

**THE EMPLOYMENT SITUATION:
OCTOBER 1997**

HEARING

before the

**JOINT ECONOMIC COMMITTEE
CONGRESS OF THE UNITED STATES**

ONE HUNDRED FIFTH CONGRESS

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**THE EMPLOYMENT SITUATION:
OCTOBER 1997
Friday, November 7, 1997**

**CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE,
WASHINGTON, D.C.**

The Committee met, pursuant to notice, at 9:37 a.m., in Room 1334, Longworth House Office Building, the Honorable Jim Saxton, Chairman of the Committee, presiding.

Present: Representatives Saxton, Ewing, Hinchey, and Maloney; Senator Bingaman.

Staff Present: Christopher Frenze, Robert Keleher, Mary Hewitt, Juanita Morgan, Darryl Evans, Joseph Cwiklinski, Amy Pardo, Kerry Suttan, Dan Lara, and Howard Rosen.

**OPENING STATEMENT OF
REPRESENTATIVE JIM SAXTON, CHAIRMAN**

Representative Saxton. Good morning. Once again, it is my pleasure to welcome Commissioner Abraham and her colleagues before the Joint Economic Committee (JEC).

The business cycle expansion that began in 1991 continues to increase payroll employment, according to BLS (Bureau of Labor Statistics) data released earlier today. Payroll jobs increased by 284,000 in October, bringing the total to 123 million jobs.

According to the separate household survey, employment posted a gain of 179,000 in October. The unemployment rate slipped to 4.7 percent, its lowest level in 24 years. The employment-population ratio remains at an historically high level.

In addition to the employment data, BLS also produces a variety of statistics on prices. The Consumer Price Index (CPI), the Producer Price Index (PPI), Employment Cost Index, and other measures are closely watched BLS price data.

For most of 1997, we reviewed these data and made no evidence of real pickup in inflation. As I have noted many times before, economic

and employment growth do not create inflation. Inflation is a result of excessively expansionary monetary policies. These indicators, as well as others used by the Joint Economic Committee, do not show that inflation is emerging or in the pipeline at this time or in the foreseeable future.

Instead, in recent weeks the focus of the media has shifted to a question of whether deflation, that is, an actual decline in price levels, is evident. It is vital to keep this concept of deflation, a general decline in prices, distinct from disinflation, a slowdown in the general increase in prices. Gradual disinflation, which is what we have been experiencing, and stable prices are totally different from deflation and actual falling prices. Deflation is undesirable, and the price data should be closely monitored to ensure that there is no danger of emerging deflation, just as we have historically watched for inflation.

Fortunately, a careful and balanced examination of the evidence does not show any evidence at all of deflation. Virtually all broad price measures show year-over-year changes in the positive territory. There is no evidence of a sustained general decline in prices. In addition, according to one point of view, it would be difficult to view the recent increases in average hourly earnings as consistent with deflation. In other words, wages have gone up, not down. On the other hand, it is true that the PPI has fallen over several months in 1997, and that the data bear careful watching.

With respect to monetary policy, it is clear that the goal of price stability precludes either inflation or deflation. Monetary policy guided by an inflation targeting approach to stable prices, as I favor, actually is slightly biased against deflation. Inflation targeting means that monetary policy aims to prevent a sustained increase or decline in the price level reflected in the general price indices.

Given the intense interest of many in this inflation-deflation issue, the BLS price measures will be closely scrutinized by the financial markets for the foreseeable future.

[The prepared statement of Representative Jim Saxton appears in the Submissions for the Record.]

Senator Bingaman, if you would like to have the floor at this time.

**OPENING STATEMENT OF SENATOR JEFF BINGAMAN,
RANKING MINORITY MEMBER**

Senator Bingaman. Thank you, Mr. Chairman. I do not have an opening statement. I am going to ask a few questions about the issue which I raised at previous hearings—the quality of jobs and what we know about benefits that also accompany wages. I look forward to the testimony and I appreciate your holding this hearing.

Representative Saxton. Commissioner Abraham, Mr. Dalton and Mr. Rones, welcome back to the Joint Economic Committee. The floor is yours.

**STATEMENT OF KATHARINE G. ABRAHAM,
COMMISSIONER, BUREAU OF LABOR STATISTICS,
ACCOMPANIED BY KENNETH V. DALTON, ASSOCIATE
COMMISSIONER OFFICE OF PRICES AND LIVING CONDITIONS; AND
PHILIP L. RONES, ASSISTANT COMMISSIONER FOR CURRENT
EMPLOYMENT ANALYSIS**

Ms. Abraham. Thank you, Mr. Chairman. I appreciate the opportunity to be here this morning to comment on the employment and unemployment data that we will release this morning.

As you have commented, nonfarm payroll employment grew in October while unemployment fell. The number of jobs as measured by our establishment survey rose by 284,000 over the month, and the unemployment rate fell from 4.9 to 4.7 percent. Since the end of 1996, payroll job growth has averaged 239,000 a month, and the unemployment rate has fallen six-tenths of a percentage point. Also in October, average hourly earnings of production or nonsupervisory workers rose by six cents.

Employment growth was widespread over the month, with the goods-producing sector accounting for much of the increase. The number of jobs in manufacturing grew by 54,000 in October, well above the 11,000 average monthly gain that this industry had posted in the first nine months of the year. While many industries participated in October's rise, half the gain in manufacturing occurred in just two industries, industrial machinery, which added 13,000 jobs, and transportation equipment, which reversed its prior month's decline by adding 16,000 jobs. The

electronic components industry continued its strong growth last month, adding 5,000 jobs. So far this year, employment in this industry has grown by 36,000.

Also in the goods-producing sector, construction added 20,000 jobs, its largest gain since May, after showing little trend growth during the summer. Gains among general contractors occurred in both residential and nonresidential construction, and gains in special trades also were broad based.

Other industry divisions that posted stronger than average gains in October included transportation and public utilities, wholesale trade, and finance, insurance, and real estate. Transportation and public utilities added 29,000 jobs, nearly four times the average of the preceding five months. Wholesale trade gained 22,000 jobs, with the largest increase in machinery distribution. The finance industry had an unusually large gain, with most of the component industries benefitting.

Services and retail trade each had employment gains that were about equal to the average monthly rise for the past year. The services industry added 100,000 jobs. Of particular note was computer services, which added 15,000 jobs, and engineering and management services, which added 19,000 jobs. Taken together, these two small industries, which comprise only 4 percent of payroll employment, have accounted for one in nine of the jobs added in the past year. Health services posted a gain of 26,000. Retail trade added about 37,000 jobs, with the largest increases occurring in food stores and in miscellaneous retail establishments.

The six-cents-an-hour October gain in average hourly earnings of production or nonsupervisory workers followed gains of four cents in September and seven cents in August for a total of 17 cents over the three months. This pace of increase was somewhat more rapid than had been set earlier in the year. Average hourly earnings have increased by 4.2 percent over the year ending in October.

Turning to data from the household survey, as already noted, the unemployment rate declined to 4.7 percent. The rate had fluctuated in the range from 4.8 to 5 percent from April through September. With the exception of the unemployment rate for adult women, which declined from 4.4 percent to 4.0 percent in October, the rates for the major worker groups on which we are reporting this morning were about unchanged.

The 4 percent rate for adult women in October was the lowest since January 1970.

In summary, October's employment gains were widespread and fairly robust, and unemployment declined over the month. Average hourly earnings have risen more rapidly since July than earlier in the year.

Before concluding I would like to provide you with a preliminary estimate of the effect on our total payroll figures of the benchmark revision scheduled for next June. As you know, once a year the Bureau adjusts the payroll survey's sample-based employment estimates to incorporate the previous year's March universe employment counts in a process known as benchmarking. These universe employment counts are derived principally from state unemployment insurance tax reports that nearly all employers are required to file. By early November of each year, we typically have completed preliminary tabulations of those universe counts for the first quarter of the year, and we routinely share our estimate of the anticipated size of the benchmark revision for the prior March at the time we release our October Employment Situation reports.

Preliminary tabulations for the first quarter of 1997 indicate there was somewhat stronger job growth than previously reported for the 12-month period ending in March 1997. Indications at this time are that the March 1997 payroll employment estimates will be revised upward by about 475,000, or four-tenths of one percent. Just to put that into perspective, the historical average for benchmark revisions over the past decade has been plus or minus 0.3 percent, with the absolute value of the revisions ranging in size from zero to seven-tenths of one percent.

Final benchmark adjustments for March 1997 are scheduled to be formally introduced next June. In the meantime, we will continue to validate the unemployment insurance universe counts and other benchmark source material and to conduct detailed analyses of the sources of the revision; which industries are affected and so on.

My colleagues and I, of course, would be happy to answer any questions any of the Members of the Committee might wish to raise. [The prepared statement of Commissioner Abraham and accompanying press release appear in the Submissions for the Record.]

Representative Saxton. Thank you very much, Commissioner. We appreciate the clear and succinct statement.

Commissioner, the unemployment rate has fallen to 4.7 percent in October. Oftentimes, when we have this conversation, we see a decrease in the unemployment rate, and we refer to it as not statistically meaningful. In this case, however, the unemployment rate has fallen from 4.9 to 4.7 percent. Would this be considered statistically meaningful?

Ms. Abraham. It would be on the borderline of statistical significance. What is the exact cutoff?

Mr. Rones. We are right about at the, as the Commissioner said, the borderline. You need almost exactly two-tenths of a percentage point, and that is what we have this month. So we would call this statistically significant.

Representative Saxton. When was the last time we had a decrease in the unemployment rate that was statistically meaningful?

Ms. Abraham. Let me look back at the history. The unemployment rate took a drop of two-tenths of a percentage point in July. But that also would have been borderline. It did take a statistically significant drop of three-tenths of a percentage point back in April.

So it came down statistically significantly between March and April and then has hovered between, as I said, 4.8 and 5 percent from then through September.

Representative Saxton. So more often than not, there is a slight change in the growth of jobs or the rate of unemployment, and, in this case, we have gotten a change which is bigger than what we might consider to be the norm.

Ms. Abraham. You are right. Looking back over these series, more often than not, the month-to-month changes are not statistically significant.

Representative Saxton. Another way of looking at this is: where was it in the economy that jobs were created? Would you interpret this increase in jobs as widespread throughout the economy or focused more narrowly on a single sector or two?

Ms. Abraham. No, it was really pretty broad based. I think perhaps the most striking thing in this month's data is the large increase, large relatively to historical experience, in manufacturing employment. You would have to go back a long time before you would find an

increase in manufacturing employment as large as the 54,000 we reported this month.

But looking at the data, we also got an increase in construction employment. There are fairly broad-based increases in employment among the service-producing industries. So I would characterize this as quite a widespread increase in employment.

The only place we did not get an increase in employment, in terms of the major sectors, is government, where employment was up 2,000.

Representative Saxton. That could be interpreted as good news, too.

So construction employment went up something like 20,000 jobs, manufacturing increased something like 54,000 jobs and, of course, the biggest single sector of our economy, the service sector, increased 213,000 jobs.

As a percentage, are these increases relatively equal? That is a hard question to answer.

Ms. Abraham. I have to go back and do the calculations in terms of the percent increases. I have not done that.

Representative Saxton. Well, in the case of a widespread large increase in employment, would this suggest that the economy is picking up steam?

Ms. Abraham. Well, as you probably get tired of hearing me say, these are one month's data. This is a fairly robust employment report. I would not want to project what this portends for the future.

Representative Saxton. Commissioner, let me turn to another issue. The overall economic situation seems to be quite positive. There is one aspect, however, that has concerned many of us for a number of years. That is the lack of earnings growth for middle-income workers, which has been stagnant. What does the most recent data in real median weekly earnings show?

Ms. Abraham. The most recent data we have on usual median weekly earnings of full-time wage and salary workers pertain to the third quarter of the year.

Representative Saxton. So that does not include what may or may not have happened to increases or decreases in median earnings in October?

Ms. Abraham. That is correct. We report these in a variety of ways. Comparing the data for the third quarter of 1997 to data for the third quarter of 1996, in nominal terms, median weekly earnings overall were up by \$11. Deflating the Consumer Price Index to convert this into something that is closer to a real measure, they were up in 1982 dollars only from \$299 to \$300. So an increase in real 1982 dollars of just \$1.

Representative Saxton. That is pretty small on a weekly basis, is it not?

Ms. Abraham. If you look back over the long history of this series, real median weekly earnings have really not changed much for quite an extended period of time.

Representative Saxton. So to categorize the situation relative to middle-income wages, would it still be fair for me to conclude that wages continue to be stagnant through the third quarter?

Ms. Abraham. I should be clear. These are earnings, not wages. And the distinction just being that this is—

Representative Saxton. Does that include fringe benefits?

Ms. Abraham. Earnings meaning it can be affected by changes in the hours that people are working as well as by the wage rate that they are getting paid.

Representative Saxton. I see. Commissioner, let me just ask one more question. Manufacturing employment recovered somewhat in the past 12 months. Has the level of manufacturing employment gone up significantly over the past 12 months?

We know there was a significant increase in the past month. What is the situation over the past 12 months?

Ms. Abraham. It has. It is up by 155,000 over the year.

Representative Saxton. And in 1996, manufacturing employment actually declined by 94,000, did it not?

Ms. Abraham. No, if you compare December 1996 to December 1995, it was down by—let me make sure I have it right.

Representative Saxton. You do have your calculator.

Ms. Abraham. I do have my calculator, but I must say my nine-year-old son is better at doing this in his head than I am on my calculator. Fifty-five thousand.

Representative Saxton. Fifty-five thousand? So, from December 1995 to December 1996, we have declined to 54,000. Since then, however, there has been a more recent increase, which is somewhat healthier than previous figures indicated.

Ms. Abraham. Taking it and maybe cutting the data slightly differently, manufacturing employment reached a peak in April of 1995 and then it declined from then through September of 1996. It has now come back up to a level that is about 25,000 higher than where it had started back at the low peak in April 1995.

Representative Saxton. If I can just switch here to the service sector. Same question. Over the past 12 months, what percentage of employment increase has there been in the service sector?

Ms. Abraham. That ordinarily runs along about 90 percent in service-producing industries. We do not have the most current data on that. We will need to figure that out and give that to you, but it is usually up in the 80 to 90 percent range. That is service-producing industry employment.

[The information Commissioner Abraham sent to Chairman Saxton regarding the service-producing industries appears in the Submissions for the Record.]

Representative Saxton. Commissioner, thank you. I am going to hold a couple more questions for a little later.

Senator Bingaman.

Senator Bingaman. Thank you very much, Mr. Chairman.

Commissioner Abraham, let me ask about a slightly different issue. The Bureau last week released the Employment Cost Index figures for September, I believe.

Ms. Abraham. That is correct.

Senator Bingaman. As I understand it, the distinction between the Employment Cost Index and some of the other numbers we have been talking about here is that the Employment Cost Index represents the employer's total cost of hiring the work force. Is it correct to assume that this includes fringe benefits as well as wages?

Ms. Abraham. Right, that is the intent. It does not include hiring costs per se. If there are costs associated with recruiting and what not, it does not include that. But it includes, in addition to wages and salaries, legally required benefits, insurance coverage, retirement plans, and so on.

Senator Bingaman. So pensions, health care and other benefits would be covered by the Employment Cost Index?

Ms. Abraham. That is correct.

Senator Bingaman. It strikes me that one of the issues we continually try to focus on in this Committee is whether or not the increase in the cost of labor is going to cause some kind of pressure on inflation, or result in some kind of change in inflation. With that in mind, it would seem to me that the Employment Cost Index is a more accurate indicator of the total cost of employment than other indicators which the government reports. Is that an accurate statement?

Ms. Abraham. Yes. It was designed for that purpose, so it differs from our other measures. It is more inclusive in its coverage. It has the benefits and not just the wages. It also is designed to track, insofar as possible, the cost of employing a given mix of labor. So it is not affected by changes in industry mix, changes in occupational mix.

Senator Bingaman. How do trends in the Employment Cost Index compare with trends in wages?

Ms. Abraham. The Employment Cost Index for the private nonfarm sector at an annualized rate over the year-to-date was up by 3.1 percent, that is through September, compared with an increase in average hourly earnings at an annualized rate, again from December 1996 through October 1997, of 3.8 percent.

So the increase in the Employment Cost Index is a little less than the increase in average hourly earnings, if that is the measure you refer to.

Senator Bingaman. Am I safe in concluding that since the Employment Cost Index is not rising as much as the increase in hourly earnings, that the difference must be a reflection of the decrease in non-wage benefits, provided to workers?

Ms. Abraham. The two may differ for other reasons as well, differences in the way they are put together. But you are correct in this case. We can break out in the Employment Cost Index the part of the index for wages and the index for benefits. The index for wages has been rising at an annualized rate of 3.7 percent thus far this year versus the increase for benefits of just 1.6 percent, which is quite a lot lower.

Senator Bingaman. So the index for benefit costs is rising less than the Consumer Price Index?

Ms. Abraham. That is correct.

Senator Bingaman. So it is accurate to say that, on average, these surveyed workers are seeing their benefits decrease as their wages increase?

Ms. Abraham. Well, the benefits are not going down. The benefit costs are not going down. What you can say is that what their employers are spending on their benefits is going up less than what their employers are spending on their wages.

Senator Bingaman. Can it also be said that spending on workers' benefits is going up less than the Consumer Price Index?

Ms. Abraham. You can. Ken is pointing out to me that through September the increase in the Employment Cost Index on an annualized basis was just 1.8 percent. The CPI through September.

Senator Bingaman. So the increase in the benefits index has increased 1.6 percent and the increase in the CPI is 1.8 percent?

Ms. Abraham. Right.

Senator Bingaman. So benefit costs have kept up with the CPI but have not kept up with increases in wages?

Ms. Abraham. That is right. I do want to say I think that if you are thinking about what this means for the average worker it gets a little bit tricky. What the Employment Cost Index focuses on is employment cost, and what you care about if you are thinking of the worker is what they are getting.

If, for example, the stock market is doing very well, and that means that employers do not need to make such large contributions to their pension plans to put them on an actuarial sound basis, that would reduce their costs. It would not necessarily reduce the benefit that the worker was getting. Similarly, if health costs are going up less rapidly, that would reduce employers' costs. It would not necessarily reduce the benefit the worker is getting.

We do know there are other things going on over longer periods of time. Copayments for health plans have gone up. That sort of thing. But it does get complicated to look at.

Senator Bingaman. Mr. Chairman, I also want to refer to Professor Medoff, who I know was a colleague of Commissioner Abraham. I would like to ask you to include his Job Quality Index for the third quarter into the record. Dr. Abraham, how does this Job Quality Index compare to the Employment Cost Index?

[Professor Medoff's Job Quality Index appears in the Submissions for the Record.]

Ms. Abraham. As I understand what he is doing, he is trying to look at a point in time at employment by industry and make some assessment about the benefit coverage of workers in that industry, and then, in essence, assuming that jobs in particular industries remain the same in terms of their quality—tracking the effects of changes in the mix of employment across industries.

Is that a fair description of what he is doing?

Mr. Rones. That is it.

Ms. Abraham. It is a somewhat cruder measure than the Employment Cost Index would be. It is sort of a back-of-the-envelope calculation, if you will.

Senator Bingaman. As I understand his Job Quality Index, it indicates that the number of workers covered by health care and pensions has fallen. Is that contrary to your understanding?

Ms. Abraham. What it indicates, I guess, I have not looked at the most current data, Phil, I think, has those here, but if that is what the finding that is being reported is, what it is indicating is that if within any industry, within all the industries, the share of workers with health coverage, pension coverage were fixed, the changes in the mix of employment across industries have been such that they would have tended to depress health insurance coverage, pension plan coverage.

He does not have, for putting this together—he is trying to put this together with what he has. He does not have measures of what is actually getting coverage. He is trying to fill in the gaps of the data that we have.

Senator Bingaman. You indicated at our earlier hearing that you do not collect these data at this point.

Ms. Abraham. Not on a monthly or quarterly or even annual basis.

Senator Bingaman. I will stop with that, Mr. Chairman. Thank you.

Representative Saxton. Thank you very much, Senator. The gentleman from Illinois, Mr. Ewing.

OPENING STATEMENT OF REPRESENTATIVE TOM EWING

Representative Ewing. Thank you, Mr. Chairman. Just one question, and I am kind of following up on Senator Bingaman's line of questioning.

Do the statistics show that possibly working men and women have a little more take-home pay because benefits are rising; because their increase in wages is not all going to additional benefits?

Ms. Abraham. Well, the facts are certainly that wage costs have been going up somewhat faster than benefit costs. To really answer your question, we would have to know more about how employers are thinking about all this and what the various influences on their behavior lead them to do, and I do not have a good answer to that.

Representative Ewing. But it could mean that there was more take-home pay in worker's checks.

Ms. Abraham. It certainly is the case that benefit costs have been rising more slowly than in the past and that that has held down the—

Representative Ewing. Pardon me. Thank you, Commissioner.

Something that has come up recently with some of my constituents, and I am sure it is going to be something we will hear about nationwide, is the effect of Kennedy-Kassebaum on insurance coverage, insurance costs, and what some small employers may or may not do to meet these increased costs.

Will that show up in your reports, if we have small employers forced out of carrying health care insurance because of the new requirements of Kennedy-Kassebaum?

Ms. Abraham. We would not, based on our data, be able to attribute causality to any trends we might see to any particular thing. But we do on a periodic basis collect information on the share of both medium and large and also the share of small establishments that offer benefits. So that is something we would be able to track.

Representative Ewing. You could, of course, tell if the amount of coverage or people covered was going down?

Ms. Abraham. Right.

Representative Ewing. That would be in the tracking. How often do you do that?

Ms. Abraham. Well, we have two sources of information on benefit coverage. The thing that we do more frequently is a supplement to the Current Population Survey, our household survey, where we ask people about whether they are covered by health insurance. So that is a population measure.

We do not have a lot of information there about their employer, so we would not be able to tell whether it was a large employer or a small employer that they worked for. We would just know whether they got the health benefits or not.

We also, on a generally sort of every-other-year schedule, medium and large establishments one year, small establishments in other years, collect information from employers. We are in the process of making a transition from the old way we used to do that to a new way that I hope will provide for accurate information, but there is going to be a gap in the data that we are collecting on that. We are not doing it in 1998. We will be collecting data again in 1999.

Representative Ewing. The chart that the staff has put up here on the wall shows unemployment in red, the rate declining, and the CPI rate of inflation also declining.

There has, I think, been some theories in the past that a little inflation was good for driving the unemployment rate down. It would appear from this chart that the falling inflation rate goes right along with the falling unemployment rate. Would you have a comment on that?

Ms. Abraham. It is a very interesting picture.

Representative Ewing. It is a good picture; is it not?

Ms. Abraham. Well, it—

Representative Ewing. When we have inflation going down and unemployment going down, it looks to me like that is healthy.

Ms. Abraham. It is hard to say that is not good for Americans.

Representative Ewing. But your comment is that it is an interesting picture. Well, I think it is very interesting, also.

Representative Saxton. May I ask the gentleman to yield for just a moment?

Representative Ewing. Be glad to yield.

Representative Saxton. There is a very important story that I think this chart shows. You pointed out correctly that we see a trend, an

unmistakable trend, between the inflation rate, which has gone down steadily since 1992, and that started at a relatively high level and now is at a relatively low level. That yellow line shows the CPI, which started at a little more than 7 percent in 1992, has fallen steadily to something slightly under 2.5 percent.

More than 4 percent, I am sorry. I was looking at the wrong number there on the left-hand side of the chart. So it started at more than 4 percent and fell steadily to under 2.5 percent. Simultaneously, the rate of unemployment, which was quite high, illustrated on the chart by the red line, has fallen to an historic 24-year low.

So bringing down interest rates, bringing down the rate of inflation, the corresponding fall in interest rates has, in at least a theory which I find interesting and subscribe to, provided for more jobs for more people and a very low unemployment rate.

The second story this tells us is also interesting. If we look at this chart, we find that we have had something called disinflation. In other words, lower rates of inflation on a continuing basis. D-I-S, disinflation. This is quite different, however, than deflation, which would occur if we got below the point in inflation which we would recognize as zero inflation, falling prices, which would be undesirable.

So we are in that band that we all would like to think is healthy, between zero and 2.5 percent currently, which is what we have strived for over these years to attain. A healthy situation for job growth, a healthy situation for economic growth, and, frankly, the Members of this Committee have heard me say over and over again that we need to credit our monetary policy as carried out by the Fed for this.

In fact, I will speak to this a little bit later. I do not want to take any more of the gentleman's time, which is all used up anyway, but I wanted to make those two points. I think they are very important.

[The chart entitled "Inflation and the Unemployment Rate" appears in the Submissions for the Record.]

Representative Ewing. Reclaiming my time.

Representative Saxton. You are out of time, I am sorry.

Representative Ewing. Mr. Chairman, just indulge me with one final question.

The facts and figures in your report are positive, and I know maybe your job is not to look into the crystal ball and make predictions, but the

trends, would you agree, appear to continue to be positive? I mean, do we see some clouds on the horizon? Are your figures continuing to look at a good economic situation as regards to labor and unemployment?

Ms. Abraham. I really cannot go beyond what the data for this month show, and certainly up through this month unemployment is low and employment growth continues fairly robust this month.

Representative Ewing. Thank you, Commissioner.

Representative Saxton. I apologize to the gentleman for taking your time, but I thought it was important within the context of what you said to make those two points.

Mr. Hinchey.

OPENING STATEMENT OF REPRESENTATIVE MAURICE D. HINCHEY

Representative Hinchey. Thank you very much, Mr. Chairman. Good morning, Ms. Abraham, and welcome and congratulations on your recent reconfirmation. I understand that you are safely back in your office now.

Ms. Abraham. Yes, thank you very much.

Representative Hinchey. We try to use these numbers to assess where the economy might be going. One of the things that we look at is the cost of wages, the cost of the work force to employers, as a measure of what inflation might be in store in the future.

I was very much interested in the questions that Senator Bingaman asked you a few moments ago. The Employment Cost Index seems to be, because it is more comprehensive, a more accurate assessment of employer costs than simply looking at wages. Is that a fair statement?

Ms. Abraham. Yes, I believe that is right.

Representative Hinchey. And the Employment Cost Index, if I understood your responses to Senator Bingaman's questions correctly, is rising but at a significantly slower rate than wages?

Ms. Abraham. That is correct. It has been going up less rapidly than, for example, average hourly earnings.

Representative Hinchey. Pardon me?

Ms. Abraham. It has been going up less rapidly than, for example, average hourly earnings. From our monthly survey, and if you look

within the Employment Cost Index itself, wages are rising more rapidly than benefits.

Representative Hinchey. So it might be wiser for us to focus more of our attention on the Employment Cost Index than simply on hourly wages if we are interested in trying to measure what inflation may be occurring and what may be occurring in the future; is that a fair statement?

Ms. Abraham. Well, it is a better indication of what is happening to employers' costs certainly. The drawback is that we only produce it quarterly. So it is a little bit less current than the monthly data.

Representative Hinchey. And the cost of pensions and other benefits are rising at a slower rate?

Ms. Abraham. That is true.

Representative Hinchey. Do you have any insight into why that is occurring; why pensions, for example, or other benefit costs, are rising at a much slower rate than wages?

Ms. Abraham. Well, there are a number of things that may be going on there. One thing that may be going on—and I am just looking for the most recent figures broken out here by the type of benefits, just to verify that, indeed, retirement plan costs are going up less rapidly than wages, and they are.

There are a number of things that may be going on. One thing that may be going on is changes in the kinds of pension plans that employers offer to their employees. Pension plans typically used to be defined benefit plans, which means that you were entitled to a certain amount of money when you retired based on your salary and the years you had worked. And increasingly the plans that are offered are defined contribution plans, which means you and/or your employer put in a certain amount of money and you get whatever that pot of money supports when you retire. So that may be a factor in the cost.

The stock market having done so well, I think likely also is a factor, in that if firms invest their pension assets in equities, and the stock market does very well, then they have got more money in their pot and actuarially do not need to make such large contributions to support the benefits they will have to pay out. That would be my speculation about what may be going on here.

Representative Hinchey. It is very complex, but it would seem that the increases in the stock market may affect the measure that is contributing to lower inflation, if we are looking at it from the effect of wages on inflation or labor costs on inflation.

Ms. Abraham. Right.

Representative Hinchey. In recent testimony, Chairman Greenspan and others have talked about the size of the labor pool. The number of unemployed people in the country is something in the neighborhood of 6.6 million at the moment. But there are other people who are not measured in the 6.6 million officially unemployed. In other words, those people who showed up or applied for or were not interested in unemployment benefits in the most recent months, and they would include people who have been discouraged from working as well as potential workers.

What would you estimate to be the number of people in the country who are available for work?

Ms. Abraham. Really, putting the question the way you have just put it, I think it is almost impossible to answer.

There are some things we do measure, and I can tell you what those data show. We do have a measure of the number of people who in response to a survey question say they would like to work and are available to work. There were, in October, about 4.5 million of those people.

Representative Hinchey. Let me ask it this way: What is the number of people who are capable of working but currently not working?

Ms. Abraham. Let me correct myself. That 4.5 million is people who say they would like a job. They do not necessarily say they are available to start working immediately.

Representative Hinchey. You said that was 4.5 million?

Ms. Abraham. Four point five million. But I think our experience has been, over the past few years, that much of the growth in employment that we have seen is coming not just out of the unemployed—or the number of unemployed has fallen, and not just out of this group that indicates when you ask them if they are interested in employment, but out of people who were just out of the labor force and not counted in either of these measures before and who, as opportunities change and present themselves, are measured employment.

Representative Hinchey. I want you to help us determine the number of people who are currently not working. It is certainly a figure much larger than 6.6 million, and if you include the number of discouraged workers, which we understand is somewhere around 300,000—

Ms. Abraham. Right.

Representative Hinchey. —and then this larger number of potential workers, it comes up to a figure significantly higher than 6.6 million. Do you have any insight into that; what that number might be?

Ms. Abraham. Well, the total size of the group that is out of the labor force is 67 million. But you do not really think all of those people are available to work. If you just focused in on those in the age range from 25 to 54 years old, there are about 18 million people in that age range who are out of the labor force.

I do not know; do you have something you want to add to this, Phil? I know you have been looking at these data.

Mr. Rones. I think it is important to note that people go directly from a situation where had we asked them whether they wanted a job, they would say no. That is their answer at that point, to the question given my personal situation, given what I think is available to me in the labor market, no, I do not want a job. Then all of a sudden the next month they are employed. That is, something happened. An offer came up that suddenly was acceptable to them. Their life situation changed.

We know, for example, that employment growth over the last year was roughly 2 million. If we look at the decline in unemployment and the decline in the group that says that they wanted a job now, that only accounts for 1.2 million. So perhaps 40 percent of the addition to employment came from people who gave no indication that they wanted a job.

And I think that when people look at this concept that they say potential labor supply, I think it is broader than these measures that include just the unemployed and perhaps people who say that they want and are available for work.

Representative Hinchey. Thank you, Mr. Chairman.

Representative Saxton. Mrs. Maloney.

**OPENING STATEMENT OF
REPRESENTATIVE CAROLYN B. MALONEY**

Representative Maloney. Thank you, Mr. Chairman, and congratulations on your reconfirmation.

Ms. Abraham. Thank you.

Representative Maloney. This morning we received extremely good news on the vibrant, robust economy, with the growing number of jobs and the unemployment rate at a 24-year low.

The Dow today, the United States market, is initially reacting to the declining equity prices in the Asian markets and to the fear that the good news on Main Street will cause inflation and a possible lifting of interest rates by the Federal Reserve. I certainly do not think this is the time to tighten the United States monetary policy, and I think the Federal Reserve policymakers understand this.

First, I would like to ask you, the unemployment rate has fallen to 4.7 percent, for women it fell even lower, to 4 percent. Is this better employment figure a factor of women being paid lower wages?

Ms. Abraham. The group whose unemployment rate fell to 4 percent was women aged 20 and over. The rate for men 20 and over was pretty close. It was 4.1 percent.

Representative Maloney. Would you say the tightening of the labor market, the fact that the gap is closing between men and women, do you think that is because there is a tighter labor market? Why is that gap getting narrower; do you think?

Ms. Abraham. Well, that gap has been fairly narrow for quite a long period of time. If you go back historically, when women were more prone to come in and out of the labor market, the rate for women really tended to be a fair bit higher than that for men. But in the recent past that has not been, generally speaking, true. They have not been very different.

In terms of what happened this past month, the rate for women had been above that for men. It came down to be a tenth of a point below. I do not think you can make too much out of just that one month's data.

Representative Maloney. Although unemployment has fallen nationally, there are still areas in the country that are suffering from significant high and stagnant unemployment, and one area is New York

City, which I have the honor of representing. How do you analyze the labor market conditions in New York City, and what is their unemployment? Did it fall or is it still at 10 percent in New York City?

Ms. Abraham. We do not have data for this month for New York. Do you have recent data for New York City here, Phil?

Mr. Rones. I believe I do.

Representative Maloney. Could you get it to me, then, in writing, because we have been called for a vote, an analysis of the labor market conditions in New York City and send it to my office?

[The response of Commissioner Abraham to Representative Maloney appears in the Submissions for the Record.]

Ms. Abraham. Certainly.

Representative Maloney. Before I have to leave to vote, I would like your help in understanding a description of the labor market, which is playing a crucial role in the formulation of monetary policy. And I am referring to the "tightness" of the labor market, according to Federal Reserve Chairman Alan Greenspan. He calls this an important signal in the Fed's determination of whether or not to tighten monetary policy.

The problem is that it is not clear what tightness in the labor market means. He testified at a recent JEC hearing that the rate of growth in unemployment over recent years has been growing so rapidly compared to the available work force that, in his words, he said, and I quote, "Something has to give."

Is that "something" the cost of labor? Would you like to comment on that?

He has paid special attention to the Employment Cost Index. He testified in response to my question at the last hearing that he used that index as a primary signal of future inflation. In fact, changes in the Employment Cost Index have been relatively constant since 1994, while the inflation rate has declined. This suggests that today there does not seem to be much evidence that labor costs are driving inflation.

So would you like to comment on that? And in your interpretation, what is it that has to give, that he so testified to? Something has to give.

Ms. Abraham. Well, the Chairman is certainly an avid consumer of our data, but I would be very reluctant to speculate about what he might have had in his head when he said that.

Representative Maloney. Well, what do you consider to be indications of tightness in the labor market?

Ms. Abraham. Well, clearly the kinds of things that people are watching measures of, as you suggested, the rate of growth of employment and what is happening to labor costs. And as we already talked about—

Representative Maloney. Can you see excess demand for labor?

Ms. Abraham. We do not have a direct measure of that. Conceivably, if we had information on unemployment and on job vacancies, we could sort of get a sense about what was happening on the supply-demand balance in the labor market. But we do not have data on job vacancies so we have to look at these indirect measures.

Representative Maloney. If there is excess demand for labor, does that mean higher wages, would you say? Excess demand for labor?

Ms. Abraham. I am afraid answering that question would carry me out of my area of expertise, which is measuring what we can see is going on.

Representative Maloney. Could you comment on the historic trends we should look at to understand how tightness in the labor markets affect wages and inflation?

Ms. Abraham. Boy, there is a whole literature out there on the relationship between unemployment and the rate of wage growth and how that translates into or does not translate into price growth, but that is not a literature to which I have made a contribution.

Representative Maloney. Well, my time is up and we have been called for a vote.

Representative Saxton. Thank you, Mrs. Maloney.

Representative Maloney. Thanks for the good news.

Representative Saxton. Commissioner, I have one more question, which I would like to frame this way. Then Mr. Hinchey and I would like to have a public dialogue on another issue.

On Monday, I am going to release a JEC report, titled *Managing Anticipated Budget Surpluses*. This is quite historic, at least in terms of recent times, that we have the opportunity to talk about this. And this leads to a very, I think, important question, and let me just refer to the

introduction of this paper, which will be available, again, middle of the day on Monday at the JEC office.

This report says, for the first time in nearly three decades that there is a possibility of a surplus in the budget of the Federal Government. The economic expansion in the United States is well into its seventh year, and there is no reason to expect this expansion to terminate any time soon. The fertile ground for this sustained economic growth has been produced in large part by the anti-inflationary policies of the Nation's central bank, the Federal Reserve. The moderate growth in aggregate demand, a positive feature of this expansion, will preclude the large increases in interest rates.

The question is this: When Dr. Norwood was the BLS Commissioner, she consistently warned into reading too much into one month's data. You have delivered the same message as well. I just want to emphasize this point today, because the Fed is going to meet in the next few days, and they are going to decide through their processes what to do with monetary policy.

I am sure that there are those who are in various markets around the world anticipating what may happen, either this month or after the first of the year with regard to monetary policy, and so it would be good for us, I believe, to emphasize once again this morning that we should not read too much into the positive news that you have brought us today.

Would you respond to that?

Ms. Abraham. I think, fortunately, Chairman Greenspan, in particular, and the other Members of the Federal Reserve Board are really quite sophisticated users of the data we and the other statistical agencies produce.

Representative Saxton. Thank you very much. The gentleman from New York.

Representative Hinchey. Mr. Chairman, thank you. I want to thank you for the regularity with which we have had these hearings, and also Commissioner Abraham for being here and for her candid responses to our questions, as well as her testimony. I think, Mr. Chairman, this has been very helpful to all of us who are trying to understand where this economy is going and what the implications are for the future.

In the past you have expressed some interest in expanding these hearings, and I must confess you peaked my interest in that regard. And

I would just want to encourage you to hold a broader array of hearings which would allow others to come in who might be able to talk more deeply about some of these economic developments and not be hindered, in the way, of course, that Commissioner Abraham is, in terms of interpretation and in terms of explaining them more broadly. I very much appreciate your interest in this.

Representative Saxton. Sure. Mr. Hinchey, actually you have written a very articulate letter in this regard. Let me just say this: Certainly we are going home in the next few days or week or whatever the Leadership decides, and so early next year, I would be very interested in the issues that you relate to in terms of additional hearings.

I would like to make one caveat, however. The hearing that is held on the first Friday of each month relative to BLS reports, I would not want to confuse with those issues. This is a very special hearing for very special purposes, and I would not want to, in effect, expand this hearing. But I would rather hold a series of other hearings on other issues that we may mutually agree are important to talk about.

Representative Hinchey. Mr. Chairman, I thank you very much. I think that would be very helpful.

Representative Saxton. Thank you.

Commissioner, thank you very much. We are off to vote. We suspect that if the last couple of days and the history of voting holds true today, this vote will multiply into two or three additional votes, so we will be gone for an hour. So thank you for coming, and we will adjourn at this time, 10:38 a.m.

[Whereupon, at 10:38 a.m., the hearing was adjourned.]

SUBMISSIONS FOR THE RECORD

PREPARED STATEMENT OF REPRESENTATIVE JIM SAXTON, CHAIRMAN

Once again it is my pleasure to welcome Commissioner Abraham and her colleagues before the Joint Economic Committee.

The business cycle expansion that began in 1991 continues to increase payroll employment, according to the BLS data released today. Payroll jobs increased by 284,000 in October, bringing the total to 123 million jobs.

According to the separate household survey measure, employment posted a gain of 179,000 in October. The unemployment rate slipped to 4.7 percent, its lowest level in 24 years. The employment-population ratio remains at an historically high level.

In addition to the employment data, BLS also produces a variety of statistics on prices. The Consumer Price Index, Producer Price Index, Employment Cost Index, and other measures are closely watched BLS price data.

For most of 1997 we have reviewed these data and found no evidence of a real pick-up in inflation. As I have noted many times before, economic and employment growth do not create inflation. Inflation is a result of excessively expansionary monetary policies. These indicators as well as others used by the JEC do not show that inflation is emerging or in the pipeline.

Instead, in recent weeks the focus in the media has shifted to a question of whether there is deflation—that is, an actual decline in the price level. It is vital to keep this concept of deflation—a general decline in prices—distinct from disinflation, a slowdown in the general increase in prices. Gradual disinflation and stable prices are totally different from deflation and falling prices. Deflation is undesirable, and the price data should be closely monitored to ensure that there is no danger of emerging deflation.

Fortunately, a careful and balanced examination of the evidence does not show real evidence of deflation. Virtually all broad price measures show year-over-year changes in positive territory. There is no evidence of a sustained general decline in prices.

In addition, according to one point of view, it would be difficult to view the recent increases in average hourly earnings as consistent with deflation. On the other hand, it is true that the PPI has fallen for several months in 1997, and that the data bear careful watching.

With respect to monetary policy, it is clear that a goal of price stability precludes either inflation or deflation. Monetary policy guided by an inflation targeting approach to stable prices, as I favor, actually is slightly biased against deflation. Inflation targeting means that monetary policy aims to prevent a sustained increase or decline in the price level reflected in general price indexes.

Given the intense interest of many in this inflation/deflation issue, the BLS price measures will be closely scrutinized by the financial markets for the foreseeable future.

**PREPARED STATEMENT OF
COMMISSIONER KATHARINE G. ABRAHAM**

Mr. Chairman, and Members of the Committee:

Good morning. I would like to thank you for this opportunity to comment on the employment and unemployment data that were released this morning.

Nonfarm payroll employment grew in October, while unemployment fell. The number of jobs as measured by our establishment survey rose by 284,000 over the month, and the unemployment rate fell from 4.9 to 4.7 percent. Since the end of 1996, payroll job growth has averaged 239,000 a month, and the unemployment rate has fallen six-tenths of a percentage point. Also in October, average hourly earnings of production or nonsupervisory workers rose by 6 cents.

Employment growth was widespread, with the goods-producing sector accounting for much of the increase. The number of jobs in manufacturing grew by 54,000 in October, well above the 11,000 average monthly gain that this industry had posted in the first 9 months of this year. While many industries participated in October's rise, half the gain occurred in just two industries—industrial machinery, which added 13,000 jobs, and transportation equipment, which reversed its prior month's decline by adding 16,000 jobs. The electronic components industry continued its strong growth last month, adding 5,000 jobs. So far this year, employment in this industry has grown by 36,000.

Also in the goods-producing sector, construction added 20,000 jobs, its largest gain since May, after showing little trend growth during the summer. Gains among general contractors occurred in both residential and nonresidential construction, and gains in special trades also were broad-based.

Other industry divisions that posted stronger-than-average gains in October included transportation and public utilities, wholesale trade, and finance, insurance, and real estate. Transportation and public utilities added 29,000 jobs, four times the average of the preceding 5 months. Wholesale trade gained 22,000 jobs with the largest increase in machinery distribution. The finance industry had an unusually large gain (18,000), with most of the component industries benefiting. Real estate employment grew by 4,000.

Services and retail trade each had employment gains that were about equal to the average monthly rise for the past year. The services industry added 100,000 jobs in October. Of particular note was computer services, which added 15,000 jobs, and engineering and management services, which gained 19,000 jobs. Taken together, these two small industries, which comprise only 4 percent of payroll employment, have accounted for 1 in 9 of the jobs added in the past year. Health services posted again of 26,000. Retail trade added about 37,000 jobs, with the largest increases occurring in food stores and in miscellaneous retail establishments.

The 6-cents-an-hour October gain in average hourly earnings of production or nonsupervisory workers followed gains of 4 cents in September and 7 cents in August for a total of 17 cents over the three months. This pace of increase was somewhat more rapid than that set earlier in the year. Average hourly earnings have increased 4.2 percent over the year ending in October.

Turning to data from the household survey, the unemployment rate declined to 4.7 percent. The rate had fluctuated in the range from 4.8 percent to 5.0 percent from April through September. With the exception of the unemployment rate for adult women, which declined from 4.4 percent to 4.0 percent in October, the rates for the major worker groups we reported on this morning were about unchanged. The 4.0 rate for adult women in October was the lowest since January 1970.

In summary, October's employment gains were widespread and fairly robust, and unemployment declined over the month. Average hourly earnings have risen more rapidly since July than earlier in the year.

Before concluding I would like to provide you with a preliminary estimate of the effect on our total payroll employment figures of the benchmark revision scheduled for next June. Once a year the Bureau adjusts the payroll survey's sample-based employment estimates to incorporate the previous year's March universe employment counts in a process known as benchmarking. These universe employment counts are derived principally from state unemployment insurance tax reports that nearly all employers are required to file. By early November of each year, we typically have completed preliminary tabulations of these universe counts for the first quarter of the year. We routinely share our

estimate of the anticipated size of the benchmark revision for the prior March at the time we release our October Employment Situation report.

Preliminary tabulations for the first quarter of 1997 indicate that there was somewhat stronger job growth than previously reported for the 12-month period ending in March 1997. Indications at this time are that the March 1997 payroll employment estimates will be revised upward by approximately 475,000 or four-tenths of one percent. The historical average for benchmark revisions over the past decade has been plus or minus 0.3 percent, with the absolute value of the revisions ranging in size from zero to seven-tenths of one percent. Final benchmark adjustments for March 1997 are scheduled to be formally introduced next June. In the interim, BLS will continue to validate the UI universe counts and other benchmark source material and to conduct detailed analysis of the sources of the revision.

My colleagues and I now would be glad to respond to your questions.

News

United States
Department
of Labor



Bureau of Labor Statistics

Washington, D.C. 20212

Internet address: <http://stats.bls.gov/newsrels.htm>

Technical information:

Household data: (202) 606-6378

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Establishment data:

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Transmission of material in this release is embargoed until 8:30 A.M. (EST), Friday, November 7, 1997.

THE EMPLOYMENT SITUATION: OCTOBER 1997

Nonfarm payroll employment rose, and the unemployment rate declined to 4.7 percent in October, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. The number of payroll jobs increased by 284,000; although gains occurred in many industries, there was a particularly large increase in manufacturing.

Chart 1. Unemployment rate, seasonally adjusted,
November 1994 - October 1997

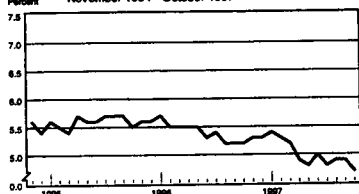
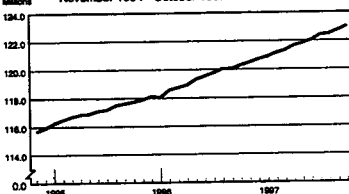


Chart 2. Nonfarm payroll employment, seasonally adjusted,
November 1994 - October 1997



Unemployment (Household Survey Data)

Both the number of unemployed persons and the unemployment rate fell in October. The number of persons who were unemployed, at 6.5 million, was 285,000 below September's level, and the unemployment rate declined by 0.2 percentage point to 4.7 percent. From April through September, the rate had ranged from 4.8 to 5.0 percent. In October, the unemployment rate for adult women declined from 4.4 to 4.0 percent. The rates for adult men (4.1 percent), teenagers (15.3 percent), whites (4.1 percent), blacks (9.5 percent), and Hispanics (8.0 percent) showed little or no movement over the month. (See tables A-1 and A-2.)

Total Employment and the Labor Force (Household Survey Data)

Total employment was about unchanged in October at 129.9 million. At 63.7 percent, the proportion of the population with jobs (the employment-population ratio) has shown little movement since March. Over the past year, total employment has increased by 2.0 million (after adjusting for the effect of the revised population controls introduced into the survey in January). (See table A-1.)

Table A. Major indicators of labor market activity, seasonally adjusted
(Numbers in thousands)

Category	Quarterly averages		Monthly data			Sept.- Oct. change
	1997 ¹		1997 ¹			
	II	III	Aug.	Sept.	Oct.	
HOUSEHOLD DATA						
Labor force status						
Civilian labor force.....	136,157	136,413	136,480	136,467	136,361	-106
Employment.....	129,462	129,742	129,804	129,715	129,894	179
Unemployment.....	6,695	6,671	6,677	6,752	6,467	-285
Not in labor force.....	66,678	66,954	66,884	67,102	67,407	305
Unemployment rates						
All workers.....	4.9	4.9	4.9	4.9	4.7	-0.2
Adult men.....	4.1	4.1	4.1	4.1	4.1	.0
Adult women.....	4.4	4.3	4.4	4.4	4.0	-.4
Teenagers.....	15.9	16.5	16.4	16.7	15.3	-1.4
White.....	4.1	4.2	4.2	4.3	4.1	-.2
Black.....	10.2	9.4	9.3	9.6	9.5	-.1
Hispanic origin.....	7.7	7.6	7.2	7.6	8.0	.4
ESTABLISHMENT DATA						
Employment						
Nonfarm employment.....	121,854	p122,564	122,492	p122,761	p123,045	p284
Goods-producing ²	24,694	p24,745	24,765	p24,756	p24,827	p71
Construction.....	5,616	p5,633	5,637	p5,637	p5,657	p20
Manufacturing.....	18,504	p18,537	18,555	p18,543	p18,597	p54
Service-producing ²	97,159	p97,820	97,727	p98,005	p98,218	p213
Retail trade.....	22,045	p22,185	22,189	p22,208	p22,245	p37
Services.....	35,436	p35,738	35,702	p35,828	p35,928	p100
Government.....	19,594	p19,755	19,804	p19,743	p19,745	p2
Hours of work ³						
Total private.....	34.5	p34.5	34.6	p34.5	p34.5	p.0
Manufacturing.....	42.0	p41.8	41.8	p41.8	p42.0	p0.2
Overtime.....	4.8	p4.7	4.7	p4.7	p4.8	p.1
Earnings ³						
Average hourly earnings, total private.....	\$12.19	p\$12.30	\$12.31	p\$12.35	p\$12.41	p\$0.06
Average weekly earnings, total private.....	420.85	p424.36	425.93	p426.08	p428.15	p2.07

¹ Beginning in January 1997, household data reflect revised population controls used in the survey.

² Includes other industries, not shown separately.

³ Data relate to private production or nonsupervisory workers.

p=preliminary.

About 8.1 million persons (not seasonally adjusted) held more than one job in October. These multiple jobholders comprised 6.2 percent of the total employed. (See table A-9.)

Both the civilian labor force, 136.4 million (seasonally adjusted), and the labor force participation rate, 66.9 percent, were about unchanged from September.

Persons Not in the Labor Force (Household Survey Data)

About 1.3 million persons (not seasonally adjusted) were marginally attached to the labor force in October. These were people who wanted and were available for work and had looked for a job sometime in the prior 12 months, but were not counted as unemployed because they did not search for work in the 4 weeks preceding the survey.

The number of discouraged workers—a subset of the marginally attached who were not currently looking for jobs specifically because they believed no jobs were available for them or there were none for which they would qualify—was 302,000 in October, little changed from a year earlier. (See table A-9.)

Industry Payroll Employment (Establishment Survey Data)

Nonfarm payroll employment rose by 284,000 in October to 123.0 million, after seasonal adjustment. Since December 1996, payroll employment has increased by about 239,000 a month, on average. Job gains were widespread in October and were especially large in manufacturing. (See table B-1.)

Manufacturing employment increased by 54,000 in October. Since the recent trough in September 1996, factory employment has risen by 170,000. In October, half of the increase occurred in just two industries, industrial machinery and transportation equipment. An addition of 13,000 employees in industrial machinery was the second large gain in 3 months. The 16,000 increase in transportation equipment reversed the prior month's decline. Growth continued in the electronic components industry, which has added 36,000 jobs so far this year. Employment gains also occurred over the month in food products (6,000), fabricated metals (4,000), furniture and fixtures (3,000), printing and publishing (3,000), and instruments (3,000).

Construction added 20,000 jobs in October, its largest increase since May. Thus far in 1997, construction employment has increased by only 136,000, compared with 235,000 during the same period in 1996.

Within the service-producing sector, employment in the services industry rose by 100,000 in October, in line with the monthly average for the past year. Strong growth continued in computer services and engineering and management services. Together, these two relatively small industries have accounted for 1 in 9 payroll jobs added in the past year. Employment in health services also continued to grow in October, with a particularly large gain in offices and clinics of medical doctors (12,000).

Employment in the transportation industry increased by 21,000 in October, with the largest gain occurring in air transportation (9,000). Communications added 10,000 jobs, primarily in telephone communications; where employment has grown by 35,000 over the past 12 months. Employment in finance rose by 18,000 in October, with gains in all the component industries except savings institutions. Security and commodity brokerages added 5,000 jobs over the month. The strong growth trend in this industry has accelerated in recent months, as 19,000 jobs have been added since June.

Wholesale trade employment rose by 22,000 in October. Retail trade gained 37,000 jobs, about in line with the pace of growth for the year. Retail employment growth so far in 1997 has lagged behind that for 1996.

Government employment was virtually unchanged over the month, the result of offsetting movements within state and local governments and a continuation of the long-term downward trend in federal employment.

Weekly Hours (Establishment Survey Data)

The average workweek for production or nonsupervisory workers on private nonfarm payrolls was unchanged in October at 34.5 hours, seasonally adjusted. The manufacturing workweek increased by 0.2 hour to 42.0 hours, and factory overtime edged up by 0.1 hour to 4.8 hours. (See table B-2.)

The index of aggregate weekly hours of private production or nonsupervisory workers on nonfarm payrolls increased by 0.2 percent to 140.9 (1982=100), seasonally adjusted. The manufacturing index rose by 0.8 percent to 109.0. (See table B-5.)

Hourly and Weekly Earnings (Establishment Survey Data)

Average hourly earnings of private production or nonsupervisory workers on nonfarm payrolls were up 6 cents in October to \$12.41, seasonally adjusted. This follows increases totaling 11 cents in the prior 2 months. Average weekly earnings rose by 0.5 percent over the month to \$428.15. Over the past year, average hourly earnings have risen by 4.2 percent and average weekly earnings by 4.5 percent. (See table B-3.)

The Employment Situation for November 1997 is scheduled to be released on Friday, December 5, at 8:30 A.M. (EST).

Changes in Establishment-based and Household Data Series

Following usual practice, the 6-month updates to seasonal adjustment factors for the establishment survey data will be introduced with next month's release of November data. These factors will be used for the September 1997 through April 1998 estimates and will be published in the December 1997 issue of *Employment and Earnings*. As a service to users, these factors will be available on November 28, 1 week prior to the release of November estimates, on the Internet (<http://stats.bls.gov/ceshome.htm>) or by calling (202) 606-6521.

Effective with the release of data for December 1997 in January 1998, improvements will be introduced into the composite estimation procedures used in the household survey. These changes will simplify processing of the monthly labor force data at BLS and will allow users of the survey microdata to replicate more easily the official estimates released by BLS. In addition, there will be a slight decrease in the variance of some major estimates, particularly employment levels and the over-the-month change in those levels. The new procedures are expected to produce somewhat lower estimates of the civilian labor force and employment.

Explanatory Note

This news release presents statistics from two major surveys, the Current Population Survey (household survey) and the Current Employment Statistics survey (establishment survey). The household survey provides the information on the labor force, employment, and unemployment that appears in the A tables, marked HOUSEHOLD DATA. It is a sample survey of about 50,000 households conducted by the Bureau of the Census for the Bureau of Labor Statistics (BLS).

The establishment survey provides the information on the employment, hours, and earnings of workers on nonfarm payrolls that appears in the B tables, marked ESTABLISHMENT DATA. This information is collected from payroll records by BLS in cooperation with State agencies. In June 1997, the sample included about 390,000 establishments employing about 48 million people.

For both surveys, the data for a given month relate to a particular week or pay period. In the household survey, the reference week is generally the calendar week that contains the 12th day of the month. In the establishment survey, the reference period is the pay period including the 12th, which may or may not correspond directly to the calendar week.

Coverage, definitions, and differences between surveys

Household survey. The sample is selected to reflect the entire civilian noninstitutional population. Based on responses to a series of questions on work and job search activities, each person 16 years and over in a sample household is classified as employed, unemployed, or not in the labor force.

People are classified as *employed* if they did any work at all as paid employees during the reference week; worked in their own business, profession, or on their own farm; or worked without pay at least 15 hours in a family business or farm. People are also counted as employed if they were temporarily absent from their jobs because of illness, bad weather, vacation, labor-management disputes, or personal reasons.

People are classified as *unemployed* if they meet all of the following criteria: They had no employment during the reference week; they were available for work at that time; and they made specific efforts to find employment sometime during the 4-week period ending with the reference week. Persons laid off from a job and expecting recall need not be looking for work to be counted as unemployed. The unemployment data derived from the household survey in no way depend upon the eligibility for or receipt of unemployment insurance benefits.

The *civilian labor force* is the sum of employed and unemployed persons. Those not classified as employed or unemployed are *not in the labor force*. The *unemployment rate* is the number unemployed as a percent of the labor force. The *labor force participation rate* is the labor force as a percent of the population, and the *employment-population ratio* is the employed as a percent of the population.

Establishment survey. The sample establishments are drawn from private nonfarm businesses such as factories, offices, and stores, as well as Federal, State, and local government entities. *Employees on nonfarm payrolls* are those who received pay for any part of the reference pay period, including persons on paid leave. Persons are counted in each

job they hold. *Hours and earnings* data are for private businesses and relate only to production workers in the goods-producing sector and nonsupervisory workers in the service-producing sector.

Differences in employment estimates. The numerous conceptual and methodological differences between the household and establishment surveys result in important distinctions in the employment estimates derived from the surveys. Among these are:

- The household survey includes agricultural workers, the self-employed, unpaid family workers, and private household workers among the employed. These groups are excluded from the establishment survey.
- The household survey includes people on unpaid leave among the employed. The establishment survey does not.
- The household survey is limited to workers 16 years of age and older. The establishment survey is not limited by age.
- The household survey has no duplication of individuals, because individuals are counted only once, even if they hold more than one job. In the establishment survey, employees working at more than one job and thus appearing on more than one payroll would be counted separately for each appearance.

Other differences between the two surveys are described in "Comparing Employment Estimates from Household and Payroll Surveys," which may be obtained from BLS upon request.

Seasonal adjustment

Over the course of a year, the size of the nation's labor force and the levels of employment and unemployment undergo sharp fluctuations due to such seasonal events as changes in weather, reduced or expanded production, harvests, major holidays, and the opening and closing of schools. The effect of such seasonal variation can be very large; seasonal fluctuations may account for as much as 95 percent of the month-to-month changes in unemployment.

Because these seasonal events follow a more or less regular pattern each year, their influence on statistical trends can be eliminated by adjusting the statistics from month to month. These adjustments make nonseasonal developments, such as declines in economic activity or increases in the participation of women in the labor force, easier to spot. For example, the large number of youth entering the labor force each June is likely to obscure any other changes that have taken place relative to May, making it difficult to determine if the level of economic activity has risen or declined. However, because the effect of students finishing school in previous years is known, the statistics for the current year can be adjusted to allow for a comparable change. Insofar as the seasonal adjustment is made correctly, the adjusted figure provides a more useful tool with which to analyze changes in economic activity.

In both the household and establishment surveys, most seasonally adjusted series are independently adjusted. However, the adjusted series for many major estimates, such as total payroll employment, employment in most major industry divisions, total employment, and unemployment are computed by aggregating independently adjusted component series. For example, total unemployment is derived by summing the adjusted series for four major age-sex components; this

differs from the unemployment estimate that would be obtained by directly adjusting the total or by combining the duration, reasons, or more detailed age categories.

The numerical factors used to make the seasonal adjustments are recalculated twice a year. For the household survey, the factors are calculated for the January-June period and again for the July-December period. For the establishment survey, updated factors for seasonal adjustment are calculated for the May-October period and introduced along with new benchmarks, and again for the November-April period. In both surveys, revisions to historical data are made once a year.

Reliability of the estimates

Statistics based on the household and establishment surveys are subject to both sampling and nonsampling error. When a sample rather than the entire population is surveyed, there is a chance that the sample estimates may differ from the "true" population values they represent. The exact difference, or *sampling error*, varies depending on the particular sample selected, and this variability is measured by the standard error of the estimate. There is about a 90-percent chance, or level of confidence, that an estimate based on a sample will differ by no more than 1.6 standard errors from the "true" population value because of sampling error. BLS analyses are generally conducted at the 90-percent level of confidence.

For example, the confidence interval for the monthly change in total employment from the household survey is on the order of plus or minus 376,000. Suppose the estimate of total employment increases by 100,000 from one month to the next. The 90-percent confidence interval on the monthly change would range from -276,000 to 476,000 (100,000 +/- 376,000). These figures do not mean that the sample results are off by these magnitudes, but rather that there is about a 90-percent chance that the "true" over-the-month change lies within this interval. Since this range includes values of less than zero, we could not say with confidence that employment had, in fact, increased. If, however, the reported employment rise was half a million, then all of the values within the 90-percent confidence interval would be greater than zero. In this case, it is likely (at least a 90-percent chance) that an employment rise had, in fact, occurred. The 90-percent confidence interval for the monthly change in unemployment is +/- 258,000, and for the monthly change in the unemployment rate it is +/- .21 percentage point.

In general, estimates involving many individuals or establishments have lower standard errors (relative to the size of the estimate) than estimates which are based on a small number of observations. The precision of estimates is also improved when the data are cumulated over time such as for quarterly and annual averages. The seasonal adjustment process can also improve the stability of the monthly estimates.

The household and establishment surveys are also affected by *nonsampling error*. Nonsampling errors can occur for many reasons,

including the failure to sample a segment of the population, inability to obtain information for all respondents in the sample, inability or unwillingness of respondents to provide correct information on a timely basis, mistakes made by respondents, and errors made in the collection or processing of the data.

For example, in the establishment survey, estimates for the most recent 2 months are based on substantially incomplete returns; for this reason, these estimates are labeled preliminary in the tables. It is only after two successive revisions to a monthly estimate, when nearly all sample reports have been received, that the estimate is considered final.

Another major source of nonsampling error in the establishment survey is the inability to capture, on a timely basis, employment generated by new firms. To correct for this systematic underestimation of employment growth (and other sources of error), a process known as bias adjustment is included in the survey's estimating procedures, whereby a specified number of jobs is added to the monthly sample-based change. The size of the monthly bias adjustment is based largely on past relationships between the sample-based estimates of employment and the total counts of employment described below.

The sample-based estimates from the establishment survey are adjusted once a year (on a lagged basis) to universe counts of payroll employment obtained from administrative records of the unemployment insurance program. The difference between the March sample-based employment estimates and the March universe counts is known as a benchmark revision, and serves as a rough proxy for total survey error. The new benchmarks also incorporate changes in the classification of industries. Over the past decade, the benchmark revision for total nonfarm employment has averaged 0.2 percent, ranging from zero to 0.6 percent.

Additional statistics and other information

More comprehensive statistics are contained in *Employment and Earnings*, published each month by BLS. It is available for \$13.00 per issue or \$35.00 per year from the U.S. Government Printing Office, Washington, DC 20402. All orders must be prepaid by sending a check or money order payable to the Superintendent of Documents, or by charging to Mastercard or Visa.

Employment and Earnings also provides measures of sampling error for the household survey data published in this release. For unemployment and other labor force categories, these measures appear in tables 1-B through 1-H of its "Explanatory Notes." Measures of the reliability of the data drawn from the establishment survey and the actual amounts of revision due to benchmark adjustments are provided in tables 2-B through 2-G of that publication.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 202-606-STAT; TDD phone: 202-606-5897; TDD message referral phone: 1-800-326-2577.

HOUSEHOLD DATA

HOUSEHOLD DATA

Table A-1. Employment status of the civilian population by sex and age

(Numbers in thousands)

Employment status, sex, and age	Not seasonally adjusted			Seasonally adjusted ¹					
	Oct. 1986	Sept. 1987	Oct. 1987	Oct. 1986	June 1987	July 1987	Aug. 1987	Sept. 1987	Oct. 1987
TOTAL									
Civilian noninstitutional population	201,273	203,570	203,767	201,273	203,000	203,166	203,264	203,570	203,767
Civilian labor force	135,015	136,375	136,895	134,636	136,220	136,290	136,480	136,467	136,261
Participation rate	67.1	67.0	67.1	66.9	67.1	67.1	67.1	67.0	66.9
Employed	126,439	127,872	130,571	127,817	129,364	129,700	129,804	129,715	129,664
Employment-population ratio	62.8	62.8	64.1	63.4	63.7	63.8	63.8	63.7	63.7
Agriculture	3,515	3,589	3,572	3,480	3,391	3,482	3,383	3,430	3,303
Nonagricultural industries	124,924	124,283	127,299	124,337	125,973	126,228	126,421	126,285	126,361
Unemployed	8,577	8,493	8,595	7,919	8,855	8,585	8,677	8,752	8,467
Unemployment rate	4.9	4.7	4.4	5.2	6.0	4.8	4.9	4.9	4.7
Not in labor force	66,258	67,195	67,102	66,637	66,800	66,876	66,804	67,102	67,407
Men, 16 years and over									
Civilian noninstitutional population	95,556	97,946	98,050	95,556	97,649	97,733	97,838	97,946	98,050
Civilian labor force	72,436	73,086	73,845	72,383	73,842	73,230	73,315	73,180	73,333
Participation rate	76.0	74.6	74.8	74.9	75.0	74.9	74.9	74.7	74.8
Employed	69,059	69,890	70,215	68,647	69,597	69,749	69,791	69,630	69,790
Employment-population ratio	71.6	71.4	71.1	71.1	71.2	71.4	71.3	71.1	71.2
Unemployed	3,337	3,178	3,130	3,716	3,674	3,461	3,524	3,551	3,543
Unemployment rate	4.6	4.3	4.3	5.1	5.0	4.8	4.8	4.9	4.8
Men, 20 years and over									
Civilian noninstitutional population	66,840	66,066	65,140	66,840	66,629	66,888	66,982	66,998	66,140
Civilian labor force	46,485	46,204	46,361	46,273	46,187	46,220	46,301	46,171	46,222
Participation rate	77.1	76.8	76.9	76.8	77.0	77.0	77.0	76.8	76.8
Employed	45,864	46,448	46,855	45,636	46,286	46,414	46,461	46,325	46,331
Employment-population ratio	71.1	74.0	74.2	73.5	73.8	73.9	73.9	73.8	73.8
Agriculture	2,478	2,474	2,383	2,400	2,417	2,411	2,350	2,407	2,286
Nonagricultural industries	43,376	44,174	44,491	43,236	43,869	44,003	44,111	43,918	44,043
Unemployed	2,641	2,556	2,508	2,974	2,901	2,789	2,810	2,845	2,871
Unemployment rate	3.9	3.7	3.6	4.4	4.2	4.0	4.1	4.1	4.1
Women, 16 years and over									
Civilian noninstitutional population	104,717	105,623	105,718	104,717	105,351	105,433	105,527	105,623	105,718
Civilian labor force	62,579	63,307	63,321	62,273	62,698	63,080	63,185	63,277	63,027
Participation rate	59.8	59.9	59.9	59.5	59.8	59.8	59.9	59.9	59.8
Employed	58,940	60,282	60,456	58,970	59,796	60,068	60,013	60,078	60,104
Employment-population ratio	56.7	58.6	57.2	56.3	56.8	56.9	56.9	56.9	56.9
Unemployed	3,240	3,225	2,865	3,303	3,122	3,122	3,182	3,201	2,923
Unemployment rate	5.2	5.1	4.5	5.3	5.0	4.9	5.0	5.1	4.6
Women, 20 years and over									
Civilian noninstitutional population	67,250	66,082	66,144	67,250	67,234	67,919	68,000	68,082	66,144
Civilian labor force	38,802	38,705	38,777	38,432	38,207	38,188	38,408	38,483	38,320
Participation rate	57.5	58.6	58.6	57.1	56.8	56.3	56.5	56.6	56.4
Employed	38,179	37,038	37,387	36,881	36,686	36,680	36,919	36,882	36,826
Employment-population ratio	57.7	58.2	58.5	57.2	57.8	57.9	58.0	58.0	58.0
Agriculture	823	886	834	820	740	841	826	841	812
Nonagricultural industries	37,356	36,152	36,552	36,061	35,945	35,844	36,093	36,041	36,014
Unemployed	2,793	2,669	2,390	2,751	2,621	2,501	2,589	2,601	2,395
Unemployment rate	4.6	4.5	4.0	4.7	4.4	4.2	4.4	4.4	4.0
Both sexes, 16 to 19 years									
Civilian noninstitutional population	15,143	15,420	15,483	15,143	15,336	15,359	15,382	15,420	15,483
Civilian labor force	7,818	7,496	7,328	7,831	7,826	7,901	7,771	7,813	7,839
Participation rate	50.3	48.4	48.6	52.4	51.0	51.4	50.5	50.7	50.8
Employed	6,408	6,285	6,419	6,337	6,512	6,608	6,483	6,508	6,537
Employment-population ratio	42.3	40.8	41.5	43.8	42.5	43.0	42.2	42.2	42.9
Agriculture	214	209	174	230	224	229	246	232	233
Nonagricultural industries	6,182	6,076	6,245	6,387	6,279	6,379	6,247	6,266	6,404
Unemployed	1,212	1,181	1,108	1,294	1,314	1,293	1,278	1,305	1,291
Unemployment rate	15.9	15.8	14.7	16.3	16.8	16.4	16.4	16.7	15.3

¹ The population figures are not adjusted for seasonal variation; therefore, identical numbers appear in the unadjusted and seasonally adjusted columns.

NOTE: Beginning in January 1987, data reflect revised population controls used in the household survey.

HOUSEHOLD DATA

HOUSEHOLD DATA

Table A-2. Employment status of the civilian population by race, sex, age, and Hispanic origin

(Numbers in thousands)

Employment status, race, sex, age, and Hispanic origin	Not seasonally adjusted			Seasonally adjusted ¹					
	Oct. 1996	Sept. 1997	Oct. 1997	Oct. 1996	June 1997	July 1997	Aug. 1997	Sept. 1997	Oct. 1997
WHITE									
Civilian noninstitutional population	168,798	170,230	170,427	168,798	169,897	170,010	170,148	170,290	170,427
Civilian labor force	113,630	114,814	114,963	113,625	114,891	114,827	114,849	114,694	114,718
Participation rate	67.4	67.3	67.5	67.3	67.5	67.4	67.4	67.4	67.3
Employed	108,162	110,018	110,623	108,227	109,221	109,863	109,762	109,770	109,685
Employers-population ratio	64.7	64.8	64.9	64.3	64.8	64.8	64.5	64.5	64.5
Unemployed	4,898	4,998	4,300	5,098	4,870	4,774	4,867	4,324	4,734
Unemployment rate	4.1	4.0	3.7	4.5	4.2	4.2	4.2	4.3	4.1
Men, 20 years and over									
Civilian labor force	68,697	69,032	69,214	68,530	69,098	69,096	69,129	69,036	69,070
Participation rate	77.2	77.2	77.4	77.4	77.5	77.4	77.4	77.2	77.2
Employed	65,781	67,188	67,701	65,294	66,991	67,005	67,018	66,901	66,919
Employers-population ratio	75.0	74.8	75.0	74.4	74.7	74.7	74.6	74.4	74.4
Unemployed	1,948	1,887	1,640	2,245	2,107	2,086	2,111	2,134	2,152
Unemployment rate	3.3	3.2	3.1	3.8	3.6	3.5	3.5	3.6	3.6
Women, 20 years and over									
Civilian labor force	48,734	49,214	49,356	48,380	48,224	48,756	48,927	48,997	48,981
Participation rate	60.0	60.3	60.4	60.5	60.1	60.8	60.0	60.0	60.0
Employed	46,847	47,264	47,701	46,439	47,128	47,065	47,123	47,185	47,276
Employers-population ratio	57.7	58.0	58.0	57.2	57.8	57.8	58.2	58.7	58.9
Unemployed	1,888	1,868	1,655	1,941	1,795	1,701	1,803	1,811	1,888
Unemployment rate	3.9	3.8	3.4	4.0	3.7	3.5	3.7	3.7	3.4
Both sexes, 16 to 19 years									
Civilian labor force	6,409	6,347	6,383	6,708	6,679	6,775	6,983	6,983	6,987
Participation rate	53.8	51.9	52.3	61.1	61.9	63.8	64.0	64.5	64.7
Employed	5,576	5,479	5,578	5,794	5,811	5,788	5,941	5,704	5,791
Employers-population ratio	45.7	44.8	45.6	48.5	48.9	47.3	48.2	48.7	47.9
Unemployed	833	888	814	912	868	1,007	951	959	990
Unemployment rate	13.0	13.7	12.7	13.6	12.9	14.9	14.4	14.4	13.4
Men	14.9	13.7	14.2	15.4	15.3	15.4	15.3	14.6	14.6
Women	10.9	13.7	11.0	11.8	12.6	14.3	13.2	14.1	12.0
BLACK									
Civilian noninstitutional population	23,728	24,091	24,117	23,728	23,978	24,006	24,043	24,091	24,117
Civilian labor force	15,370	15,708	15,824	15,276	15,590	15,510	15,624	15,746	15,814
Participation rate	64.8	65.2	65.6	64.4	64.2	64.8	65.7	66.4	65.9
Employed	13,798	14,220	14,308	13,647	13,793	14,063	14,341	14,298	14,045
Employers-population ratio	58.1	59.1	59.3	57.5	57.5	58.5	59.6	59.1	58.2
Unemployed	1,874	1,867	1,418	1,629	1,805	1,455	1,463	1,510	1,469
Unemployment rate	10.2	9.5	8.1	10.7	10.4	9.4	9.3	9.6	9.5
Men, 20 years and over									
Civilian labor force	6,888	7,028	7,204	6,828	6,928	6,957	7,072	7,028	6,940
Participation rate	72.9	73.1	72.9	72.4	72.4	72.6	73.7	72.9	72.2
Employed	6,294	6,494	6,489	6,190	6,296	6,298	6,541	6,489	6,381
Employers-population ratio	66.6	67.4	67.3	65.6	66.8	66.8	68.1	67.2	66.2
Unemployed	694	542	535	639	630	672	532	548	579
Unemployment rate	8.6	7.7	7.6	9.3	9.1	8.2	7.5	7.8	8.3
Women, 20 years and over									
Civilian labor force	7,578	7,810	7,742	7,487	7,615	7,880	7,803	7,818	7,847
Participation rate	63.8	64.8	64.1	63.0	63.5	64.0	64.8	64.9	63.3
Employed	6,905	7,132	7,105	6,822	6,921	7,053	7,146	7,181	7,020
Employers-population ratio	59.1	59.2	59.5	57.4	57.7	58.7	59.4	59.4	58.1
Unemployed	673	678	637	665	694	628	658	637	627
Unemployment rate	8.9	8.7	8.2	9.0	9.1	8.3	8.4	8.4	8.2
Both sexes, 16 to 19 years									
Civilian labor force	934	870	878	951	957	984	928	921	927
Participation rate	37.8	36.1	36.1	36.4	36.4	36.7	36.5	36.3	36.1
Employed	697	603	634	626	677	676	653	616	664
Employers-population ratio	34.9	35.0	35.0	33.1	33.8	33.5	33.2	32.6	32.3
Unemployed	266	267	244	325	281	247	273	305	283
Unemployment rate	33.9	33.7	31.8	34.2	32.7	25.6	29.4	33.1	31.4
Men	35.1	33.0	33.3	36.5	41.1	32.9	33.1	33.7	32.8
Women	32.7	33.7	29.5	31.9	24.5	23.1	28.2	28.4	29.0

See footnotes at end of table.

HOUSEHOLD DATA

HOUSEHOLD DATA

Table A-2. Employment status of the civilian population by race, sex, age, and Hispanic origin — Continued

(Numbers in thousands)

Employment status, race, sex, age, and Hispanic origin	Not seasonally adjusted			Seasonally adjusted ¹					
	Oct. 1986	Sept. 1987	Oct. 1987	Oct. 1986	June 1987	July 1987	Aug. 1987	Sept. 1987	Oct. 1987
	HISPANIC ORIGIN								
Civilian noninstitutional population	19,368	20,464	20,519	19,368	20,293	20,261	20,407	20,464	20,519
Civilian labor force	18,109	18,884	14,002	12,989	13,807	13,998	13,910	13,827	13,911
Participation rate	97.8	97.8	68.3	67.0	68.0	68.1	68.2	67.8	67.8
Employed	12,097	12,892	12,853	11,829	12,756	12,768	12,911	12,780	12,798
Employment-population ratio	62.4	62.9	63.1	61.5	62.9	62.7	63.3	62.5	62.4
Unemployed	1,012	992	1,049	1,061	1,051	1,098	999	1,047	1,112
Unemployment rate	7.7	7.1	7.5	8.2	7.8	7.9	7.2	7.6	8.0

¹ The population figures are not adjusted for seasonal variation; therefore, identical numbers appear in the unadjusted and seasonally adjusted columns. NOTE: Detail for the above race and Hispanic-origin groups will not sum to totals

because data for the "other race" group are not presented and Hispanics are included in both the white and black population groups. Beginning in January 1987, data reflect revised population controls used in the household survey.

Table A-3. Selected employment indicators

(In thousands)

Category	Not seasonally adjusted			Seasonally adjusted					
	Oct. 1986	Sept. 1987	Oct. 1987	Oct. 1986	June 1987	July 1987	Aug. 1987	Sept. 1987	Oct. 1987
CHARACTERISTIC									
Total employed, 18 years and over	128,438	129,972	130,671	127,617	129,384	128,708	129,804	129,715	129,884
Married men, spouse present	42,884	42,825	43,199	42,817	42,448	42,389	42,887	42,827	42,817
Married women, spouse present	32,600	33,007	33,218	32,337	32,519	32,898	32,933	32,843	33,021
Women who maintain families	7,412	7,860	7,888	7,382	7,847	7,901	7,941	7,891	7,886
OCCUPATION									
Managerial and professional specialty	37,212	37,633	38,080	36,917	37,483	37,658	37,776	37,889	37,803
Technician, sales, and administrative support	30,004	30,823	30,630	30,361	30,142	30,183	30,222	30,600	30,591
Service occupations	17,208	17,885	17,887	17,288	17,412	17,623	17,774	17,809	17,710
Precision production, craft, and repair	13,779	13,898	14,110	13,887	14,284	14,282	13,972	13,822	13,984
Operators, fabricators, and laborers	18,652	18,345	18,688	18,256	18,697	18,516	18,470	18,228	18,382
Farming, forestry, and fishing	3,684	3,688	3,489	3,885	3,489	3,554	3,407	3,489	3,384
CLASS OF WORKER									
Agriculture:									
Wage and salary workers	1,849	1,940	1,805	1,813	1,829	1,913	1,841	1,868	1,767
Self-employed workers	1,897	1,688	1,508	1,680	1,404	1,482	1,487	1,527	1,483
Unpaid family workers	89	43	61	71	40	53	61	40	60
Nonagricultural industries:									
Wage and salary workers	115,749	117,280	118,280	115,018	116,653	117,104	117,323	117,288	117,623
Government	18,270	17,979	18,137	18,132	18,099	18,254	18,254	18,033	18,029
Private industries	97,478	99,301	100,143	96,886	98,554	98,798	99,069	99,255	99,594
Private households	1,617	889	883	892	870	910	846	864	885
Other industries	66,482	68,532	69,230	65,884	67,884	67,858	68,122	68,389	68,729
Self-employed workers	8,035	8,335	8,948	8,967	9,128	8,887	8,823	8,826	8,904
Unpaid family workers	140	87	90	137	128	131	129	81	88
PERSONS AT WORK PART TIME									
All industries:									
Part time for economic reasons	3,973	3,639	3,622	4,298	4,025	4,017	3,982	3,918	3,888
Stark work or business conditions	2,053	1,988	1,883	2,258	2,375	2,211	2,122	2,159	2,196
Could only find part-time work	1,802	1,605	1,543	1,883	1,347	1,822	1,819	1,478	1,389
Part time for noneconomic reasons	18,638	18,087	18,001	17,784	18,222	18,015	18,083	17,980	18,131
Nonagricultural industries:									
Part time for economic reasons	3,803	3,475	3,439	4,118	3,782	3,672	3,684	3,728	3,728
Stark work or business conditions	1,949	1,881	1,885	2,147	2,220	2,102	2,037	2,040	2,086
Could only find part-time work	1,576	1,388	1,312	1,697	1,258	1,309	1,485	1,438	1,284
Part time for noneconomic reasons	17,959	17,506	17,582	17,123	17,883	17,418	17,519	17,180	17,549

NOTE: Persons at work exclude employed persons who were absent from their jobs during the entire reference week for reasons such as vacation, illness, or industrial disputes. Part time for noneconomic reasons excludes persons who usually

work full time but worked only 1 to 34 hours during the reference week for reasons such as holidays, illness, and bad weather. Beginning in January 1987, data reflect revised population controls used in the household survey.

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Table A-4. Selected unemployment indicators, seasonally adjusted

Category	Number of unemployed persons (in thousands)			Unemployment rate ¹					
	Oct. 1986	Sept. 1987	Oct. 1987	Oct. 1986	June 1987	July 1987	Aug. 1987	Sept. 1987	Oct. 1987
CHARACTERISTIC									
Total, 16 years and over	7,019	6,732	6,467	5.2	5.0	4.8	4.9	4.9	4.7
Men, 20 years and over	2,574	2,506	2,271	4.4	4.2	4.0	4.1	4.1	4.1
Women, 20 years and over	2,751	2,601	2,390	4.7	4.4	4.2	4.4	4.4	4.0
Both sexes, 16 to 19 years	1,294	1,205	1,201	18.3	18.8	18.4	18.4	18.7	15.3
Married men, spouse present	1,307	1,161	1,137	3.0	2.7	2.8	2.6	2.7	2.8
Married women, spouse present	1,180	1,064	948	3.5	3.2	3.1	3.0	3.1	2.8
Woman who maintains families	686	662	659	8.5	8.0	7.4	8.1	7.7	7.7
Full-time workers	5,884	5,353	5,188	5.1	4.9	4.7	4.7	4.8	4.8
Part-time workers	1,368	1,240	1,281	5.8	5.3	5.4	5.6	5.5	5.2
OCCUPATION²									
Managerial and professional specialty	627	778	690	2.2	2.0	2.0	2.0	2.0	1.8
Technical, sales, and administrative support	1,791	1,575	1,551	4.5	4.3	4.1	4.2	3.9	3.9
Precision production, craft, and repair	794	894	799	8.5	4.7	4.9	4.7	4.8	5.4
Operators, laborers, and laborers	1,521	1,583	1,363	7.7	7.4	7.4	7.7	8.0	7.0
Farming, forestry, and fishing	257	240	285	7.0	6.1	6.0	7.4	6.4	7.8
INDUSTRY									
Nonagricultural private wage and salary workers	5,458	5,280	4,974	5.3	5.0	4.9	5.0	5.1	4.9
Goods-producing industries	1,645	1,479	1,408	5.8	5.2	5.4	5.4	5.2	4.9
Mining	34	19	41	5.8	2.3	2.8	3.3	2.9	6.0
Construction	628	531	597	9.9	6.8	8.7	9.3	8.6	8.7
Manufacturing	863	679	767	6.7	4.1	4.3	4.1	4.2	3.7
Durable goods	548	400	385	4.4	3.5	3.4	3.6	3.3	3.0
Nondurable goods	435	479	403	5.1	5.0	5.5	4.9	5.5	4.7
Service-producing industries	3,811	3,801	3,566	5.1	5.0	4.7	4.9	5.0	4.7
Transportation and public utilities	314	292	338	4.4	3.9	3.4	3.9	3.9	3.2
Wholesale and retail trade	1,840	1,883	1,638	6.2	6.5	6.0	6.2	6.3	6.2
Finance, insurance, and real estate	212	239	225	2.9	2.5	3.2	3.0	3.0	2.9
Services	1,845	1,603	1,499	5.0	4.8	4.5	4.6	4.7	4.3
Government workers	542	485	490	2.9	2.9	2.8	2.8	2.8	2.4
Agricultural wage and salary workers	201	185	184	10.0	10.6	7.5	8.5	8.9	9.8

¹ Unemployment as a percent of the civilian labor force.² Seasonally adjusted unemployment data for service occupations are not available because the seasonal component, which is small relative to the trend-cycle

and irregular components, cannot be separated with sufficient precision.

NOTE: Beginning in January 1987, data reflect revised population controls used in the household survey.

Table A-6. Duration of unemployment

(Numbers in thousands)

Duration	Not seasonally adjusted			Seasonally adjusted					
	Oct. 1986	Sept. 1987	Oct. 1987	Oct. 1986	June 1987	July 1987	Aug. 1987	Sept. 1987	Oct. 1987
NUMBER OF UNEMPLOYED									
Less than 5 weeks	2,291	2,625	2,362	2,598	2,536	2,352	2,980	2,470	2,630
5 to 14 weeks	2,174	1,890	1,822	2,285	2,211	2,071	2,134	2,142	1,883
15 to 26 weeks	2,112	1,882	1,530	2,394	2,023	2,157	2,012	2,127	1,983
27 weeks and over	682	633	631	1,082	1,045	1,082	621	1,026	650
Average (mean) duration, in weeks	11.30	1,049	980	1,232	1,018	1,074	1,082	1,082	1,000
Average (mean) duration, in weeks	16.7	18.0	16.8	16.7	15.1	16.8	15.9	16.0	16.8
Median duration, in weeks	8.1	8.3	7.5	8.3	7.7	8.6	7.8	8.4	7.6
PERCENT DISTRIBUTION									
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Less than 5 weeks	34.8	38.4	36.4	35.9	37.3	35.7	38.5	36.7	40.6
5 to 14 weeks	33.1	29.6	30.1	31.8	32.5	31.5	31.6	31.8	28.9
15 to 26 weeks	32.1	31.0	30.5	32.2	30.3	32.8	29.9	31.6	30.5
27 weeks and over	14.9	14.6	13.9	14.9	15.3	16.5	13.8	15.4	13.7
Average (mean) duration, in weeks	17.2	18.4	18.7	17.3	14.9	16.3	16.0	16.2	16.6

NOTE: Beginning in January 1987, data reflect revised population controls used in the household survey.

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Table A-4. Reason for unemployment

(Numbers in thousands)

Reason	Not seasonally adjusted			Seasonally adjusted					
	Oct. 1986	Sept. 1987	Oct. 1987	Oct. 1986	June 1987	July 1987	Aug. 1987	Sept. 1987	Oct. 1987
NUMBER OF UNEMPLOYED									
Job losers and persons who completed temporary jobs	2,757	2,616	2,625	3,171	3,145	2,903	3,064	3,017	2,806
On temporary layoff	649	585	658	857	825	677	665	676	667
Not on temporary layoff	2,108	2,021	1,967	2,314	2,320	2,028	2,199	2,140	1,920
Permanent job losers	1,476	1,384	1,252	(1)	(1)	(1)	(1)	(1)	(1)
Persons who completed temporary jobs	632	637	606	(1)	(1)	(1)	(1)	(1)	(1)
Job leavers	848	980	760	797	629	622	615	668	723
Reentrants	2,468	2,307	2,225	2,480	2,359	2,244	2,144	2,259	2,245
New entrants	504	501	475	577	481	553	544	561	553
PERCENT DISTRIBUTION									
Total unemployed	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Job losers and persons who completed temporary jobs	41.9	40.9	42.1	45.1	46.2	44.5	46.0	45.0	43.2
On temporary layoff	9.9	8.3	11.1	18.8	13.6	13.4	13.0	13.1	13.4
Not on temporary layoff	32.1	31.6	31.0	31.5	32.6	31.1	33.0	31.9	29.9
Job leavers	12.9	15.3	12.8	11.3	12.2	12.8	13.7	12.9	11.2
Reentrants	27.5	26.0	27.1	35.4	24.6	24.4	22.2	23.7	24.9
New entrants	7.7	7.8	7.9	6.2	7.1	6.5	6.2	6.4	6.6
UNEMPLOYED AS A PERCENT OF THE CIVILIAN LABOR FORCE									
Job losers and persons who completed temporary jobs	2.0	1.9	1.8	2.4	2.3	2.1	2.2	2.2	2.1
Job leavers6	.7	.6	.6	.6	.6	.7	.6	.6
Reentrants	1.8	1.7	1.8	1.8	1.7	1.6	1.6	1.7	1.6
New entrants4	.4	.3	.4	.4	.4	.4	.4	.4

¹ Not available.

NOTE: Beginning in January 1987, data reflect revised population controls used in

the household survey.

Table A-7. Range of alternative measures of labor underutilization

(Percent)

Measure	Not seasonally adjusted			Seasonally adjusted					
	Oct. 1986	Sept. 1987	Oct. 1987	Oct. 1986	June 1987	July 1987	Aug. 1987	Sept. 1987	Oct. 1987
U-1 Persons unemployed 15 weeks or longer, as a percent of the civilian labor force	1.8	1.8	1.8	1.7	1.5	1.6	1.5	1.6	1.6
U-2 Job losers and persons who completed temporary jobs, as a percent of the civilian labor force	2.0	1.9	1.8	2.4	2.3	2.1	2.2	2.2	2.1
U-3 Total unemployed, as a percent of the civilian labor force (official unemployment rate)	4.9	4.7	4.4	5.2	5.0	4.8	4.9	4.9	4.7
U-4 Total unemployed plus discouraged workers, as a percent of the civilian labor force plus discouraged workers	5.1	4.9	4.6	(1)	(1)	(1)	(1)	(1)	(1)
U-5 Total unemployed, plus discouraged workers, plus all other marginally attached workers, as a percent of the civilian labor force plus all marginally attached workers	5.9	5.6	5.3	(1)	(1)	(1)	(1)	(1)	(1)
U-6 Total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers	8.8	8.3	7.9	(1)	(1)	(1)	(1)	(1)	(1)

¹ Not available.

NOTE: This range of alternative measures of labor underutilization replaces the U1-U7 range published in table A-7 of this release prior to 1984. Marginally attached workers are persons who currently are neither working nor looking for work but indicate that they want and are available for a job and have looked for work sometime in the recent past. Discouraged workers, a subset of the marginally

attached, have given a job-market related reason for not currently looking for a job. Persons employed part time for economic reasons are those who want and are available for full-time work but have had to settle for a part-time schedule. For further information, see "BLS introduces new range of alternative unemployment measures." in the October 1985 issue of the Monthly Labor Review. Beginning in January 1987, data reflect revised population controls used in the household survey.

HOUSEHOLD DATA

HOUSEHOLD DATA

Table A-4. Unemployed persons by sex and age, seasonally adjusted

Age and sex	Number of unemployed persons (in thousands)			Unemployment rates ¹					
	Oct. 1996	Sept. 1997	Oct. 1997	Oct. 1996	June 1997	July 1997	Aug. 1997	Sept. 1997	Oct. 1997
Total, 16 years and over	7,019	6,752	6,467	5.2	5.0	4.8	4.9	4.9	4.7
16 to 24 years	2,480	2,410	2,364	11.7	11.5	10.9	11.3	11.3	11.1
16 to 19 years	1,294	1,235	1,201	16.3	16.6	16.4	16.4	16.7	15.3
16 to 17 years	599	640	583	18.0	17.3	17.5	17.7	19.5	17.2
18 to 19 years	708	698	649	15.3	16.3	15.8	15.6	14.8	14.1
20 to 24 years	1,189	1,105	1,162	8.9	8.4	7.7	8.3	8.1	8.6
25 years and over	4,538	4,342	4,099	4.0	3.8	3.7	3.7	3.8	3.6
25 to 34 years	4,053	3,830	3,632	4.2	3.9	3.8	3.8	3.9	3.7
35 years and over	507	518	465	3.2	3.1	3.0	3.0	3.1	2.8
Men, 16 years and over	3,716	3,551	3,543	5.1	5.0	4.8	4.8	4.9	4.8
16 to 24 years	1,370	1,356	1,369	12.3	12.1	11.4	12.0	12.1	12.2
16 to 19 years	742	705	672	18.1	18.0	17.2	17.8	17.5	16.3
16 to 17 years	336	317	310	19.8	19.9	18.6	17.5	16.9	16.0
18 to 19 years	406	387	362	17.1	18.2	18.2	18.1	18.5	14.9
20 to 24 years	628	651	698	8.9	8.2	8.1	8.7	9.1	9.8
25 years and over	2,950	2,177	2,182	3.8	3.7	3.5	3.6	3.5	3.5
25 to 34 years	2,070	1,922	1,862	4.0	3.8	3.6	3.6	3.6	3.6
35 years and over	298	273	271	3.0	3.1	3.0	3.0	2.9	2.9
Women, 16 years and over	3,303	3,201	2,923	5.3	5.0	4.9	5.0	5.1	4.6
16 to 24 years	1,110	1,053	998	11.0	10.8	10.4	10.5	10.3	9.9
16 to 19 years	552	600	529	14.4	14.4	15.5	15.0	15.8	14.3
16 to 17 years	263	323	252	18.2	14.4	16.4	17.8	20.1	16.5
18 to 19 years	287	279	237	13.4	14.3	15.4	13.1	12.6	13.2
20 to 24 years	556	453	467	8.9	8.8	7.5	7.8	7.1	7.3
25 years and over	2,188	2,155	1,926	4.2	3.9	3.9	4.0	4.1	3.6
25 to 34 years	1,974	1,808	1,750	4.4	4.0	4.1	4.1	4.2	3.8
35 years and over	239	245	184	3.4	3.2	3.0	3.0	3.4	2.8

¹ Unemployment as a percent of the civilian labor force.

the household survey.

NOTE: Beginning in January 1997, data reflect revised population controls used in

Table A-6. Persons not in the labor force and multiple jobholders by sex, not seasonally adjusted (Numbers in thousands)

Category	Total		Men		Women	
	Oct. 1996	Oct. 1997	Oct. 1996	Oct. 1997	Oct. 1996	Oct. 1997
NOT IN THE LABOR FORCE						
Total not in the labor force	66,258	67,102	24,120	24,703	42,138	42,387
Persons who currently want a job	5,080	4,485	1,976	1,788	3,104	2,747
Searched for work and available to work now ¹	1,447	1,294	687	561	760	723
Reason not currently looking:						
Discouragement over job prospects ²	374	302	238	181	137	121
Reasons other than discouragement ³	1,073	992	449	380	624	602
MULTIPLE JOBHOLDERS						
Total multiple jobholders ⁴	8,369	8,139	4,378	4,357	3,993	3,781
Percent of total employed	6.5	6.2	6.3	6.2	6.7	6.3
Primary job full time, secondary job part time	4,532	4,584	2,603	2,649	1,929	1,935
Primary and secondary jobs both full time	1,878	1,721	594	514	1,314	1,207
Hours vary on primary or secondary job	277	293	193	206	84	51
	1,640	1,558	894	872	656	598

¹ Data refer to persons who have searched for work during the prior 12 months and were available to take a job during the reference week.² Includes those who think no work available, could not find work, lack schooling or training, employer thinks too young or old, and other types of discrimination.³ Includes those who did not actively look for work in the prior 4 weeks for such reasons as child-care and transportation problems, as well as a small number for

which reason for nonparticipation was not determined.

⁴ Includes persons who work part time on their primary job and full time on their secondary job(s), not shown separately.

NOTE: Beginning in January 1997, data reflect revised population controls used in the household survey.

ESTABLISHMENT DATA

ESTABLISHMENT DATA

Table B-1. Employees on nonfarm payrolls by industry

(in thousands)

Industry	Not seasonally adjusted				Seasonally adjusted					
	Oct. 1996	Aug. 1997	Sept. 1997P	Oct. 1997P	Oct. 1996	June 1997	July 1997	Aug. 1997	Sept. 1997P	Oct. 1997P
Total	121,157	122,248	123,204	124,074	120,248	122,056	122,440	122,432	122,761	123,045
Total private	101,384	103,747	103,709	104,043	100,759	102,417	102,721	102,688	103,016	103,300
Goods-producing	24,816	25,236	25,175	25,165	24,479	24,714	24,713	24,765	24,756	24,827
Mining	576	594	591	590	570	574	574	573	576	573
Metal mining	54.7	55.0	54.1	53.4	54	54	54	54	54	53
Coal mining	94.7	91.6	91.0	90.5	95	92	91	91	91	91
Oil and gas extraction	317.7	325.0	324.3	326.1	315	320	321	321	323	322
Nonmetallic minerals, except fuels	109.4	112.1	111.5	110.3	106	108	108	107	108	107
Construction	5,717	5,980	5,933	5,921	5,467	5,622	5,625	5,637	5,637	5,657
General building contractors	1,297.7	1,369.0	1,350.2	1,350.1	1,265	1,302	1,308	1,306	1,304	1,316
Heavy construction, except building	847.3	837.0	844.5	841.3	771	796	781	784	784	758
Special trade contractors	3,571.7	3,774.2	3,738.2	3,729.8	3,431	3,554	3,556	3,567	3,569	3,583
Manufacturing	18,523	18,572	18,661	18,694	18,442	18,518	18,514	18,565	18,543	18,597
Production workers	12,811	12,912	12,923	12,924	12,731	12,791	12,792	12,915	12,911	12,868
Durable goods	10,806	10,974	10,976	11,006	10,780	10,891	10,910	10,957	10,944	10,990
Production workers	7,402	7,527	7,541	7,565	7,379	7,466	7,482	7,525	7,512	7,558
Lumber and wood products	794.0	814.8	810.9	808.1	785	797	796	799	799	795
Furniture and fixtures	551.1	552.4	551.2	548.3	542	538	541	541	541	542
Stone, clay, and glass products	708.0	711.4	712.6	711.8	707	709	706	711	712	713
Primary metal industries	236.6	235.7	236.3	235.9	(1)	(1)	(1)	(1)	(1)	(1)
Blast furnaces and basic steel products	1,459.9	1,476.2	1,479.7	1,483.3	1,455	1,470	1,468	1,475	1,477	1,481
Fabricated metal products	2,195.5	2,159.3	2,159.0	2,167.4	2,115	2,132	2,155	2,165	2,164	2,177
Industrial machinery and equipment	364.0	363.4	362.5	364.6	364	370	381	385	384	385
Computer and office equipment	1,652.1	1,660.3	1,663.9	1,670.9	1,650	1,651	1,656	1,661	1,663	1,669
Electronic and other electrical equipment	607.9	636.9	638.7	644.7	609	628	632	637	640	645
Electronic components and accessories	1,784.4	1,848.4	1,844.0	1,850.8	1,783	1,824	1,826	1,836	1,839	1,855
Transportation equipment	959.9	963.6	977.3	976.6	959	967	965	965	972	978
Motor vehicles and equipment	470.7	511.6	514.9	519.4	470	505	510	514	515	518
Aircraft and parts	854.6	859.1	858.2	860.7	855	856	859	858	858	861
Instruments and related products	391.2	388.2	397.6	396.7	385	386	389	387	384	383
Miscellaneous manufacturing	7,717	7,698	7,695	7,698	7,692	7,637	7,604	7,598	7,599	7,607
Production workers	5,409	5,385	5,394	5,359	5,332	5,325	5,310	5,290	5,296	5,312
Food and kindred products	1,724.6	1,758.3	1,754.0	1,726.1	1,694	1,692	1,694	1,679	1,683	1,699
Tobacco products	44.1	40.7	42.4	43.7	42	41	41	40	40	41
Textile mill products	620.8	607.7	607.1	604.7	620	607	609	604	606	606
Apparel and other textile products	857.2	812.2	811.0	810.0	849	818	810	810	803	802
Paper and allied products	678.5	679.7	677.3	674.4	679	675	676	676	676	674
Printing and publishing	1,537.3	1,546.4	1,543.0	1,546.8	1,539	1,559	1,549	1,547	1,548	1,551
Chemicals and allied products	1,028.6	1,029.6	1,025.6	1,024.5	1,029	1,027	1,023	1,024	1,025	1,025
Petroleum and coal products	142.9	141.4	140.4	139.2	141	138	138	138	138	137
Rubber and misc. plastics products	987.9	991.9	994.6	995.7	985	989	986	991	993	993
Leather and leather products	94.7	90.5	89.8	90.3	94	92	90	89	89	89
Service-producing	96,341	97,012	96,029	96,000	95,766	97,342	97,727	97,727	96,005	96,218
Transportation and public utilities	6,338	6,274	6,504	6,532	6,293	6,434	6,443	6,299	6,459	6,488
Transportation	4,115	4,018	4,257	4,285	4,072	4,193	4,202	4,049	4,220	4,241
Railroad transportation	232.0	227.3	227.9	229.6	230	230	229	225	226	227
Local and interurban passenger transit	463.9	397.9	476.5	491.9	445	457	461	464	461	462
Trucking and warehousing	1,873.2	1,726.1	1,730.2	1,733.1	1,848	1,696	1,692	1,703	1,708	1,712
Water transportation	173.3	186.6	190.2	179.9	173	176	176	179	176	181
Transportation by air	1,135.6	1,024.2	1,189.9	1,204.1	1,140	1,192	1,193	1,025	1,196	1,205
Pipelines, except natural gas	14.3	14.6	14.2	14.2	14	14	14	14	14	14
Transportation services	423.1	440.9	439.3	442.0	422	436	437	439	439	440
Communications and public utilities	2,223	2,296	2,247	2,247	2,221	2,241	2,241	2,240	2,239	2,247
Communications	1,345.9	1,384.3	1,381.0	1,385.0	1,343	1,372	1,372	1,376	1,375	1,385
Electric, gas, and sanitary services	876.7	871.8	863.6	861.8	878	869	869	864	864	862
Wholesale trade	6,556	6,710	6,701	6,731	6,539	6,654	6,664	6,675	6,689	6,710
Durable goods	3,693	3,672	3,669	3,689	3,637	3,617	3,608	3,657	3,665	3,681
Non-durable goods	2,723	2,738	2,742	2,751	2,701	2,717	2,726	2,718	2,723	2,729

See footnotes at end of table.

ESTABLISHMENT DATA

ESTABLISHMENT DATA

Table B-1. Employees on nonfarm payrolls by industry - Continued
(In thousands)

Industry	Not seasonally adjusted				Seasonally adjusted					
	Oct. 1996	Aug. 1997	Sept. 1997 ¹	Oct. 1997 ²	Oct. 1996	June 1997	July 1997	Aug. 1997	Sept. 1997 ²	Oct. 1997 ²
Retail trade	21,829	22,968	22,893	22,336	21,791	22,079	22,159	22,189	22,208	22,245
Building materials and garden supplies	908.9	950.6	932.6	927.7	905	928	930	929	928	922
General merchandise stores	2,807.0	2,782.7	2,789.4	2,882.5	2,756	2,708	2,803	2,822	2,819	2,822
Department stores	2,465.3	2,438.6	2,446.5	2,535.2	2,416	2,450	2,458	2,470	2,470	2,477
Food stores	3,463.6	3,522.2	3,502.4	3,519.8	3,458	3,487	3,502	3,505	3,502	3,521
Automotive dealers and service stations	2,908.8	2,932.1	2,945.6	2,844.0	2,926	2,916	2,918	2,925	2,930	2,938
New and used car dealers	1,046.5	1,061.9	1,052.2	1,054.2	1,043	1,056	1,055	1,057	1,057	1,061
Apparel and accessory stores	1,101.5	1,100.5	1,083.8	1,098.1	1,107	1,097	1,098	1,102	1,102	1,102
Furniture and home furnishings stores	1,004.1	1,035.5	1,040.6	1,055.0	1,003	1,034	1,042	1,044	1,051	1,051
Eating and drinking places	7,479.3	7,822.8	7,758.7	7,619.0	7,516	7,595	7,639	7,618	7,624	7,624
Miscellaneous retail establishments	2,765.4	2,799.8	2,820.5	2,889.4	2,751	2,825	2,829	2,844	2,854	2,865
Finance, insurance, and real estate	6,822	7,152	7,089	7,090	6,941	7,034	7,058	7,068	7,079	7,102
Finance	3,316	3,439	3,420	3,428	3,330	3,394	3,405	3,414	3,424	3,442
Depository institutions	2,021.0	2,068.7	2,044.9	2,045.9	2,028	2,044	2,048	2,048	2,046	2,053
Commercial banks	1,486.5	1,504.0	1,488.8	1,489.4	1,472	1,487	1,490	1,491	1,490	1,493
Savings institutions	257.5	253.5	256.1	249.7	259	254	253	252	251	251
Nondepository institutions	524.6	550.5	552.9	553.2	538	543	545	549	554	558
Mortgage bankers and brokers	234.5	246.3	247.4	247.1	236	243	243	245	248	250
Security and commodity brokers	559.6	600.4	599.2	603.9	562	586	592	595	600	605
Holding and other investment offices	210.8	223.0	223.2	224.7	212	221	220	222	224	228
Insurance	12.6	12.9	12.9	12.9	12.6	12.6	12.6	12.6	12.6	12.6
Insurance carriers	1,504.9	1,515.6	1,508.7	1,511.7	1,508	1,509	1,509	1,510	1,510	1,512
Insurance agents, brokers, and service	710.0	723.5	720.9	720.9	711	720	721	722	722	721
Real estate	1,391	1,474	1,439	1,429	1,392	1,414	1,423	1,422	1,423	1,427
Services ²	34,923	36,000	35,857	36,189	34,717	35,522	35,684	35,702	35,828	35,928
Agricultural services	859.5	738.6	717.0	712.3	836	686	673	675	681	685
Hotels and other lodging places	1,726.7	1,892.3	1,801.1	1,759.1	1,726	1,744	1,747	1,747	1,750	1,763
Personal services	1,164.2	1,143.4	1,156.6	1,163.1	1,183	1,182	1,182	1,185	1,189	1,190
Business services	7,537.2	7,757.8	7,828.5	7,823.7	7,379	7,845	7,882	7,857	7,711	7,735
Services to buildings	900.1	905.3	906.3	905.2	899	903	901	894	904	902
Personal supply services	2,853.3	2,808.6	2,862.4	2,917.9	2,711	2,748	2,767	2,732	2,741	2,752
Help supply services	2,534.4	2,469.0	2,519.8	2,570.2	2,398	2,407	2,425	2,398	2,407	2,407
Computer and data processing services	1,232.5	1,359.5	1,368.4	1,386.6	1,236	1,337	1,347	1,360	1,373	1,388
Auto repair, services, and parking	1,104.4	1,148.9	1,147.0	1,152.2	1,104	1,131	1,137	1,139	1,144	1,151
Miscellaneous repair services	378.1	391.8	390.1	390.0	376	386	387	388	389	388
Motion pictures	617.7	660.0	642.5	642.8	529	537	539	550	552	551
Amusement and recreation services	1,427.3	1,827.2	1,841.7	1,517.4	1,478	1,581	1,576	1,580	1,572	1,569
Health services	9,529.8	9,734.4	9,719.9	9,757.9	9,532	9,873	9,867	9,712	9,731	9,757
Offices and clinics of medical doctors	1,694.4	1,753.4	1,752.5	1,763.5	1,695	1,740	1,745	1,745	1,752	1,764
Nursing and personal care facilities	1,743.7	1,771.8	1,784.1	1,785.4	1,742	1,781	1,782	1,785	1,783	1,785
Hospitals	3,826.1	3,889.3	3,885.2	3,896.5	3,829	3,869	3,877	3,884	3,891	3,900
Home health care services	871.5	883.8	887.2	892.8	870	882	885	888	890	893
Legal services	931.5	964.6	954.3	959.5	936	953	957	957	962	963
Educational services	2,168.4	1,800.4	2,049.5	2,243.6	2,035	2,074	2,089	2,094	2,095	2,106
Social services	2,426.1	2,455.9	2,488.2	2,518.8	2,422	2,474	2,494	2,497	2,506	2,511
Child day care services	552.3	547.3	595.0	610.2	576	590	594	600	593	594
Residential care	676.2	709.2	704.1	706.4	679	696	702	703	708	711
Museums and botanical and zoological gardens	86.5	94.6	89.9	90.3	86	88	88	88	88	89
Membership organizations	2,179.0	2,244.3	2,186.5	2,198.1	2,189	2,202	2,209	2,206	2,204	2,208
Engineering and management services	2,870.7	3,040.2	3,026.0	3,044.8	2,882	2,988	3,010	3,027	3,038	3,055
Engineering and architectural services	850.5	895.5	893.5	893.0	848	877	876	881	883	891
Management and public relations	892.8	973.0	987.0	978.2	892	950	959	968	965	973
Services, nec	46.8	49.2	48.7	49.6	(1)	(1)	(1)	(1)	(1)	(1)
Government	19,779	18,501	19,495	20,031	19,489	19,639	19,719	19,804	19,743	19,745
Federal	2,718	2,705	2,689	2,699	2,732	2,694	2,689	2,690	2,690	2,687
Federal, except Postal Service	1,866.8	1,851.7	1,839.3	1,818.6	1,879	1,843	1,839	1,830	1,833	1,832
State	4,733	4,411	4,613	4,785	4,618	4,540	4,671	4,664	4,676	4,666
Education	2,050.5	1,674.6	1,906.4	2,097.6	1,922	1,850	1,972	1,961	1,974	1,955
Other State government	2,682.8	2,736.0	2,706.8	2,687.5	2,696	2,690	2,699	2,703	2,702	2,711
Local	12,324	11,385	12,193	12,577	12,139	12,305	12,359	12,450	12,377	12,392
Education	7,052.0	6,763.1	6,704.0	7,223.9	6,787	6,902	6,964	7,030	6,971	6,981
Other local government	5,272.2	5,622.2	5,388.7	5,353.5	5,342	5,403	5,405	5,420	5,406	5,411

¹ This series is not published seasonally adjusted because the seasonal component, which is small relative to the trend-cycle and irregular components, cannot be separated with sufficient precision.

² Includes other industries, not shown separately.
P = preliminary.

ESTABLISHMENT DATA

ESTABLISHMENT DATA

Table B-2. Average weekly hours of production or nonsupervisory workers¹ on private nonfarm payroll by industry

Industry	Not seasonally adjusted					Seasonally adjusted				
	Oct. 1996	Aug. 1997	Sept. 1997 ^P	Oct. 1997 ^P	Oct. 1996	June 1997	July 1997	Aug. 1997	Sept. 1997 ^P	Oct. 1997 ^P
Total private	34.5	35.0	34.7	34.6	34.4	34.6	34.4	34.6	34.5	34.5
Goods-producing	41.5	41.5	41.9	41.6	41.1	41.1	41.2	41.1	41.2	41.3
Mining	45.9	45.6	45.5	45.3	45.4	45.4	45.4	45.5	44.9	44.9
Construction	39.9	39.7	40.0	39.6	38.9	38.9	39.0	38.6	39.0	38.7
Manufacturing	41.9	42.0	42.4	42.2	41.7	41.8	41.8	41.8	41.8	42.0
Overtime hours	4.7	4.9	5.2	5.0	4.5	4.5	4.7	4.7	4.7	4.8
Durable goods	42.7	42.7	43.2	43.0	42.4	42.6	42.6	42.7	42.6	42.8
Overtime hours	4.8	5.2	5.5	5.3	4.7	5.0	5.0	5.0	5.0	5.1
Lumber and wood products	41.4	41.3	41.6	41.4	40.8	41.0	41.1	40.8	40.9	41.0
Furniture and fixtures	40.3	40.5	41.1	40.8	39.6	39.9	40.0	40.0	40.3	39.6
Stone, clay, and glass products	44.0	43.8	44.3	43.9	43.3	42.9	43.1	43.0	43.2	43.1
Primary metal industries	44.4	44.7	45.3	45.1	44.4	44.7	44.4	45.0	44.9	45.1
Blast furnaces and basic steel products	44.4	44.8	45.1	45.1	44.6	44.5	44.3	45.2	44.9	45.5
Fabricated metal products	42.7	42.5	43.0	42.8	42.5	42.4	42.4	42.3	42.3	42.4
Industrial machinery and equipment	42.9	43.1	43.6	43.4	43.0	43.3	43.4	43.4	43.6	43.5
Electronic and other electrical equipment	41.7	41.7	42.2	42.2	41.5	42.0	42.0	41.7	41.7	42.2
Transportation equipment	44.2	44.3	44.4	44.5	44.0	44.2	43.7	44.3	43.7	44.4
Motor vehicles and equipment	45.0	44.7	44.8	45.1	44.8	44.8	44.0	44.7	43.9	45.1
Instruments and related products	41.7	42.1	42.1	42.0	41.8	41.8	41.7	42.3	42.0	42.1
Miscellaneous manufacturing	40.2	40.3	40.8	40.9	39.8	40.1	40.4	40.2	40.3	40.3
Nondurable goods	40.9	40.9	41.4	41.2	40.6	40.6	40.6	40.7	40.8	40.9
Overtime hours	4.4	4.6	4.9	4.8	4.1	4.1	4.3	4.2	4.3	4.4
Food and kindred products	41.7	41.7	42.2	41.9	41.1	40.9	41.1	41.0	41.0	41.3
Tobacco products	41.2	37.8	39.1	39.0	39.8	37.6	36.1	37.5	37.7	38.0
Textile mill products	41.1	41.8	42.0	41.5	40.9	41.2	41.3	41.2	41.5	41.4
Apparel and other textile products	37.6	37.4	37.6	37.6	37.3	37.4	36.9	37.1	37.3	37.2
Paper and allied products	43.6	43.4	44.0	43.8	43.4	43.4	43.5	43.4	43.5	43.6
Printing and publishing	38.4	38.6	39.2	38.9	39.2	38.3	38.4	38.3	38.7	38.6
Chemicals and allied products	43.2	43.0	43.5	43.5	43.1	43.1	43.0	43.3	43.3	43.6
Petroleum and coal products	43.6	43.0	43.2	43.0	(2)	(2)	(2)	(2)	(2)	(2)
Rubber and misc. plastics products	41.6	41.7	41.8	41.8	41.5	41.5	41.7	41.7	41.4	41.8
Leather and leather products	39.0	38.4	39.0	37.9	38.6	38.1	38.4	38.0	38.5	37.6
Service-producing	32.6	33.3	32.8	32.7	32.6	32.9	32.7	32.9	32.7	32.7
Transportation and public utilities	39.7	40.5	39.5	39.4	39.6	39.6	39.0	40.1	39.1	39.3
Wholesale trade	38.3	38.5	38.4	38.5	38.2	38.5	38.3	38.4	38.3	38.4
Retail trade	28.7	29.7	29.0	28.8	28.8	28.9	28.8	29.1	28.8	28.9
Finance, insurance, and real estate	35.7	36.1	35.8	35.8	(2)	(2)	(2)	(2)	(2)	(2)
Services	32.4	32.9	32.5	32.5	(2)	(2)	(2)	(2)	(2)	(2)

¹ Data relate to production workers in mining and manufacturing; construction workers in construction; and nonsupervisory workers in transportation and public utilities; wholesale and retail trade; finance, insurance, and real estate; and services. These groups account for approximately four-fifths of the total employees on private nonfarm

payroll.

² These series are not published seasonally adjusted because the seasonal component, which is small relative to the trend-cycle and irregular components, cannot be separated with sufficient precision.

^P = preliminary.

ESTABLISHMENT DATA

ESTABLISHMENT DATA

Table B-3. Average hourly and weekly earnings of production or nonsupervisory workers¹ on private nonfarm payrolls by industry

Industry	Average hourly earnings				Average weekly earnings			
	Oct. 1986	Aug. 1987	Sept. 1987P	Oct. 1987P	Oct. 1986	Aug. 1987	Sept. 1987P	Oct. 1987P
Total private	\$11.95	\$12.21	\$12.33	\$12.43	\$412.28	\$427.35	\$429.03	\$430.08
Seasonally adjusted	11.91	12.31	12.35	12.41	409.70	425.93	428.08	428.16
Goods-producing	13.62	13.96	14.07	14.10	565.23	579.34	589.53	596.56
Mining	15.54	15.94	16.23	16.18	719.29	728.88	738.47	732.95
Construction	15.75	16.09	16.27	16.30	628.43	638.77	650.80	645.48
Manufacturing	12.83	13.15	13.24	13.29	537.58	552.30	561.38	560.84
Durable goods	13.42	13.71	13.81	13.89	573.03	585.42	596.59	597.27
Lumber and wood products	10.56	10.80	10.87	10.86	437.18	446.04	452.19	449.60
Furniture and fixtures	10.28	10.59	10.71	10.69	414.28	426.90	440.18	434.01
Stone, clay, and glass products	12.91	13.21	13.28	13.31	568.04	578.80	589.30	584.31
Primary metal industries	15.09	15.17	15.26	15.33	670.00	678.10	691.28	691.38
Blast furnaces and basic steel products	17.94	17.97	18.28	18.34	798.54	805.06	824.43	827.13
Fabricated metal products	12.55	12.79	12.86	12.88	535.89	543.58	552.96	551.26
Industrial machinery and equipment	13.70	14.02	14.15	14.18	597.73	604.26	619.77	615.41
Electronic and other electrical equipment	12.53	12.75	12.87	12.91	514.18	531.69	543.11	544.80
Transportation equipment	17.25	17.47	17.62	17.93	768.45	773.92	782.33	797.99
Motor vehicles and equipment	17.73	17.86	18.07	18.50	797.85	798.34	803.64	804.35
Instruments and related products	13.27	13.52	13.67	13.68	553.38	569.19	575.51	574.56
Miscellaneous manufacturing	10.47	10.57	10.65	10.63	420.89	425.97	434.52	434.77
Nondurable goods	12.00	12.33	12.40	12.41	490.80	504.30	513.98	511.29
Food and kindred products	11.16	11.51	11.51	11.47	465.37	479.87	485.72	480.59
Tobacco products	17.73	19.78	18.12	17.74	730.48	747.66	708.49	691.86
Textile mill products	9.73	10.01	10.09	10.06	399.90	418.42	423.78	418.32
Apparel and other textile products	8.03	8.23	8.34	8.36	301.93	307.80	313.58	314.34
Paper and allied products	14.74	15.13	15.19	15.21	642.69	650.64	666.36	666.20
Printing and publishing	12.81	13.07	13.21	13.19	481.90	504.50	517.83	511.77
Chemicals and allied products	16.28	16.57	16.82	16.67	703.30	712.51	722.97	726.81
Petroleum and coal products	19.35	19.99	20.28	20.30	843.66	859.57	876.10	872.90
Rubber and misc. plastics products	11.28	11.57	11.84	11.85	469.25	482.47	487.72	486.97
Leather and leather products	6.71	6.87	6.97	6.99	339.69	340.61	333.73	344.51
Service-producing	11.37	11.82	11.82	11.86	370.66	386.95	387.70	387.82
Transportation and public utilities	14.49	15.00	15.05	15.03	575.25	607.50	595.96	592.18
Wholesale trade	12.94	13.47	13.52	13.54	495.60	516.60	519.17	521.29
Retail trade	8.12	8.29	8.44	8.45	233.04	246.21	244.76	243.36
Finance, insurance, and real estate	12.87	13.35	13.44	13.53	458.46	481.84	481.15	484.27
Services	11.93	12.12	12.37	12.42	386.53	398.75	402.03	403.65

¹ See footnotes 1, table B-2.

P = preliminary.

ESTABLISHMENT DATA

ESTABLISHMENT DATA

Table B-4. Average hourly earnings of production or nonsupervisory workers¹ on private nonfarm payrolls by industry, seasonally adjusted

Industry	Oct. 1996	June 1997	July 1997	Aug. 1997	Sept. 1997 ^P	Oct. 1997 ^P	Percent change from: Sept. 1997-Oct. 1997
Total private:							
Current dollars	\$11.91	\$12.23	\$12.24	\$12.31	\$12.35	\$12.41	0.5
Constant (1982) dollars ²	7.42	7.54	7.53	7.56	7.56	N.A.	(3)
Goods-producing	13.57	13.86	13.88	13.94	13.98	14.07	.5
Mining	15.67	16.12	16.10	16.07	16.20	16.30	.6
Construction	15.58	15.95	15.96	16.03	16.10	16.13	.2
Manufacturing	12.67	13.12	13.11	13.20	13.22	13.35	1.0
Excluding overtime ⁴	12.21	12.42	12.41	12.50	12.50	12.61	.9
Service-producing	11.35	11.69	11.70	11.77	11.81	11.85	.3
Transportation and public utilities	14.43	14.85	14.95	15.01	14.99	14.99	.0
Wholesale trade	12.93	13.42	13.38	13.54	13.52	13.53	.1
Retail trade	8.10	8.30	8.32	8.36	8.42	8.44	.2
Finance, insurance, and real estate	12.66	13.29	13.30	13.49	13.46	13.59	1.0
Services	11.91	12.28	12.26	12.33	12.36	12.42	.5

¹ See footnote 1, table B-2.

² The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) is used to deflate this series.

³ Change was .0 percent from August 1997 to

September 1997, the latest month available.

⁴ Derived by assuming that overtime hours are paid at the rate of time and one-half.

N.A. = not available.

P = preliminary.

ESTABLISHMENT DATA

ESTABLISHMENT DATA

Table B-5. Indexes of aggregate weekly hours of production or nonsupervisory workers¹ on private nonfarm payrolls by industry (1982=100)

Industry	Not seasonally adjusted				Seasonally adjusted					
	Oct. 1996	Aug. 1997	Sept. 1997P	Oct. 1997P	Oct. 1996	June 1997	July 1997	Aug. 1997	Sept. 1997P	Oct. 1997P
Total private	138.6	143.9	142.7	142.7	137.2	140.6	140.2	140.8	140.6	140.9
Goods-producing	114.8	116.7	117.7	116.9	111.4	112.7	112.9	113.0	113.2	113.8
Mining	56.5	57.7	57.4	57.0	55.0	56.3	56.3	56.3	55.7	55.7
Construction	162.5	169.1	168.9	166.8	149.4	152.8	154.1	152.9	154.4	153.7
Manufacturing	108.3	109.3	110.6	110.1	106.9	107.8	107.8	108.1	108.1	109.0
Durable goods	110.2	112.2	113.5	113.4	109.2	111.0	111.1	112.0	111.7	112.8
Lumber and wood products	143.5	146.6	147.1	146.0	139.4	142.2	142.3	141.5	141.9	142.4
Furniture and fixtures	126.3	129.1	130.7	130.5	123.6	126.7	127.3	126.7	126.0	127.3
Stone, clay, and glass products	114.7	114.4	115.5	114.3	110.7	106.7	110.0	106.7	109.9	110.2
Primary metal industries	92.9	94.3	95.8	95.5	92.9	94.0	90.2	95.2	94.8	95.7
Blast furnaces and basic steel products	72.6	73.1	73.7	73.6	72.9	72.3	72.0	73.4	73.4	73.9
Fabricated metal products	116.6	117.7	119.5	119.1	114.9	116.8	116.5	117.2	117.1	117.8
Industrial machinery and equipment	103.9	107.6	109.4	108.9	104.6	108.1	106.5	108.9	108.3	110.0
Electronic and other electrical equipment	108.2	108.5	110.1	110.9	107.5	108.5	109.1	108.9	108.8	110.7
Transportation equipment	123.8	128.6	129.4	130.2	123.1	126.2	125.7	129.7	127.1	130.7
Motor vehicles and equipment	163.9	169.2	167.9	169.0	163.7	165.6	163.1	169.1	164.0	169.6
Instruments and related products	75.3	75.5	75.7	75.5	75.4	75.2	75.1	75.8	75.4	75.6
Miscellaneous manufacturing	104.6	103.2	104.5	105.1	101.5	102.3	103.4	102.5	102.0	101.6
Nondurable goods	105.8	105.4	106.5	105.4	103.9	103.4	103.1	102.6	103.2	103.8
Food and kindred products	120.8	123.9	125.3	121.8	115.7	115.8	115.6	114.8	115.4	116.7
Tobacco products	71.4	58.0	65.9	67.8	63.1	57.8	57.2	57.6	57.9	60.2
Textile mill products	89.9	89.1	89.9	88.3	89.2	88.2	86.5	87.6	88.6	88.4
Apparel and other textile products	77.5	72.6	73.0	73.0	76.0	73.2	72.0	71.7	71.6	71.3
Paper and allied products	110.2	109.6	111.0	110.1	103.4	106.0	109.0	106.5	109.0	110.0
Printing and publishing	124.1	125.3	126.6	126.2	123.6	125.2	125.4	124.5	125.3	125.8
Chemicals and allied products	100.5	100.1	101.5	101.7	100.4	99.7	99.3	100.1	100.8	102.4
Petroleum and coal products	77.8	76.8	76.3	75.7	75.0	74.2	73.5	74.9	74.2	73.2
Rubber and misc. plastics products	144.5	145.2	146.6	146.5	143.4	144.2	144.3	144.9	144.4	145.6
Leather and leather products	43.9	40.5	40.7	40.0	42.7	41.0	40.7	39.7	39.6	39.3
Service-producing	149.5	156.1	153.9	154.3	148.7	153.1	152.5	153.2	152.9	153.1
Transportation and public utilities	129.9	129.1	132.6	132.3	126.5	131.3	129.3	129.2	129.8	130.9
Wholesale trade	124.5	127.5	127.1	127.7	123.7	126.2	126.0	126.5	126.3	126.8
Retail trade	135.5	143.6	139.8	139.3	135.9	136.2	136.2	139.7	138.4	139.2
Finance, insurance, and real estate	124.4	130.5	127.8	128.0	123.8	130.5	127.4	129.4	128.5	127.1
Services	179.7	188.4	185.5	186.9	178.2	184.5	184.4	184.9	184.8	184.6

¹ See footnote 1, table B-2.

P = preliminary.

ESTABLISHMENT DATA

ESTABLISHMENT DATA

Table B-6. Diffusion indexes of employment change, seasonally adjusted
(Percent)

Time span	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Private nonfarm payrolls, 356 industries ¹												
Over 1-month span:												
1993	59.7	61.0	49.6	57.8	61.5	56.2	55.5	68.3	62.2	69.6	61.7	69.3
1994	57.6	61.9	67.1	64.5	67.7	63.9	62.5	62.6	61.4	60.3	63.6	62.4
1995	62.4	60.1	54.5	55.6	48.0	53.9	54.1	59.8	57.0	54.9	57.2	57.9
1996	51.7	64.3	60.1	54.9	62.9	60.5	56.5	59.3	54.4	62.6	58.1	61.0
1997	59.3	59.1	59.0	61.1	57.4	50.7	58.8	58.7	P55.5	P62.6		
Over 3-month span:												
1993	64.7	60.8	60.5	59.6	62.9	63.6	59.6	62.9	64.7	66.9	64.3	63.6
1994	65.3	69.5	70.4	68.7	67.1	67.0	69.1	68.7	65.7	65.6	67.0	66.2
1995	65.4	62.5	58.7	53.2	54.8	52.4	57.9	59.6	59.7	59.0	57.0	56.3
1996	62.8	63.6	62.8	61.2	62.1	63.1	62.6	59.9	62.6	60.4	64.7	65.0
1997	64.6	62.2	64.2	65.6	59.7	58.7	59.1	P63.6	P63.6			
Over 6-month span:												
1993	62.9	64.6	64.3	64.3	62.2	65.6	66.0	64.9	66.3	66.7	66.4	66.2
1994	71.1	69.8	69.8	70.9	70.1	69.8	69.7	69.4	69.4	67.4	67.7	66.2
1995	66.9	61.4	58.1	56.6	58.1	58.1	56.7	59.8	60.3	59.1	61.5	63.3
1996	62.2	63.5	63.5	63.5	62.6	61.2	65.3	63.6	62.6	64.5	64.2	67.4
1997	67.8	66.6	64.5	64.6	64.3	P64.5	P66.9					
Over 12-month span:												
1993	64.9	63.9	64.0	65.4	67.0	67.6	67.6	67.0	70.2	69.5	69.2	70.1
1994	70.2	71.6	71.8	71.8	71.7	71.8	71.5	72.1	70.1	69.5	69.6	65.0
1995	63.6	62.4	62.6	63.3	62.1	61.9	58.7	62.2	62.2	61.1	62.2	63.3
1996	63.5	64.7	62.4	62.9	64.7	64.2	65.0	63.1	63.8	66.7	65.7	65.0
1997	67.3	66.2	P69.8	P69.8								
Manufacturing payrolls, 139 industries ¹												
Over 1-month span:												
1993	52.2	56.6	49.6	44.2	53.2	46.4	49.3	51.8	57.9	52.2	54.0	56.6
1994	55.8	59.0	60.4	58.6	52.9	58.6	59.4	66.1	62.9	55.0	56.6	59.3
1995	54.3	56.1	44.2	51.4	42.1	42.8	43.5	52.2	47.1	50.0	47.5	50.7
1996	45.7	54.3	47.8	39.2	52.2	52.2	44.2	62.9	44.2	50.7	46.6	52.2
1997	54.0	50.4	52.9	62.9	51.4	49.3	51.8	49.6	P64.3	P57.6		
Over 3-month span:												
1993	61.5	59.0	54.0	46.6	48.6	54.3	51.1	58.3	57.2	59.4	54.7	58.3
1994	61.9	64.7	65.5	59.7	57.6	60.1	62.2	57.9	55.0	55.4	60.1	59.4
1995	59.7	50.4	47.5	40.3	42.4	36.3	38.5	43.9	49.3	46.4	45.3	43.9
1996	47.5	47.8	42.1	38.5	43.2	45.0	48.9	43.2	50.4	46.4	52.5	52.5
1997	53.2	51.4	50.7	52.5	48.6	48.9	48.6	P63.2	P54.7			
Over 6-month span:												
1993	55.8	58.6	58.6	55.8	51.8	57.2	59.7	57.2	57.6	58.3	62.6	60.8
1994	62.2	62.2	62.6	63.3	59.4	56.5	56.5	58.6	58.6	55.0	58.3	56.0
1995	55.8	48.6	43.9	38.8	39.2	39.6	38.8	39.6	43.9	45.0	44.2	44.6
1996	41.4	41.7	41.0	38.1	39.6	40.6	47.5	46.8	45.3	50.4	48.2	53.2
1997	53.2	53.2	50.4	49.3	48.6	P51.4	P57.2					
Over 12-month span:												
1993	56.8	57.9	55.8	58.6	57.2	57.6	59.6	60.0	61.2	59.7	60.1	57.6
1994	57.9	58.6	60.8	60.8	60.8	63.3	59.4	60.1	57.2	56.5	50.4	49.6
1995	48.0	44.2	46.0	47.8	41.0	41.7	38.6	38.6	36.3	37.4	38.1	39.9
1996	39.6	42.8	39.2	39.6	42.4	40.3	43.5	40.3	43.5	46.8	46.4	47.1
1997	51.4	47.8	P52.5	P55.4								

¹ Based on seasonally adjusted data for 1-, 3-, and 6-month spans and unadjusted data for the 12-month span. Data are centered within the span.
P = preliminary.

NOTE: Figures are the percent of industries with employment increasing plus one-half of the industries with unchanged employment, where 50 percent indicates an equal balance between industries with increasing and decreasing employment.



Center for National Policy

EMBARGOED FOR RELEASE
October 17, 1997

CONTACT: AMY GALGON
202/682-1800

JOB QUALITY LAGS WHILE ECONOMY BOOMS

*Job Quality Index Shows That Employment Gains
Are Not Translating Into Widespread Compensation Gains*

WASHINGTON, DC – The Center for National Policy's *Job Quality Index (JQI)* for the third quarter of 1997 helps explain recent Census Bureau data showing that median family income remains below 1989 levels despite 78 months of robust economic growth. Although record job creation has pushed the unemployment rate below 5 percent, average real wages have remained almost flat throughout this expansion. Moreover, fewer and fewer jobs are providing basic health and pension coverage.

The Center's *JQI*, developed by Harvard labor economist James Medoff, tracks the economy-wide impact on compensation of monthly changes in employment by occupation and industry. The *JQI* measures how the changing distribution of jobs across the economy impacts the quality of compensation for workers on average.

"The *JQI* data show the economy is creating millions of new jobs that pay, on average, somewhat less than the old jobs of the 1980s. In addition," Medoff said, "the new jobs are less likely to offer either health or pension benefits. The Census data for 1996 suggests that these new jobs with lower pay and no benefits are going disproportionately to workers from families in the bottom 60 percent of the income scale. The unusual result is the lowest unemployment rate in 24 years combined with income inequality that remains near the postwar high reached a few years ago."

"This is the first prolonged economic expansion in which real hourly wages and median family income have taken this long to recover from losses in the prior recession," Medoff added. Census Bureau income data for 1996, released September 29, confirmed that median family income – the income of families halfway up the income ladder – increased 1.2 percent above 1995 levels, but remained 2.3 percent (or \$990, in 1996 dollars) below the level reached in 1989, before the last recession.

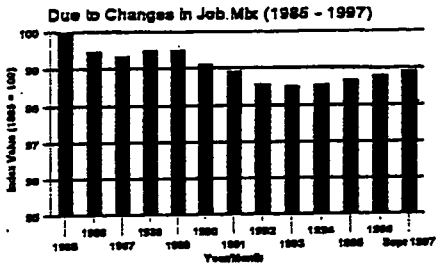
"The post-1980 trend in employee compensation is troubling," Medoff said. "The social implications of the steady erosion in employer-paid health insurance and retirement savings are quite profound. What we are seeing is the continued replacement of unionized manufacturing jobs, which paid solid wages and basic benefits, with non-union service sector jobs which are far less likely to offer a living wage or basic benefits."

(more)

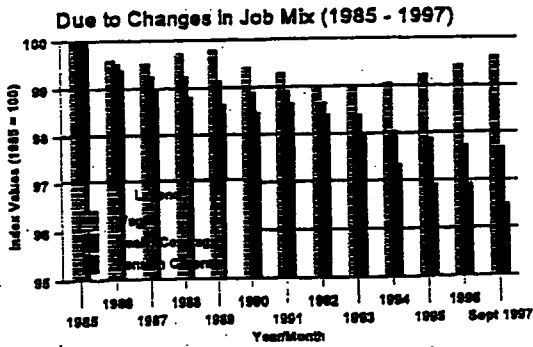
Center for National Policy

One Massachusetts Avenue, NW, Suite 333 • Washington, DC 20001 • Phone (202) 682-1800 • Fax (202) 682-1318
E-mail: cnp@access.digex.net • Internet Homepage: <http://www.access.digex.net/~cnp/index.html>

JQI: Trends in Total Compensation



JQI: Components of Compensation



JQI: Index Values for Components of Compensation and Total Employment

Period Ending	Total Comp.	Avg. Wages	Avg. Health-Ins.	Avg. Pension	Total Jobs
1985	100.00	100.00	100.00	100.00	100.00
1990	99.11	99.41	98.90	98.46	112.34
1995	98.67	99.23	97.87	96.92	120.34
1996	98.79	99.43	97.73	96.62	122.72
March 1997	99.14	99.81	97.79	96.60	124.60
June	98.94	99.59	97.68	96.44	125.33
September	98.90	99.60	97.68	96.47	125.99

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Center for National Policy

FOR IMMEDIATE RELEASE
OCTOBER 28, 1997

CONTACT: AMY GALGON
202/682-1800

Warning Signs: Weak Consumer Fundamentals Could Make a Post-Crash Slowdown More Likely

Job Quality Index Shows Pay and Benefits Below 1989 Levels

WASHINGTON -- While today's Employment Cost Index (ECI) report, released quarterly by the federal Bureau of Labor Statistics, shows a modest real wage gain for American workers (0.8 percent), the bigger story is that yesterday's stock market plunge is one of several warning signals that the current U.S. economic expansion may be the first in history to end without boosting total compensation for the majority of workers. If so, any economic slowdown could become more severe because of a lack of purchasing power among U.S. consumers who are already carrying record debt.

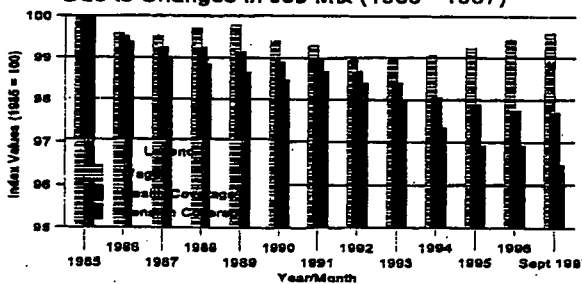
CNP's *Job Quality Index* for the third quarter shows that the economy's changing job mix is leaving workers less well off, on average, than in 1989 because of low-end wage stagnation and a steady

erosion in employer-paid health and benefit coverage. Real wages and median household incomes remain below 1989 levels.

Meanwhile, Americans are spending a record 18 percent of their disposable incomes paying interest on \$5.4 trillion in personal debt.

Census data on retail sales shows consumer momentum is slowing, while manufacturing capacity is rising at the fastest pace in 28 years.

JQI: Components of Compensation Due to Changes in Job Mix (1985 - 1997)



- more -

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At a CNP policy forum last Wednesday, former Labor Secretary Robert Reich warned that a number of economic signals are flashing a warning sign that the U.S. may be heading for a slowdown that could rekindle widespread economic anxiety and drag down consumer confidence. Although Reich, a CNP National Fellow and professor at Brandeis University, did not predict a recession, he noted that the combination of global over-capacity, rising interest rates, Asian currency deflations and record levels of U.S. consumer debt could combine to throw the economy off track — especially if the Federal Reserve responds to tightening U.S. labor markets with another pre-emptive interest rate hike.

An economic slowdown or outright recession could wipe out the very recent and gradual wage gains that have nevertheless left median family incomes — the income of families halfway up the income ladder — 2.3 percent (or \$990) below 1989 levels (the peak of the last business cycle), according to Census Bureau income data for 1996. Although record job creation has pushed the unemployment rate below 5 percent, real wages have remained flat throughout this expansion.

A slowdown would be particularly hard on the unemployed and on part-time and contingent workers looking

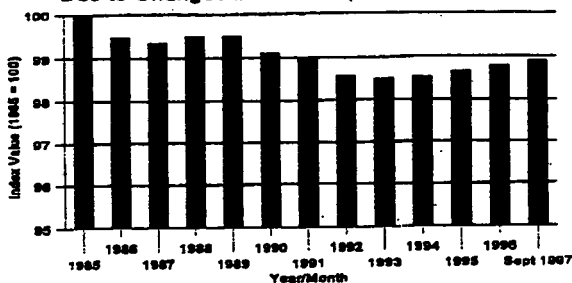
for permanent jobs. Each one-tenth of 1 percent increase in unemployment represents the loss of 130,000 jobs — and a permanent loss of production and income for the economy.

Disinflation, trade expansion, deregulation, rapid technological innovation, and more flexible labor markets are all cited in explaining this decade's near-record-long expansion with its combination of continued low unemployment and low inflation. How is it possible that the nation's economic fundamentals are the best in a generation, but 60 percent of the population is barely benefitting?

According to Harvard economist James Medoff, the CNP National Fellow who developed CNP's *Job Quality Index (JQI)*, a big part of the answer lies in the changing mix of jobs by occupation and industry. "JQI data show the U.S. economy is creating millions of new jobs that pay, on average, somewhat less than the old jobs of the 1980s," Medoff concluded in releasing the third quarter JQI.

The JQI tracks how the changing distribution of jobs across the economy, by occupation and industry, impacts the quality of compensation for workers on average. In contrast, the government's ECI (also released quarterly), measures changes in the aggregate cost of labor compensation by assuming that the job mix by occupation and industry has not changed since the 1990 census.

JQI: Trends in Total Compensation Due to Changes in Job Mix (1985 - 1997)



- more -

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What aggravates this trend is that the new jobs are less and less likely to offer either health coverage or retirement benefits, as the bar chart above shows. "The current trend in employee compensation is very troubling," Medoff said. "Employer-paid health insurance and pension benefits are steadily eroding. What we are seeing is the continued replacement of mostly unionized manufacturing jobs, which paid solid wages and benefits, with non-union service sector jobs, which on average are far less likely to offer a living wage or basic benefit protection."

One contributing cause to what Reich has called "down-waging" and "down-benefiting" is the practice of reclassifying lower-skilled workers into a contingent status with lower pay and few, if any, benefits. At CNP's forum last week, Reich debated that issue with Mitchell Fromstein, the Chairman and CEO of Manpower, Inc. Reich maintains that companies increasingly cut short-term costs by reorganizing full-time work into part-time, temporary and contractual jobs that are both less secure and less well compensated.

Nearly 30 percent of the U.S. workforce currently is employed in "nonstandard" work arrangements. While a majority of part-timers and independent contractors prefer nontraditional employment and are well compensated, most "contingent" workers – including most of the nation's two million "temps" and two million "on-call" workers – would prefer traditional employment relationships. Temps have the lowest rates of health coverage and earn only 60 percent of what full-time workers earn on average, according to a recent study by the Economic Policy Institute. The EPI study, based on Census data, found that 58 percent of nonstandard workers are in the lowest quality jobs and suffer substantial pay and benefit penalties compared to workers in traditional jobs with similar qualifications.

Whether or not the emerging "New Economy" represents, as optimists claim, a golden age of steady growth without inflation, may depend on whether the U.S. can find a way to convert aggregate growth into a more broadly-shared prosperity. The current glut in global production capacity is beginning to suggest that deflation may be a greater immediate threat to the U.S. economy than inflation – and that faster wage growth and increased purchasing power among the mass of Americans may be essential to keep the good times rolling, just as it did in the 1950s and 1960s.

JQI: Index Values for Components of Compensation and Total Employment

Period Ending	Total Comp.	Ave. Wage	Ave. Hlth-Ins	Ave. Pension	Total Jobs
1985	100.00	100.00	100.00	100.00	100.00
1990	99.11	99.41	98.90	98.46	112.34
1995	98.67	99.25	97.87	96.92	120.34
1996	98.79	99.43	97.73	96.62	122.72
March 1997	99.14	99.81	97.79	96.60	124.60
June	98.94	99.59	97.68	96.44	125.33
September	98.90	99.60	97.68	96.47	125.99

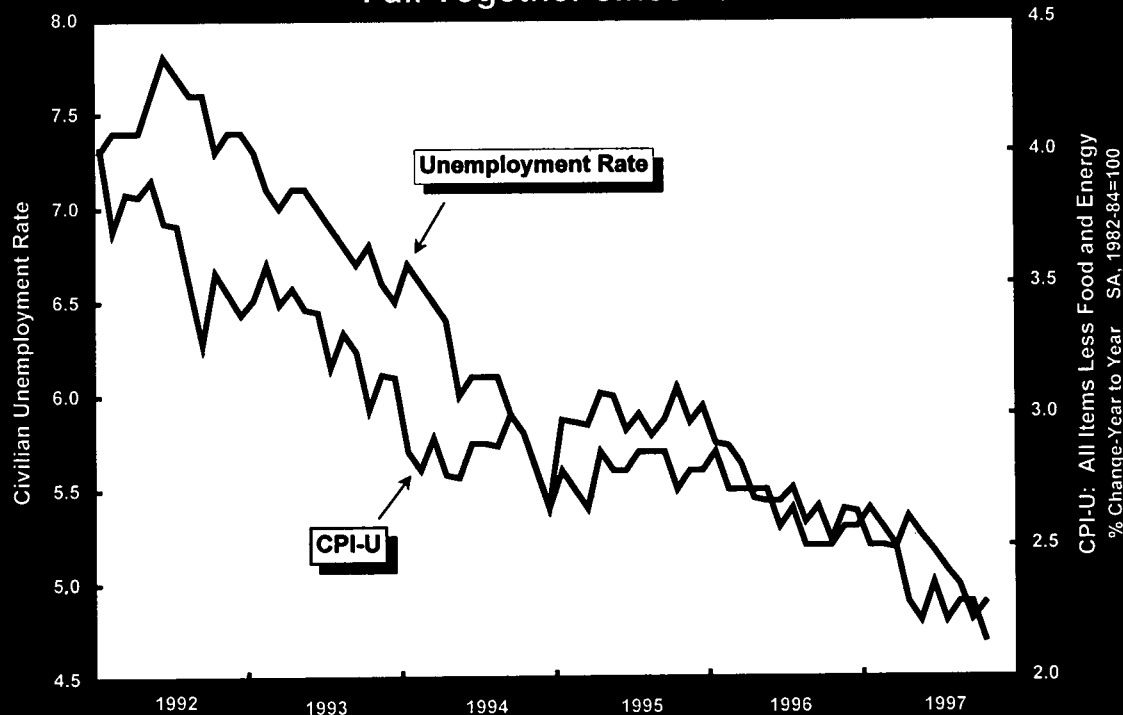
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Inflation and the Unemployment Rate Fall Together since 1992



Source: St. Louis Federal Reserve Board and JEC Staff calculations.

U. S. Department of Labor

Commissioner for
Bureau of Labor Statistics
Washington, D.C. 20212

DEC 19 1997

Honorable James Saxton
Chairman, Joint Economic Committee
House of Representatives
Washington, D.C. 20515

Dear Chairman Saxton:

At the November 7 hearing of the Joint Economic Committee you requested further information on the payroll employment gains in the construction and manufacturing industries. I have enclosed a table that provides that information.

You also asked about the proportion of recent employment growth that was in service-producing industries. For the 12-month period ending in November, service-producing industries accounted for 87.5 percent of total payroll employment growth.

I hope that this information is helpful to you. Please let me know if I can be of any further assistance. Philip Rones, Assistant Commissioner for Current Employment Analysis, can be reached at 202--606-6378 and would be happy to answer any follow up questions that you or your staff may have regarding these data.

Sincerely yours,

A handwritten signature in cursive script that reads "Katharine Abraham".

KATHARINE G. ABRAHAM
Commissioner

Enclosure

Employees on nonfarm payrolls in selected industries, seasonally adjusted

Characteristic	Total	Construction	Manufacturing	Service-producing industries
Employment (In thousands)				
November 1996	120,450	5,495	18,442	95,942
September 1997	122,792	5,642	18,553	98,021
October 1997	123,079	5,650	18,591	98,264
November 1997	123,483	5,679	18,635	98,596
Change in payroll employment (In thousands)				
November 1996 - November 1997	3,033	184	193	2,654
September 1997 - October 1997	287	8	38	243
October 1997 - November 1997	404	29	44	332
Percent change in payroll employment				
November 1996 - November 1997	2.5	3.3	1.0	2.8
September 1997 - October 1997	0.2	0.1	0.2	0.2
October 1997 - November 1997	0.3	0.5	0.2	0.3

Source: Bureau of Labor Statistics, Current Employment Statistics Survey

DEC 30 1997

Honorable Carolyn B. Maloney
House of Representatives
Washington, D.C. 20515-4709

Dear Congresswoman Maloney:

I am responding to the request you made during my recent testimony at the Joint Economic Committee for labor force information on the City of New York. I am enclosing a one-page analysis of the employment situation for the City accompanied by two tables of data. The first table shows annual average labor force data for 1990-96 and seasonally adjusted monthly data for 1996-97. The second table shows labor force participation rates, employment-to-population ratios, and the unemployment rate for four demographic groups for the City based on 1996 annual average data.

Please let me know if I may be of further assistance.

Sincerely yours,

KATHARINE G. ABRAHAM
Commissioner

Enclosures

Employment Situation for New York City

Unemployment

Historical and Geographic Perspective: Unemployment in New York City has been above the national average for most of the past 30 years, with 1987-88 being the most notable exception. The jobless rate in the City began to rise before the national rate started to increase in mid-1990 and, unlike most areas, has failed to return to pre-recessionary levels. The trend of unemployment in the City in the 1990's has paralleled that of Los Angeles. In 1996, New York City's unemployment rate (8.8 percent) was about the same as that of Detroit, Los Angeles, and Washington, D.C. In all of these cities except Detroit, the 1996 rate remained well above the respective 1990 figure.

Recent Situation: New York's jobless rate has edged up over the past two years as the national rate has declined. Though the data for 1997 show a decline from 10.0 percent (seasonally adjusted) in June, the rate has been above 9.0 percent all year, averaging 9.6 percent for 10 months. October's rate was 9.1 percent.

Demographics

New York City's labor force participation rates and employment-population ratios are substantially lower than the U.S average, and unemployment rates noticeably higher, for all major demographic groups. The City's unemployment rates are also well above the national average for most major industries and occupations. A substantially larger-than-average share of New York's labor force, and the occupations within it, is comprised of blacks and Hispanics. Non-BLS data show that immigrants continue to comprise a very large share of the City's population, regardless of ethnic or racial group.

Establishment Employment

Nonagricultural employment in 1997 is at its highest level since 1990, but still about 175,000 lower, on average, than that year's levels, and lower than in most years of the past half century. Construction employment has grown slowly for over four years, but remains nearly 25 percent below the levels of the late 1980's. Manufacturing, on the other hand, continues its long-term decline, having lost about 75 percent of its jobs since 1950. Finance is having its best year since 1994, but employment is still off about 15 percent from the record high of 1987. Services employment is now at an all-time high, up about 40,000, on average, from last year.

Labor Force Data for New York City

Monthly Data are Seasonally Adjusted

Year	Period	Labor Force	Employment	Unemployment	
				Level	Rate
90	Avg	3,333,507	3,102,584	230,923	6.9
91	Avg	3,275,979	2,990,626	285,353	8.7
92	Avg	3,262,084	2,902,214	359,870	11.0
93	Avg	3,236,693	2,901,209	335,484	10.4
94	Avg	3,220,889	2,940,506	280,383	8.7
95	Avg	3,203,639	2,942,103	261,536	8.2
96	Jan	3,250,318	2,975,097	275,221	8.5
96	Feb	3,257,515	2,980,153	277,362	8.5
96	Mar	3,274,589	2,984,523	290,066	8.9
96	Apr	3,274,259	2,988,972	285,287	8.7
96	May	3,283,041	2,998,121	284,920	8.7
96	Jun	3,292,809	3,005,325	287,484	8.7
96	Jul	3,302,308	3,012,374	289,934	8.8
96	Aug	3,302,631	3,013,622	289,009	8.8
96	Sep	3,308,265	3,017,925	290,340	8.8
96	Oct	3,315,262	3,021,385	293,877	8.9
96	Nov	3,326,569	3,024,687	301,882	9.1
96	Dec	3,333,296	3,028,011	305,285	9.2
96	Avg	3,293,327	3,004,195	289,132	8.8
97	Jan	3,313,666	2,999,609	314,057	9.5
97	Feb	3,328,127	3,013,552	314,575	9.5
97	Mar	3,331,198	3,007,873	323,325	9.7
97	Apr	3,325,172	3,002,727	322,445	9.7
97	May	3,327,629	3,009,675	317,954	9.6
97	Jun	3,340,387	3,007,081	333,306	10.0
97	Jul	3,337,494	3,019,376	318,118	9.5
97	Aug	3,343,808	3,025,093	318,715	9.5
97	Sep	3,350,751	3,040,276	310,475	9.3
97	Oct p	3,354,872	3,050,662	304,210	9.1

p=Preliminary

Source: Bureau of Labor Statistics
Local Area Unemployment Statistics
December 10, 1997

**Labor Force Participation Rates, Employment-Population Ratios, and Unemployment Rates
by Major Demographic Group for New York City**

Annual Averages for 1996

Population Group	Labor Force Participation Rate	Employment- Population Ratio	Unemployment Rate
Total	56.7	51.7	8.8
White	55.7	51.6	7.4
Black	55.4	48.4	12.5
Hispanic origin	52.7	47.0	10.8

Source: Bureau of Labor Statistics
Current Population Survey
December 10, 1997



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