7th consecutive month of job gains, although the magnitude was considerably lower than in the prior 6 months. Employment is down by 9.8 million (or 6.5 percent) since February, before the onset of the pandemic in the United States.

Although the unemployment rate edged down in November, the jobless rate and the number of unemployed people are up by 3.2 percentage points and 4.9 million, respectively, since February.

The response rate for the establishment survey was about average in November. The rate for the household survey, while slightly below normal due to pandemic-related issues, was much higher than earlier in the pandemic. The impact of the pandemic on the household and establishment surveys is detailed in the November Employment Situation news release and accompanying materials (available on the BLS website at www.bls.gov/news.release/archives/empst_12042020.htm).

Taking a closer look at the November payroll data, employment in transportation and warehousing grew by 145,000, representing nearly three-fifths of the over-the-month growth in total nonfarm employment. Within transportation and warehousing, employment rose over the month in couriers and messengers (+82,000), warehousing and storage (+37,000), and truck transportation (+13,000). Transportation and warehousing lost 595,000 jobs in March, April, and May combined. Since May, the industry has regained 472,000, or nearly 80 percent, of the jobs lost in the early months of the pandemic.

In November, professional and business services added 60,000 jobs, with about half the gain occurring in temporary help services (+32,000). Services to buildings and dwellings

added 14,000 jobs. Since February, employment in professional and business services is down by 1.1 million.

Employment in health care increased by 46,000 in November but is down by 527,000 since February. Over the month, job gains occurred in offices of physicians (+21,000), home health care services (+13,000), and offices of other health practitioners (+8,000). Employment in nursing care facilities declined by 12,000 in November and by 147,000 since February.

Construction employment increased by 27,000 in November. Job gains occurred in residential specialty trade contractors (+14,000) and in heavy and civil engineering construction (+10,000). Since February, construction employment is down by 279,000.

Manufacturing employment grew by 27,000 in November but is down by 599,000 since February. Over the month, employment increased in motor vehicles and parts (+15,000), plastics and rubber products (+5,000), and furniture and related products (+3,000).

In November, employment in financial activities rose by 15,000, with gains in real estate (+10,000) and nondepository credit intermediation (+8,000).

Employment in wholesale trade continued to trend up in November (+10,000), driven by job growth in its durable goods component (+14,000).

Employment in government declined by 99,000 in November. Federal government employment was down by 86,000, reflecting a loss of 93,000 temporary workers who had been hired for the 2020 Census. Employment in local government education continued to trend down (-21,000).

Retail trade lost 35,000 jobs in November, and employment in the industry is down by 550,000 since February. In November, job losses occurred in general merchandise stores (-21,000); sporting goods, hobby, book, and music stores (-12,000); electronics and appliance stores (-11,000); and health and personal care stores (-8,000). These job losses were partially offset by small gains in furniture and home furnishings stores (+6,000) and automobile dealers (+4,000).

Employment in leisure and hospitality changed little in November (+31,000). Within the industry, employment in food services and drinking places changed little over the month (-17,000) and is down by 2.1 million since February. Employment in arts, entertainment, and recreation increased by 43,000 in November.

Employment in other major industries--including mining, information, and other services--showed little change over the month.

Average weekly hours for all private-sector workers were unchanged in November at 34.8 hours. The average workweek for manufacturing decreased by 0.2 hour to 40.3 hours.

Average hourly earnings of all employees on private nonfarm payrolls increased by 9 cents in November to \$29.58.

Turning to the labor market indicators from the household survey, the unemployment rate edged down to 6.7 percent in November. The number of unemployed people, at 10.7 million, continued to trend down. Although considerably lower than the recent peaks in April of this year, both measures are nearly twice their pre-pandemic levels in February.

The number of unemployed people on temporary layoff decreased by 441,000 to 2.8 million in November. The number of permanent job losers, at 3.7 million, was little changed over the month. The number of people who became unemployed after completing temporary jobs increased by 155,000 to 978,000 in November.

The unemployment rate declined in November for adult women (6.1 percent). The rates for adult men (6.7 percent), teenagers (14.0 percent), Whites (5.9 percent), Blacks (10.3 percent), Asians (6.7 percent), and Hispanics (8.4 percent) showed little or no change over the month.

Among the unemployed, the number of people searching for work for 27 weeks or more (often referred to as the long-term

unemployed) increased by 385,000 in November to 3.9 million. These long-term unemployed accounted for 36.9 percent of the unemployed. The number of people who were jobless 15 to 26 weeks decreased by 760,000 to 1.9 million. The number of people who were unemployed for 5 to 14 weeks and people unemployed for less than 5 weeks were little changed, at 2.4 million and 2.5 million, respectively.

The labor force participation rate edged down to 61.5 percent in November and is 1.9 percentage points lower than in February. The employment-population ratio, at 57.3 percent, changed little in November; the rate is 3.8 percentage points lower than in February.

In November, the number of people who usually work full time increased by 752,000 to 124.3 million, and the number who usually work part time decreased by 779,000 to 25.4 million.

The number of people at work part time for economic reasons in November was little changed at 6.7 million. (This group includes people who usually work full time and people who usually work part time.) The number of people affected by this type of underemployment was 4.2 million lower than a recent peak in April 2020 but 2.3 million higher than in February.

The number of people not in the labor force who currently want a job increased by 448,000 in November to 7.1 million,

following a decline of 539,000 in October. This measure is 2.2 million higher than in February.

Among those who were not in the labor force but wanted a job, 2.1 million were considered marginally attached to the labor force in November, little changed from October. (People who are marginally attached to the labor force had not actively looked for work in the 4 weeks prior to the survey but 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, at 657,000 in November, also changed little over the month.

Since March, household survey interviewers have been instructed to classify employed people absent from work due to temporary, coronavirus-related business closures or cutbacks as unemployed on temporary layoff.

As occurred in previous months, some workers affected by the pandemic who should have been classified as unemployed on temporary layoff in November were instead misclassified as employed but not at work. However, the share of responses that may have been misclassified was considerably smaller in recent months than at the onset of the pandemic.

For March through October, BLS published an estimate of what the unemployment rate would have been had misclassified workers been included among the unemployed. Repeating this same

approach, the overall November unemployment rate would have been 0.4 percentage point higher than reported. However, this represents the upper bound of our estimate of misclassification and probably overstates the size of the misclassification error. Additional information is available on the BLS website at www.bls.gov/covid19/employment-situation-covid19-faq-november-2020.htm.

Looking at supplemental pandemic-related measures from the household survey (these supplemental data are not seasonally adjusted), 21.8 percent of employed people teleworked in November because of the coronavirus pandemic, up from 21.2 percent in October. These data refer to employed people who teleworked or worked at home for pay at some point in the last 4 weeks specifically because of the coronavirus pandemic.

In November, 14.8 million people reported that they had been unable to work because their employer closed or lost business due to the pandemic--that is, they did not work at all or worked fewer hours at some point in the last 4 weeks due to the pandemic. This measure was little changed from the prior month. Among those who reported in November that they were unable to work because of pandemic-related closures or lost business, 13.7 percent received at least some pay from their employer for the hours not worked, up 2.0 percentage points from October.

About 3.9 million people not in the labor force in November were prevented from looking for work due to the pandemic, up from 3.6 million in October. (To be counted as unemployed, by definition, individuals must either be actively searching for work or on temporary layoff.)

In summary, total nonfarm payroll employment increased by 245,000 in November, and the unemployment rate edged down to 6.7 percent.