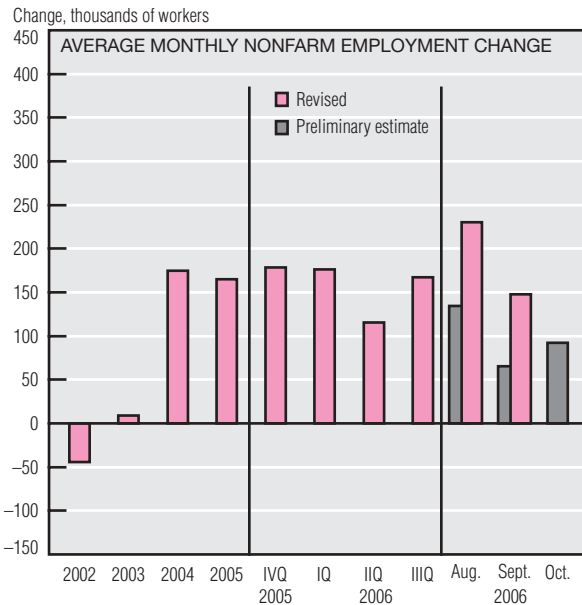


Labor Markets



Labor Market Conditions

	Average monthly change (thousands of employees, NAICS)				
	2003	2004	2005	Jan.- Sept. 2006	Oct. 2006
Payroll employment	9	175	165	153	92
Goods producing	-42	28	22	15	-60
Construction	10	26	25	11	-26
Manufacturing	-51	0	-6	0	-39
Durable goods	-32	9	1	5	-19
Nondurable goods	-19	-9	-7	-5	-20
Service providing	51	147	143	137	152
Retail trade	-4	17	13	-11	-4
Financial activities ^a	7	8	12	15	1
PBS ^b	23	40	41	33	43
Temporary help svcs.	12	13	14	-4	15
Education & health svcs.	30	33	31	37	28
Leisure & hospitality	19	26	21	25	35
Government	-4	13	14	19	34
	Average for period (percent)				
Civilian unemployment rate	6.0	5.5	5.1	4.7	4.4



October Revisions

	August	September	Total change
Payroll employment	97	42	139
Goods producing	5	-11	-6
Construction	-3	-15	-18
Manufacturing	7	3	10
Durable goods	5	1	6
Nondurable goods	2	2	4
Service providing	92	53	145
Retail trade	-0.1	3.7	3.6
Financial activities ^a	11	2	13
PBS ^b	2	1	3
Temporary help svcs.	-0.6	-3	-3.6
Education & health svcs.	22	3	25
Leisure & hospitality	18	17	35
Government	36	24	60

a. Financial activities include the finance, insurance, and real estate sector and the rental and leasing sector.

b. Professional and business services include professional, scientific, and technical services, management of companies and enterprises, administrative and support, and waste management and remediation services.

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

Nonfarm payrolls increased a moderate 92,000 in October, boosted by a net upward revision of 139,000 jobs for August and September. Although October's increase was below expectations, the three-month average of 157,000 was in line with the recent trend.

Service-providing industries added the most jobs (152,000), led by professional and business services (43,000). Leisure and hospitality (35,000) and government (34,000) were also positive influences. Goods-producing industries continued to trim payrolls,

shedding 60,000 jobs in October. Durable and nondurable manufacturing were equally weak and posted a combined net loss of -39,000 jobs. Wood products, motor vehicles, and parts manufacturing were the most seriously affected. The -26,000 job loss in construction (particularly for residential specialty-trade contractors) reflects continuing softness in the home-building and remodeling sectors.

The civilian unemployment rate dropped from 4.6% to 4.4%, the lowest since April 2001. The labor force

participation rate held at 66.2% and the employment-to-population ratio edged up to 63.3%.

The Bureau of Labor Statistics noted that revisions to the most recent data are unusually large. For both August and September, firms' late reports on employment levels showed more growth than earlier reports. The growth came predominantly from a few service providers (government; leisure and hospitality; and education and health services); revisions for most other industries were small or even negative.