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Statement of

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Nonfarm payroll employment rose by 215,000 in November, and the unemployment rate, at 5.0 percent, was unchanged over the month.

The November employment increase follows little job growth in September (+17,000) and October (+44,000), as revised. The September weakness was clearly associated with the devastating direct effects of Hurricane Katrina, and it is possible that October's job growth was held down somewhat by the indirect effects of Hurricanes Katrina and Rita. To put the November increase in perspective, from January through August of this year, payroll employment growth averaged 196,000 per month.

Looking at some of the industry detail from the payroll survey, there were over-the-month gains across a wide array of industries. Construction employment rose by

37,000 in November, following a gain of 35,000 in October. For the 12 months prior to October, construction employment expanded by an average of 24,000 per month. Some of the recent job gains in construction reflect rebuilding and clean-up efforts following Hurricanes Katrina, Rita, and Wilma. In November, for example, there was a substantial employment increase in heavy construction, which includes utility, road, and other major infrastructure work.

Education and health services added 36,000 jobs over the month, in line with recent trend growth in the industry. The bulk of November's job growth occurred in health care and social assistance (+27,000). Over the 12 months ending in November, 263,000 jobs have been added in health care and 74,000 jobs in social assistance.

In November, job growth resumed in food services and drinking places (+39,000). Employment fell in this industry in each of the prior 2 months; at least some of these declines were hurricane related. For the 12 months ending in August, employment in food services expanded by 283,000.

In professional and business services, job gains continued in architectural and engineering services, computer systems design, and management and consulting

services. Job growth in temporary help services was weak for the second month in a row.

Wholesale trade employment continued to trend up; nearly all of the over-the-month gain occurred in durable goods distribution. In retail trade, overall employment was basically unchanged in November. A job gain in building material and garden supply stores was offset by a loss among automobile dealers. For auto dealers, the November job decline was the second in a row.

The number of factory jobs edged up in November, reflecting small gains in a number of durable goods manufacturing industries. Noteworthy increases occurred in wood products and in computer and electronics. The factory workweek fell by 0.2 hour over the month, following a 0.3-hour increase in October.

Average hourly earnings of production or nonsupervisory workers on private nonfarm payrolls rose by 3 cents in November to \$16.32, following a 10-cent jump in October (as revised). Over the year, average hourly earnings were up by 3.2 percent.

Looking at some of the measures obtained from the survey of households, the unemployment rate, at 5.0 percent, was unchanged in November. The jobless rate has held at or near this level since May. Unemployment rates

for most major worker groups showed little or no change over the month, although the rate for blacks rose to 10.6 percent. The labor force participation rate held steady over the month at 66.1 percent, and the employment-population ratio was essentially unchanged at 62.8 percent.

Last month we released our first set of data from a special series of questions added to the household survey to identify and gather information from survey respondents who had evacuated from their homes because of Hurricane Katrina. As we emphasized last month, the estimates are not representative of all evacuees, but only those who were interviewed through normal household survey procedures. We do not gather information on those evacuees who remain outside the scope of the survey, such as those currently living in hotels or shelters.

The November update of these data indicates that there were nearly 900,000 persons age 16 and over who evacuated from where they were living in August due to Hurricane Katrina. Half of these persons had returned to the home from which they had evacuated by November; the other half had not returned.

Of the 900,000 evacuees identified in the November survey, a little more than half were in the labor force with an unemployment rate of 20.5 percent. Consistent with

the October estimates, the November data show that the jobless rate for those who had not returned home (27.8 percent) was well above the rate for those who had returned to their August place of residence (12.5 percent).

In summary, employment rose in November (+215,000), following 2 months when job growth was held down by the direct and indirect effects of the hurricanes that struck the Gulf Coast. The unemployment rate held at 5.0 percent.