Current Employment Statistics
Highlights
December 2005

Bureau of Labor Statistics
January 6, 2006
Nonfarm payrolls increased by 108,000 in December to 134.5 million, seasonally adjusted. This increase follows a gain of 305,000 in November. Since the most recent employment trough in May 2003, 4.6 million jobs have been added.

Average weekly hours of production or nonsupervisory workers on private nonfarm payrolls decreased by 0.1 hour in December to 33.7 hours, seasonally adjusted. Since late 2002, the average workweek has been flat, fluctuating between 33.6 and 33.8 hours.

Average hourly earnings of production or nonsupervisory workers on private nonfarm payrolls rose by 5 cents in December to $16.34, seasonally adjusted. Over the year, average hourly earnings were up 3.1 percent.
Over the year, payroll employment grew by 2.0 million. The increase of 1.5 percent is similar to growth in 2004. The payroll gains over the past 2 years mark the first consecutive years of significant job growth since 2000.

Professional and business services, education and health services, construction, and leisure and hospitality experienced the largest employment increases during 2005. Manufacturing was the only supersector to endure a job loss in 2005, its eighth annual decline in the past 9 years.
Job growth was widespread over the month.

Professional and business services, education and health services, leisure and hospitality, and manufacturing experienced the largest employment increases in December.
The index of aggregate weekly hours of production or nonsupervisory workers on private nonfarm payrolls decreased by 0.2 percent in December to 103.4. This is the first decline since May. Since its most recent trough in May 2003, the index has increased by 5.3 percent, but has yet to regain the level of its most recent peak (103.9) in October 2000.

The index of aggregate weekly payrolls of production or nonsupervisory workers on private nonfarm payrolls increased by 0.1 percent to 113.0 in December. During 2005, the index increased by 5.2 percent.
• Construction employment was little changed (-9,000) in December.

• Strong hiring during the 2005 buildup period coupled with weak early season layoffs helped lead to a larger-than-average employment decline in December. Over the year, the construction industry added 246,000 jobs.
Employment in manufacturing increased by 18,000 in December, following a small increase in November. (The October job gain represents workers returning from strike and recovery of hurricane-related job losses in September.) However, over the last 12 months, manufacturing has lost 51,000 jobs.

Most of December’s increase occurred in durable goods industries, which added 15,000 jobs. The gain was spread though many of the component industries, including wood products and computer and electronic products.

The factory workweek declined by 0.1 hour to 40.7 hours and factory overtime was unchanged at 4.5 hours, seasonally adjusted. Manufacturing overtime has been between 4.4 and 4.6 hours since November 2003.
Professional and business services added 33,000 jobs in December, following a much larger increase in November (76,000). However, December’s over-the-month change was below the industry’s recent trend. Over the year, the industry added 486,000 jobs.

Professional and technical services employment increased by 28,000 in December. Job gains trended up in architectural and engineering services, and management and consulting services, and accounting services.

Employment services lost 16,700 jobs in December following a gain of 48,800 jobs in November. Combined, these 2 months’ average job gain of 16,000, is slightly below the prior 12-month trend.

Employment in temporary help services was little changed over the month (+9,000); over the year, the industry added 156,000 jobs.
Health care added 21,000 jobs in December and 271,000 jobs in 2005. Both ambulatory care services and hospitals continued to add jobs in December.

As is typical, ambulatory health care services had the largest increase in December, though its gain of 9,100 was below its recent trend. This industry has not seen a month of job loss since January 1999. Over the year, the industry added 142,600 jobs with approximately half in offices of physicians.
Leisure and hospitality added 23,000 jobs in December, following a 53,000 gain in November. The rebound in employment during these past 2 months offset losses incurred in September and October, which were, in part, directly and indirectly impacted by Hurricane Katrina.

Food services, which accounts for the majority of the leisure and hospitality employment, gained 36,000 jobs in December. Gains in the past 2 months offset the previous 2 months of declines, leaving employment in the industry similar to its pre-hurricane level. Over the year, food services and drinking places added 220,000 jobs.