Further labor market deterioration was evidenced by another drop in nonfarm payroll employment (331,000 jobs) in November. In addition, revisions to the October data show that month’s decline to have been larger than previously reported (468,000 rather than 415,000). Nonfarm payroll employment peaked this March and has been declining steadily since.

Every industry experienced job losses in November with the exception of finance, insurance, and real estate, which posted a net gain of 9,000 jobs, buoyed by low interest rates increasing the demand for banking and mortgage brokering services. Net job losses were nearly equal in goods-producing sectors (167,000) and service-producing sectors (164,000), which is uncommon for the usually strong service-producing industries. Among specific industries, manufacturing was hardest hit, with a net loss of 163,000 jobs, followed by services and then transportation and public utilities.

The unemployment rate has reached 5.7%, its highest level since August 1995. It has risen nearly 2 percentage points since October 2000, when it reached its lowest point since January 1970. The last time the unemployment rate increased this quickly was the period between the summers of 1990 and 1991. The employment-to-population ratio has declined again to 63%, its lowest level since May 1996.

After declining and then stagnating during the first half of the 1990s, real hourly earnings showed strong gains in 1996–99. Hourly earnings growth paused in 1999–2000, but has since rebounded. Hourly earnings generally move in tandem with underlying productivity, which suggests that productivity growth may continue faster than its pre-1996 rate.