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Statement of

Erica L. Groshen Commissioner Bureau of Labor Statistics

Friday, February 1, 2013

Nonfarm payroll employment increased by 157,000 in January, and the unemployment rate was essentially unchanged at 7.9 percent. In 2012, job gains averaged 181,000 per month. In January, employment rose in retail trade, construction, health care, and wholesale trade but edged down in transportation and warehousing.

Retail trade employment grew by 33,000 over the month and has increased by 213,000 over the past 12 months. In January, employment continued to trend up in clothing and accessories stores (+10,000), motor vehicle and parts dealers (+7,000), and electronics and appliance stores (+5,000).

Construction employment increased by 28,000 in January. Since reaching a low in January 2011, construction employment has grown by 296,000, with one-third of the gain occurring in the last 4 months. However, the January 2013 level of construction employment remained about 2 million below its previous peak level in April 2006.

In January, health care added 23,000 jobs, about in line with the average monthly gains in this industry during 2012. Over the month, ambulatory health care services, such as doctors' offices and outpatient care centers, added 28,000 jobs, while employment in nursing and residential care decreased by 8,000.

Wholesale trade added 15,000 jobs in January, mostly in nondurable goods. Since the recent low point in May 2010, wholesale trade has added 291,000 jobs.

Transportation and warehousing employment edged down by 14,000 in January. Couriers and messengers shed 19,000 jobs over the month, partially offsetting job gains in November and December.

Average hourly earnings of all employees on private nonfarm payrolls rose by 4 cents in January to \$23.78. Over the past 12 months, average hourly earnings have risen by 2.1 percent. From December 2011 to December 2012, the Consumer Price Index for All Urban Consumers (CPI-U) increased by 1.7 percent.

In accordance with annual practice, the establishment survey data released today reflect the incorporation of benchmark revisions. Each year, BLS re-anchors the sample-based survey estimates to full universe counts of employment,

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primarily derived from administrative records of the unemployment insurance tax system. The level of nonfarm payroll employment in March 2012 was revised up by 424,000 (not seasonally adjusted) or 0.3 percent. The average benchmark revision over the past 10 years was plus or minus 0.3 percent. (Further information about the benchmark revision and its impact is contained in our news release and on our Web site at www.bls.gov/web/empsit/cesbmart.htm.)

I also would note that, as is our annual practice, we have incorporated new population controls into the household survey estimates. Data beginning in January 2013 reflect population controls based on updated information on net international migration, updated vital statistics and other information, and some methodological changes in the estimation process. This year, the impact of the new controls on the unemployment rate and other major household survey measures is negligible. (Additional information can be found in our news release and on our Web site at www.bls.gov/cps/cps13adj.pdf.)

Returning to the data for January, the unemployment rate, at 7.9 percent, and the number of unemployed persons, at 12.3 million, were essentially unchanged over the month. The unemployment rate has shown little or no change since September. The labor force participation rate, at 63.6 percent, and the

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employment-population ratio, at 58.6 percent, were unchanged in January.

Among persons who were neither working nor looking for work in January, 2.4 million were classified as marginally attached to the labor force, down 366,000 from a year earlier. 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, was 804,000 in January, down by 255,000 from a year earlier.

In summary, nonfarm payroll employment increased by 157,000 in January, and the unemployment rate was essentially unchanged at 7.9 percent.

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