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THE EMPLOYMENT SITUATION: OCTOBER 2004

Nonfarm payroll employment increased by 337,000 in October, and the unemployment rate was about unchanged at 5.5 percent, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Construction employment rose sharply over the month, and several service-providing industries also added jobs.

Chart 1. Unemployment rate, seasonally adjusted,
November 2001 – October 2004

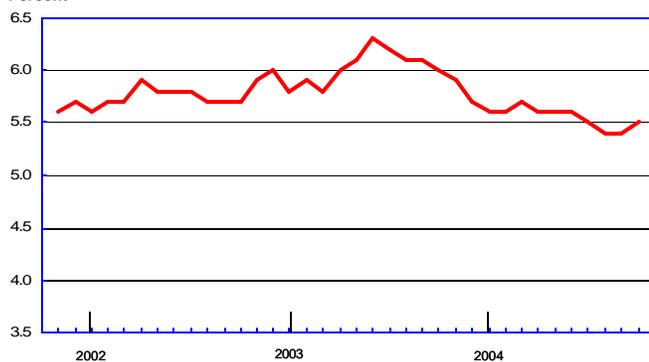
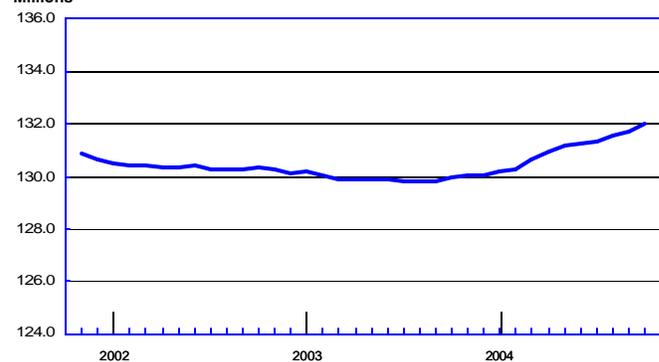


Chart 2. Nonfarm payroll employment, seasonally adjusted,
November 2001 – October 2004



Unemployment (Household Survey Data)

Both the number of unemployed persons, 8.1 million, and the unemployment rate, 5.5 percent, were essentially unchanged from September to October. The jobless rate has held fairly steady thus far this year and remains below its most recent high of 6.3 percent in June 2003.

In October, the unemployment rates for the major worker groups—adult men (4.9 percent), adult women (4.8 percent), teenagers (17.2 percent), whites (4.7 percent), blacks (10.7 percent), and Hispanics or Latinos (6.7 percent)—showed little or no change over the month. The unemployment rate for Asians was 4.8 percent in October, not seasonally adjusted. (See tables A-1, A-2, and A-3.)

Total Employment and the Labor Force (Household Survey Data)

Total employment edged up in October to 139.8 million, and the employment-population ratio—the proportion of the population age 16 and over with jobs—remained at 62.3 percent. The civilian labor

Table A. Major indicators of labor market activity, seasonally adjusted

(Numbers in thousands)

| Category | Quarterly averages | | Monthly data | | | Sept.- Oct. change |
|---|--------------------|----------|--------------|----------|----------|--------------------------|
| | 2004 | | 2004 | | | |
| | II | III | Aug. | Sept. | Oct. | |
| HOUSEHOLD DATA | | | | | | |
| Labor force status | | | | | | |
| Civilian labor force..... | 146,998 | 147,681 | 147,704 | 147,483 | 147,850 | 367 |
| Employment..... | 138,793 | 139,607 | 139,681 | 139,480 | 139,778 | 298 |
| Unemployment..... | 8,205 | 8,074 | 8,022 | 8,003 | 8,072 | 69 |
| Not in labor force..... | 75,975 | 75,999 | 75,973 | 76,458 | 76,342 | -116 |
| Unemployment rates | | | | | | |
| All workers..... | 5.6 | 5.5 | 5.4 | 5.4 | 5.5 | 0.1 |
| Adult men..... | 5.1 | 5.0 | 5.0 | 5.0 | 4.9 | -.1 |
| Adult women..... | 4.9 | 4.8 | 4.7 | 4.7 | 4.8 | .1 |
| Teenagers..... | 17.0 | 17.1 | 17.0 | 16.6 | 17.2 | .6 |
| White..... | 5.0 | 4.7 | 4.7 | 4.7 | 4.7 | .0 |
| Black or African American..... | 9.9 | 10.5 | 10.4 | 10.3 | 10.7 | .4 |
| Hispanic or Latino ethnicity..... | 7.0 | 6.9 | 6.9 | 7.1 | 6.7 | -.4 |
| ESTABLISHMENT DATA | | | | | | |
| Employment | | | | | | |
| Nonfarm employment..... | 131,125 | p131,521 | 131,541 | p131,680 | p132,017 | p337 |
| Goods-producing ¹ | 21,869 | p21,927 | 21,939 | p21,935 | p22,000 | p65 |
| Construction..... | 6,897 | p6,932 | 6,936 | p6,945 | p7,016 | p71 |
| Manufacturing..... | 14,385 | p14,403 | 14,412 | p14,398 | p14,393 | p-5 |
| Service-providing ¹ | 109,256 | p109,595 | 109,602 | p109,745 | p110,017 | p272 |
| Retail trade ² | 15,047 | p15,043 | 15,049 | p15,043 | p15,064 | p21 |
| Professional and business services..... | 16,417 | p16,523 | 16,518 | p16,562 | p16,659 | p97 |
| Education and health services..... | 16,874 | p16,950 | 16,965 | p16,984 | p17,046 | p62 |
| Leisure and hospitality..... | 12,324 | p12,345 | 12,341 | p12,351 | p12,364 | p13 |
| Government..... | 21,548 | p21,625 | 21,629 | p21,673 | p21,714 | p41 |
| Hours of work ³ | | | | | | |
| Total private..... | 33.7 | p33.8 | 33.7 | p33.8 | p33.8 | p0.0 |
| Manufacturing..... | 40.9 | p40.8 | 40.9 | p40.8 | p40.7 | p-.1 |
| Overtime..... | 4.6 | p4.6 | 4.6 | p4.6 | p4.5 | p-.1 |
| Indexes of aggregate weekly hours (2002=100) ³ | | | | | | |
| Total private..... | 99.8 | p100.6 | 100.4 | p100.8 | p101.1 | p0.3 |
| Earnings ³ | | | | | | |
| Average hourly earnings, total private..... | \$15.63 | p\$15.75 | \$15.76 | p\$15.78 | p\$15.83 | p\$0.05 |
| Average weekly earnings, total private..... | 526.62 | p531.82 | 531.11 | p533.36 | p535.05 | p1.69 |

¹ Includes other industries, not shown separately.² Quarterly averages and the over-the-month change are calculated based on unrounded data.³ Data relate to private production or nonsupervisory workers.

p=preliminary.

force rose by 367,000 over the month to 147.9 million, and the labor force participation rate was unchanged at 65.9 percent. (See table A-1.)

Over the year, the number of persons who held more than one job rose by 519,000 to 8.0 million, not seasonally adjusted. These multiple jobholders represented 5.7 percent of total employment in October, compared with 5.4 percent a year earlier. (See table A-13.)

Persons Not in the Labor Force (Household Survey Data)

The number of persons who were marginally attached to the labor force was 1.6 million in October, about the same as a year earlier. (Data are not seasonally adjusted.) These individuals wanted and were available to work and had looked for a job sometime in the prior 12 months. They were not counted as unemployed, however, because they did not actively search for work in the 4 weeks preceding the survey. There were 429,000 discouraged workers in October, little changed from a year earlier. Discouraged workers, a subset of the marginally attached, were not currently looking for work specifically because they believed no jobs were available for them. The other 1.2 million marginally attached had not searched for work for reasons such as school or family responsibilities. (See table A-13.)

Industry Payroll Employment (Establishment Survey Data)

Total nonfarm payroll employment increased by 337,000 in October to 132.0 million, seasonally adjusted. This followed job gains of 139,000 in September and 198,000 in August (as revised). Over the month, there was a large job gain in construction as well as notable increases in several service-providing industries. Since August 2003, payroll employment has risen by 2.2 million. (See table B-1.)

Boosted by cleanup and reconstruction efforts in hurricane-affected areas of the Southeast, employment in construction increased by 71,000 in October. The construction industry has added 355,000 jobs since its most recent low in March 2003. Most of the October employment gain in construction occurred among specialty trade contractors (54,000); employment also rose in construction of buildings (11,000).

Professional and business services employment rose by 97,000 in October, with temporary help services accounting for about half of the increase (48,000). Since April 2003, temporary help services has added 397,000 jobs. In October, employment in architectural and engineering services rose by 8,000.

Employment in education and health services grew by 62,000 in October, with gains of 22,000 in educational services and 41,000 in health care and social assistance. The large increase in health care and social assistance followed a relatively small gain in September (10,000). Taken together, employment growth over the 2 months was in line with the trend over the past year. October job gains occurred in ambulatory health care services (22,000), hospitals (6,000), and social assistance (11,000).

Financial activities employment increased by 17,000 over the month, and has risen by 113,000 since the beginning of the year. The securities, commodity contracts, and investments industry added 8,000 jobs in October, as did the credit intermediation industry.

Within government, local education added 32,000 jobs in October and has increased by 124,000 over the past 12 months.

Manufacturing employment was about unchanged in October and has shown little change since May. Manufacturing added 82,000 jobs over the February through May period.

Retail trade employment was little changed overall in October (+21,000); its electronics and appliance stores component gained 7,000 jobs. Retail trade has added 188,000 jobs since its recent low in December 2003. Wholesale trade employment was about unchanged in October.

Weekly Hours (Establishment Survey Data)

The average workweek for production or nonsupervisory workers on private nonfarm payrolls was unchanged in October at 33.8 hours, seasonally adjusted. Both the manufacturing workweek and factory overtime were down by 0.1 hour, to 40.7 hours and 4.5 hours, respectively. (See table B-2.)

The index of aggregate weekly hours of production or nonsupervisory workers on private nonfarm payrolls increased by 0.3 percent in October to 101.1 (2002=100). The manufacturing index declined by 0.3 percent over the month to 94.7. (See table B-5.)

Hourly and Weekly Earnings (Establishment Survey Data)

Average hourly earnings of production or nonsupervisory workers on private nonfarm payrolls increased by 5 cents in October to \$15.83, seasonally adjusted. Average weekly earnings increased by 0.3 percent over the month to \$535.05. Over the year, average hourly earnings increased by 2.6 percent, and average weekly earnings grew by 2.9 percent. (See table B-3.)

The Employment Situation for November 2004 is scheduled to be released on Friday, December 3, at 8:30 A.M. (EST).