Nonfarm payroll employment declined by 524,000 in December. Over the most recent 4 months, payroll employment fell by 1.9 million, or an average of 484,000 per month, sharply higher than the average loss of 82,000 per month during the first 8 months of 2008.

In 2008, payroll employment fell by 2.6 million, the largest annual employment decrease, in absolute terms, since 1945.
Total nonfarm employment peaked in December 2007, coinciding with the start of the recession as declared by the National Bureau of Economic Research (NBER). With the recent acceleration of job losses, nonfarm employment has fallen by 1.9 percent during 2008, the largest employment percentage decline since 1982.
Job losses in December were widespread. Goods-producing industries shed 251,000 jobs in December while service-providing industries lost 273,000.

The 1-month diffusion index fell to 25.4 in December, its lowest point in the history of the series (which dates back to 1991). A diffusion index below 50 indicates that more industries are losing jobs than adding jobs.

In contrast to most industries, education and health services added 45,000 jobs in December. During 2008, education and health services added 536,000 positions.
• In December, the average workweek for production and nonsupervisory workers on private nonfarm payrolls fell by 0.2 hour to 33.3 hours, seasonally adjusted. This is the shortest workweek in the history of the series, which began in 1964.

• The index of aggregate weekly hours of production and nonsupervisory workers on nonfarm payrolls fell by 1.1 percent in December. This index peaked in December 2007 and has declined by 4.0 percent since that time.
The index of aggregate weekly payrolls for production and nonsupervisory workers on private nonfarm payrolls fell by 0.9 percent in December. Since reaching a high point in August 2008, the index has fallen by 1.9 percent.
Construction employment continued to decline in December, as the industry lost 101,000 positions. Construction has lost 899,000 jobs since employment peaked in September 2006, with 70 percent of the losses occurring in 2008.

Job losses were widespread throughout construction, with all of the major components shedding jobs. In particular, specialty trade contractors lost 62,000 jobs in December, the largest 1-month decline for this industry since February 2007 (-78,000). The job losses in this industry were divided between the residential and nonresidential contractors.
Employment in manufacturing fell by 149,000 in December, the largest 1-month decline since August 2001. Job losses were widespread as evidenced by the 1-month diffusion index falling to 11.3. The majority of job loss in December occurred in durable goods. Factory losses totaled 791,000 in 2008 with nearly half of the decline coming in the last 3 months.

In December, the average workweek for production workers in manufacturing, a leading economic indicator, fell by 0.4 hour to 39.9 hours, its lowest value since reaching 39.7 in January 1996, a month in which weather affected average weekly hours. Factory overtime declined by 0.3 hour in December.
Durable goods shed 114,000 jobs in December and 594,000 during 2008. The losses were widespread in December led by fabricated metal products (-28,000) and transportation equipment (-24,000).

Motor vehicles and parts manufacturers shed 21,000 jobs over the month. Employment in this industry has fallen by 162,000 during 2008, the largest job loss by any component industry within manufacturing.
• Employment in wholesale trade fell by 30,000 over the month and by 164,000 in 2008, with most of the decreases in the durable goods wholesalers.
• In December, retail trade employment dropped by 67,000. For all of 2008, the industry lost 522,000 jobs, the largest 1-year decline in the history of the series. The industry has now lost more jobs in the December 2007 recession than in the 12 months following the start of the 1990 and 2001 recessions.

• In December, job losses were widespread, led by motor vehicle and parts dealers (-25,000) and miscellaneous store retailers (-11,000). During 2008, motor vehicle and parts dealers have shed 155,000 jobs.
• Employment in transportation and warehousing fell by 24,000 in December. In the last 4 months, the industry has averaged losses of 28,000 jobs, compared to an average monthly loss of 4,000 during the first 8 months of 2008.

• This recent acceleration is largely due to increased job losses in truck transportation. Employment in trucking fell by 16,000 in December, and 49,000 over the last 4 months. Truck transportation had lost only 23,000 jobs during the first 8 months of 2008.
• Financial activities employment continued to decline in December, falling by 14,000, about half its prior 3-month average. During 2008, job losses in this industry totaled 148,000.

• Job losses in December were spread throughout the industry. During 2008, losses in credit intermediation accounted for 53 percent of the losses in financial activities.
- Professional and business services continued to contract in December, cutting 113,000 jobs and 681,000 during 2008, the largest absolute decline since 2001. Temporary help services accounted for most of the December decline, shedding 81,000 jobs, bringing its job losses in 2008 to 490,000.