October was characterized by widespread strength in the nation’s labor markets, as nonfarm payrolls gained an unexpectedly high 284,000 workers. The unemployment rate hit a 24-year low (4.7%), although part of the decline came from a 106,000-person reduction in the labor force. Meanwhile, the ratio of employment to population stayed at 63.7%.

The manufacturing industry set the pace with an increase of 54,000 jobs, concentrated in durables production. This was the largest advance since February 1990 and reversed a string of weak reports. Growth in manufacturing employment was accompanied by upticks in both the length of the workweek (up 0.2 hour) and overtime (up 0.1 hour). In addition to above-average growth in manufacturing, construction posted its largest increase since May (up 20,000 jobs). Notable employment gains were also seen in health services (up 26,000) and retail trade (up 37,000).

Wages and salaries of civilian workers rose 3.4% in the year ended in September, outpacing a 2.2% rise in the CPI over the same period. Hourly earnings in October averaged $12.41—up 4.2% from a year ago and the biggest increase since July 1989. On the other hand, growth in benefit costs (which account for roughly one-third of total compensation) declined slightly.