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Statement of

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Commissioner
Bureau of Labor Statistics

before the

Joint Economic Committee

UNITED STATES CONGRESS

Friday, March 10, 2006

Mr. Chairman and Members of the Committee:

I appreciate this opportunity to comment on the employment and unemployment data that we released this morning.

Nonfarm payroll employment rose by 243,000 in February, and the unemployment rate was little changed at 4.8 percent. February's employment increase reflected gains in construction, mining, and several service-providing industries.

Within the goods-producing sector, construction employment increased by 41,000 in February, following another sizeable gain in January. Over the past 12 months,

job growth in construction has totaled 346,000. In February, employment continued to rise in mining, mainly in support activities, especially those for oil and gas operations.

Manufacturing employment overall was virtually unchanged in February. There were, however, offsetting movements in several industries. The largest job losses were in motor vehicles and parts and primary metals. Job gains occurred in machinery, petroleum products, and computer and electronic products. The manufacturing workweek (at 41.0 hours) and factory overtime (at 4.6 hours) each rose by 0.1 hour.

Over the month, financial activities added 22,000 jobs, reflecting increases in depository institutions and in insurance carriers. Health care employment expanded by 18,000, with continued growth in hospitals, doctors' offices, and home health care. Professional and business services, private education, food services and drinking places, and government also had job gains in February.

Average hourly earnings for private production or nonsupervisory workers rose by 5 cents in February, following increases of 7 cents in both December and January. Over the year, hourly earnings increased by 3.5

percent. The average workweek was down by 0.1 hour in February to 33.7 hours.

Turning to data from the household survey, both the number of unemployed persons (7.2 million) and the unemployment rate (4.8 percent) were little changed over the month. The number of persons unemployed for 27 weeks or more returned to its December level of 1.4 million, after declining in January. These long-term unemployed constituted 19.0 percent of all unemployed persons, down slightly from a year earlier.

Total employment and the labor force continued to trend up in February. However, the employment-population ratio has held steady in recent months, and the labor force participation rate has shown little movement for about 2 1/2 years.

This month, we again report on the labor force status of survey respondents who evacuated from their homes due to Hurricane Katrina. The data are derived from a special set of questions that have been included in the household survey since October to gather information about evacuees. The estimates do not account for all persons who evacuated from their homes due to Hurricane Katrina. Information is not gathered on those evacuees who remain outside the scope

of the survey, such as those currently living in hotels or shelters.

The February data indicate that there were about 1 million persons age 16 and over who evacuated from their August residences due to Hurricane Katrina. In February, about one-half of the evacuees were back in the homes they vacated in August. Among Katrina evacuees identified in February, 58.1 percent were in the labor force, and their unemployment rate was 12.6 percent. Unemployment rates were much lower for those evacuees who had returned home (4.8 percent) than for those evacuees who had not (22.6 percent).

To summarize February's labor market data, nonfarm payroll employment rose by 243,000, and the unemployment rate was little changed at 4.8 percent. Payroll employment has increased by 2.1 million over the year, and the unemployment rate is down by about half a percentage point.

My colleagues and I now would be glad to respond to your questions.