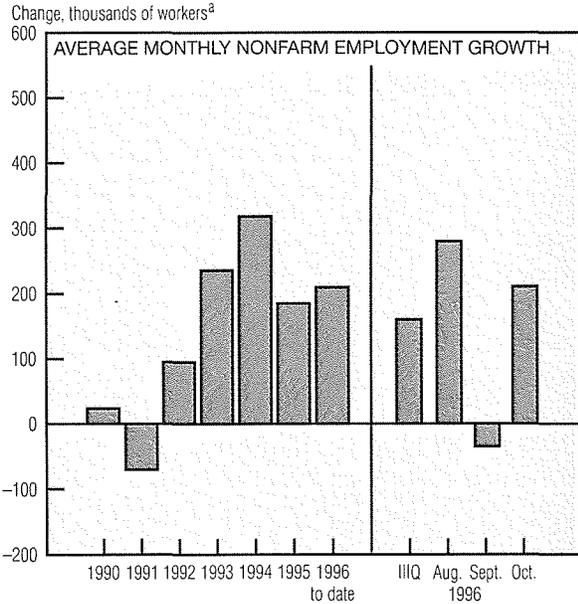
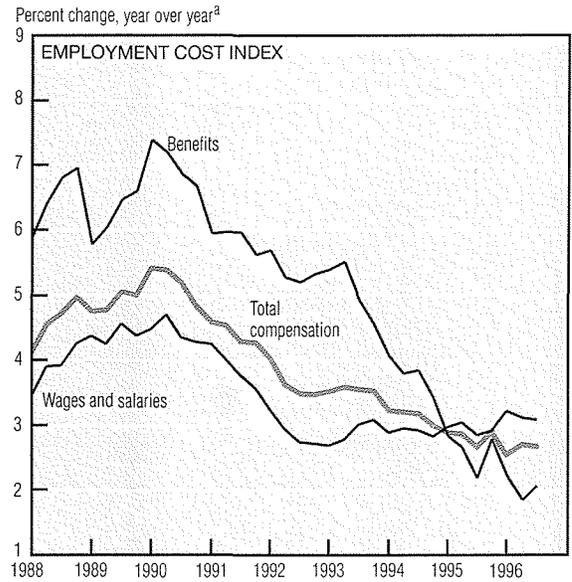
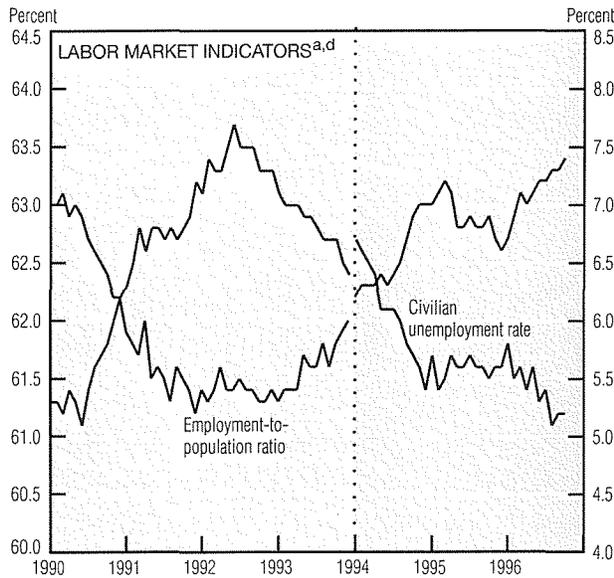


# Labor Markets



**Labor Market Conditions<sup>a</sup>**

	Average monthly change (thousands of employees)				
	1995	1996			
	Year	IIIQ	Aug.	Sept.	Oct.
Payroll employment	185	160	280	-35	210
Goods-producing	-5	-10	34	-53	17
Manufacturing	-12	-22	24	-59	6
Construction	9	15	10	8	10
Service-producing	190	170	246	18	193
Services	110	70	84	56	119
FIRE <sup>b</sup>	4	12	12	4	26
Retail trade	36	44	1	27	62
Government	9	31	122	-67	-40
Household employ.	34	253	171	313	259
Average for period					
Civilian unemployment rate (%)	5.6	5.2	5.1	5.2	5.2
Mfg. workweek (hours) <sup>c</sup>	41.6	41.7	41.7	41.8	41.6



a. Seasonally adjusted.  
b. Finance, insurance, and real estate.  
c. Production and nonsupervisory workers.  
d. Vertical line indicates break in data series due to survey redesign.  
SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

After a slight decline in September, nonfarm payrolls rose by 210,000 in October, continuing the trend of moderate gains that began in 1995. The employment-to-population ratio remained essentially unchanged from September; however, it stands half a percentage point higher than a year ago. Unemployment held steady at 5.2%, compared to 5.5% in October 1995 and 5.6% during all of last year. In addition, the median duration of unemployment fell to 8.3

weeks from 8.9 weeks in September. The largest employment gains occurred in services, up 119,000, and retail trade, up 62,000. The government sector experienced the only decline for the month, dropping 40,000 jobs on the heels of September's 67,000 loss. Goods-producing industries added 17,000 jobs, a welcome turnaround after September's sharp 53,000 decline. There is little evidence of increasing wage growth, as base wages and salaries rose at an annual rate of

about 3.1% in the third quarter, compared to 3.2% and 3.1% in the first and second quarters, respectively. Growth in benefits has continued its general downward trend, with the annual rate of increase falling from more than 7% per year in 1990 to about 2% today. Total compensation growth retreated over the first half of the decade, but the slowdown seems to have moderated somewhat in recent months, averaging slightly more than 2.6% (annualized).