After losing a revised 41,000 jobs in August, total nonfarm employment posted a net gain of 57,000 in September, its first increase in eight months. The revisions halved the figure reported earlier.

In September, goods producers lost 17,000 jobs net, compared to the average net monthly loss of 81,000 since the March 2001 peak. Manufacturing employment’s decline continued, but at a much slower pace (29,000 in September compared to the 54,000 average monthly loss from January to August). Construction remained strong, growing by 14,000 jobs in September. Service providers added 74,000 jobs, most of them (66,000) in professional and business services. Financial activities increased by 10,000 jobs, consistent with the January–August average monthly change. Education and health services added 9,000. Government continued to shed jobs (15,000) in September. A drop of 4,000 continued the downward trend in information services, which has lost jobs every month this year.

The unemployment rate remained unchanged at 6.1%. The employment-to-population ratio inched down 0.1 percentage point to 62.0.

In September, the Bureau of Labor Statistics began to publish a new data series, Business Employment Dynamics, which tracks private business establishments’ quarterly net gains and losses. As a share of employment, gross gains exceeded gross losses every quarter from September 1992 through December 2000, producing a net increase in the number of jobs. The 2001 recession caused a large temporary increase in the rate of gross job losses and a large decline in the rate of gross job gains. The surprisingly weak employment growth of 2002 reflected reluctance to hire workers rather than continued job losses at contracting and closing establishments.