Labor markets surged in December as the economy continued to show steady job growth. U.S. payrolls rose 315,000 last month and increased at a monthly average of 274,000 jobs during the fourth quarter. For 1999, payroll growth averaged 224,000 jobs per month, slightly less than 1998’s monthly average of 244,000. The employment-to-population ratio increased one-tenth of a percent to 64.4%, matching its January peak. The unemployment rate held its 30-year low of 4.1% last month; it has been 4.3% or lower since March. December wage growth was strong, with average hourly earnings rising 6 cents to $13.46. For the year, average hourly earnings climbed 3.7%.

All net job gains in 1999 (2.7 million) were in the service-producing sector. Average monthly job growth for the year in this sector was 230,000. December’s growth was also concentrated in the service-producing sector, which added 298,000 jobs. December payrolls in the services subsector rose 109,000, slightly less than the average monthly increase of 120,000 in 1999. Increased holiday demand for passenger and package transportation caused job gains of 32,000 in transportation and public utilities last month, nearly double 1999’s average monthly increase of 17,000.

Despite its average monthly gain of 16,000 jobs over the last half of the year, the goods-producing sector lost an average of 6,000 jobs a month in 1999. The 17,000 jobs it added in December were concentrated primarily in construction. Manufacturing lost 248,000 jobs in 1999, mostly in the first six months. Employment in apparel and textiles continued to trend downward, with monthly average losses of 5,500 and 2,700 jobs, respectively.