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Statement of

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Commissioner
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Nonfarm payroll employment rose by 252,000 in December, and the unemployment rate declined by 0.2 percentage point to 5.6 percent. Job gains occurred in professional and business services, construction, food services and drinking places, health care, and manufacturing.

Incorporating revisions for October and November, which increased total nonfarm payroll employment by 50,000, monthly job increases have averaged 289,000 over the past 3 months. In 2014, job growth averaged 246,000 per month, compared with 194,000 per month in 2013.

Professional and business services employment rose by 52,000 in December, including job gains in administrative and waste services (+35,000), computer systems design and related services (+9,000), and architectural and engineering services (+5,000). Employment in accounting and bookkeeping services
declined (-14,000), offsetting an increase of the same amount in November. In 2014, employment in professional and business services increased by 732,000.

Construction added 48,000 jobs in December, well above the employment gains in recent months. In December, specialty trade contractors added jobs (+26,000), with the gain about equally split between residential and nonresidential contractors. Employment also increased in heavy and civil engineering construction (+12,000) and nonresidential building (+10,000).

Over the month, employment in food services and drinking places rose by 44,000. In 2014, food services added 361,000 jobs, about in line with job gains in the industry in 2013.

Health care added 34,000 jobs in December. Employment rose in ambulatory health care services (+16,000), nursing and residential care facilities (+11,000), and hospitals (+7,000). Employment growth in health care picked up in 2014 with 311,000 jobs added during the year, compared with 204,000 in 2013.

Manufacturing employment rose by 17,000 in December, mostly in durable goods (+13,000). Manufacturing added 186,000 jobs in 2014, up from a gain of 88,000 in 2013.

In December, employment in wholesale trade and financial activities continued to trend up.
Employment in retail trade changed little over the month, following a large gain in November. Retail employment grew by 250,000 in 2014.

Average hourly earnings of all employees on private nonfarm payrolls fell by 5 cents to $24.57 in December, following an increase of 6 cents in November. Over the past 12 months, average hourly earnings have risen by 1.7 percent. From November 2013 to November 2014, the Consumer Price Index for All Urban Consumers (CPI-U) increased by 1.3 percent.

Turning to the survey of households, the unemployment rate declined by 0.2 percentage point in December to 5.6 percent, and the number of unemployed persons fell by 383,000 to 8.7 million. In 2014, the unemployment rate declined by 1.1 percentage points, and the number of unemployed decreased by 1.7 million. Almost two-thirds of the decline in the level of unemployment in 2014 occurred among the long-term unemployed (those jobless for 27 weeks or longer).

The labor force participation rate edged down in December to 62.7 percent. The participation rate has remained in a narrow range of 62.7 to 62.9 percent since April 2014. In December, the employment-population ratio was 59.2 percent for the third consecutive month. However, the employment-population ratio was up by 0.6 percentage point over the year.
The number of people working part time for economic reasons, at 6.8 million, changed little over the month. (These individuals, also referred to as involuntary part-time workers, would have preferred full-time employment but had their hours cut back or were unable to find full-time work.)

Among people who were neither working nor looking for work in December, 2.3 million were classified as marginally attached to the labor force, little changed over the year. (These individuals had not looked for work in the 4 weeks prior to the survey but wanted a job, were available for work, and 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, was 740,000 in December, down by 177,000 from a year ago.

Following our regular annual practice, seasonal adjustment factors for the household survey data have been updated in this news release. Seasonally adjusted estimates going back 5 years—to January 2010—were subject to revision.

In summary, nonfarm payroll employment increased by 252,000 in December, and the unemployment rate declined to 5.6 percent.