Labor Markets

Preliminary September nonfarm employment figures show a decline of 43,000, but revisions to both July and August suggest much stronger growth than was initially thought.

Job losses in September were not limited to goods producers service producers lost 5,000 jobs. The largest employment declines were concentrated in durable goods manufacturing (42,000), transportation (32,000), and wholesale and retail trade (21,000). Most of September’s decline in transportation employment results from unusually high job losses in trucking (17,000). Non-durable goods manufacturing gained employment in September, as did services; finance, insurance, and real estate; and government. In fact, FIRE has not gained this many jobs in a single month (16,000) since May 2001.

The monthly unemployment rate inched down in September to 5.6%, its lowest level since February. Similarly, the employment-to-population ratio increased 0.2 percentage points to 63.0, its post-February high.

The Bureau of Labor Statistics reports specifically on employment and unemployment data for the summer months (April-July) for the 16-24 age group, an important part of the seasonal workforce. The summertime labor force participation rate for this age group has dropped almost 5 percentage points since 1990 to an average rate of 65.4% in 2002. BLS analysts suggest that higher summer school enrollment may be a proximate cause of this decline.