Nonfarm payroll employment held steady in October with a net loss of just 5,000 jobs. Revisions, however, show that the September loss was less than half the number reported earlier.

Continued losses in goods-producing industries more than offset gains in service-producing industries. Manufacturing employment’s decline (down 49,000 jobs) was consistent with the sector’s average monthly net decline since the beginning of this year. Construction fell sharply (27,000 jobs), far more than the average monthly net decline for 2001 and 2002 to date. Help supply services, an industry that has added jobs every month this year, declined dramatically (56,000) in October. Many help supply service workers are placed with manufacturers; the sector’s recent weakness probably explains the loss of related service jobs.

Finance, insurance, and real estate added 34,000 jobs in October, bringing the net increase since June to 70,000 jobs. Services, including health services and government, continued to add jobs.

In the household employment survey, the unemployment rate inched up to 5.7%, 0.1 percentage point higher than last month and equal to the average for January through September. The employment-to-population ratio fell 0.1 percentage point to 62.9.

The four-week moving average of initial unemployment insurance claims, considered a leading economic indicator, continued to fall in the week ending October 26 from a recent peak of 424,000 claims in late September. Since April 2000, when they reached a 25-year low, initial claims have risen by about 130,000. Since March 2001, the four-week moving average has varied between 382,000 and 482,000 claims.