Weak hiring in the government sector constrained growth in total nonfarm employment to only 94,000 last month. Private nonfarm employment, however, showed an increase of 148,000 jobs in November compared to an average increase of 92,000 workers over the previous six months. Other measures showed a slight weakening in the labor market: The unemployment rate rose 0.1% (to 4.0%) while the employment-to-population ratio fell 0.1% (to 64.3%). On the other hand, average hourly earnings posted a strong increase of 6 cents last month, almost 4% higher than this time last year.

When we break down employment growth by industrial sector, we find that gains were concentrated primarily in durable-goods manufacturing and a few service-producing industries. Following two months of employment losses totaling 110,000 workers, durable goods employers made a net addition of 16,000 jobs to their payrolls over the last two months. This small rebound, however, is expected to be temporary because a few notable plant closures, especially in auto manufacturing, occurred soon after the November survey period.

In the service-producing sector, moderate employment gains occurred in finance, insurance, and real estate, retail trade, and a few services industries, such as health services. Weakness in the government sector, which showed a net loss of 54,000 workers last month, resulted from falling employment in education and lower-than-usual seasonal hiring of postal workers. The latter may reflect the difficulty of finding temporary help in a tight labor market rather than lower demand.

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Much has been made of the current U.S. economic expansion and its propitious mixture of steadily falling unemployment and accelerating productivity growth. How does the recent productivity and employment performance in America compare to that of other large developed nations? The U.S. Bureau of Labor Statistics provides harmonized measures of productivity in the manufacturing sector and of unemployment rates for the entire labor force that make international comparisons possible. It does so by applying a consistent, or harmonized, methodology to each country’s aggregate data.

Using this approach, it appears that recent manufacturing productivity growth has been stronger in the U.S., but other countries, such as Germany, France, and Japan, have experienced robust growth as well. However, unlike the U.S., Germany and France have only recently enjoyed falling unemployment, while Japan’s jobless rate has been rising steadily. Canada and the U.K., on the other hand, have lagged the recent productivity growth rates of these other large nations but have experienced a steadily declining unemployment rate. One explanation is that the U.S., Canada, and the U.K. have relatively fewer labor market impediments—such as generous unemployment benefits, which deter employers from hiring and the unemployed from taking lower-paying jobs—than do Germany and France. Freer labor markets may also encourage companies to hire workers who may initially have relatively lower productivity; however, with more job experience these workers may become more productive, in time raising the nation’s overall productivity growth rate.