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Statement of

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Nonfarm payroll employment rose by 199,000 in December, and the unemployment rate declined by 0.3 percentage point to 3.9 percent. Employment continued to trend up in leisure and hospitality, in professional and business services, in manufacturing, in construction, and in transportation and warehousing.

In 2021, job growth averaged 537,000 per month. Employment has increased by 18.8 million since April 2020 but is down by 3.6 million, or 2.3 percent, from its level before the onset of the coronavirus (COVID-19) pandemic in February 2020.

Employment in leisure and hospitality continued to trend up in December (+53,000). The industry has added 2.6 million jobs in 2021, accounting for 4 in 10 total nonfarm payroll jobs added over the year. Since February 2020, employment in leisure and hospitality is down by 1.2 million, or 7.2 percent. Employment

in food services and drinking places rose by 43,000 in December but is down by 653,000 since February 2020.

Employment in professional and business services continued its upward trend in December (+43,000) but is slightly below (-35,000) its February 2020 level. Within the industry, employment in the professional and technical services component rose by 37,000 over the month and is 412,000 higher than in February 2020. (Professional and technical services includes industries such as computer systems design and related services, architectural and engineering services, and scientific research and development services.) Employment in the administrative and waste services component (which includes temporary help services) was about unchanged in December (+4,000) and is 374,000 lower than in February 2020.

In December, manufacturing added 26,000 jobs, largely in durable goods industries. A job gain of 8,000 in machinery reflected a return of workers from a strike. Employment in manufacturing is 219,000 lower than in February 2020.

Construction employment increased by 22,000 in December, with job gains in nonresidential specialty trade contractors (+13,000) and in heavy and civil engineering construction (+10,000). Construction employment is down by 88,000 since February 2020.

Transportation and warehousing added 19,000 jobs in December. Job gains occurred in support activities for transportation (+7,000), in air transportation (+6,000), and in warehousing and storage (+5,000). Employment in couriers and messengers was essentially unchanged. Since February 2020, employment in transportation and warehousing is up by 218,000, led by growth in couriers and messengers (+202,000) and in warehousing and storage (+181,000).

In December, employment in wholesale trade grew by 14,000 but is down by 129,000 since February 2020.

Employment in mining increased by 7,000 in December but is down by 81,000 from a peak in January 2019.

In December, employment showed little or no change in other major industries, including retail trade, information, financial activities, health care, other services, and government.

In December, the average workweek for all private-sector workers was unchanged at 34.7 hours. The average workweek for manufacturing edged down by 0.1 hour to 40.3 hours.

Average hourly earnings of all employees on private nonfarm payrolls increased by 19 cents to \$31.31 in December. Over the past 12 months, average hourly earnings have increased by 4.7 percent.

Turning to the labor market indicators from the household survey, the unemployment rate declined by 0.3 percentage point

to 3.9 percent in December, and the number of unemployed people fell by 483,000 to 6.3 million. Over the year, the unemployment rate is down by 2.8 percentage points, and the number of unemployed people is down by 4.5 million. In February 2020, the unemployment rate was 3.5 percent, and there were 5.7 million people unemployed.

Among the major worker groups, the unemployment rates for adult men (3.6 percent), adult women (3.6 percent), and Whites (3.2 percent) declined in December. The jobless rates for teenagers (10.9 percent), Blacks (7.1 percent), Asians (3.8 percent), and Hispanics (4.9 percent) showed little or no change over the month.

Among the unemployed, the number of permanent job losers declined by 202,000 to 1.7 million in December and is down by 1.8 million from a year earlier. However, this measure is above its February 2020 level of 1.3 million. The number of job leavers declined by 113,000 in December to 724,000 but is little different from a year earlier. The number of people on temporary layoff was little changed over the month at 812,000 and is down by 2.3 million over the year. This measure has essentially returned to its February 2020 level of 780,000.

The number of people unemployed for 27 weeks or more (often referred to as the long-term unemployed) declined by 185,000 to 2.0 million in December. This measure is down from 4.0 million a

year earlier but is 887,000 above its February 2020 level. In December, the long-term unemployed accounted for 31.7 percent of the unemployed.

The labor force participation rate was unchanged at 61.9 percent in December and is up by 0.4 percentage point over the year. The employment-population ratio increased by 0.2 percentage point over the month to 59.5 percent and is up by 2.1 percentage points over the year. However, both measures are below their February 2020 levels (by 1.5 percentage points and 1.7 percentage points, respectively).

In December, the number of people working part time for economic reasons decreased by 337,000 to 3.9 million, reflecting a decline in the number of people whose hours were cut due to slack work or business conditions. The number of people working part time for economic reasons has fallen by 2.2 million over the year and is 461,000 lower than in February 2020.

The number of people not in the labor force who currently want a job was little changed at 5.7 million in December but is down by 1.6 million over the year. This measure remains above its February 2020 level of 5.0 million.

Among those who were not in the labor force but wanted a job, 1.6 million were marginally attached to the labor force in December, essentially unchanged from November. (People who are marginally attached to the labor force had not actively looked

for work in the 4 weeks prior to the survey but wanted a job, were available for work, and had looked for a job within the last 12 months.) The number of discouraged workers, a subset of the marginally attached who believed that no jobs were available for them, was also essentially unchanged over the month at 463,000.

As in previous months, some workers affected by the pandemic who should have been classified as unemployed on temporary layoff in December were instead misclassified as employed but not at work. The degree of misclassification was highest in the early months of the pandemic and has been considerably lower in recent months. Since March 2020, BLS has published an upper-bound estimate of what the unemployment rate might have been had misclassified workers been included among the unemployed. The unemployment rates for October 2021 through December 2021 would have been 0.1 percentage point higher than reported.

For each month from March 2020 to December 2021, BLS has published a summary of the impact of the pandemic on The Employment Situation news release and data. The impact summary for December is available at www.bls.gov/covid19/employment-situation-covid19-faq-december-2021.htm. Beginning with the publication of January 2022 data in February 2022, this month-specific impact summary will be discontinued. However,

information about the impact of the pandemic, including how to replicate the misclassification calculation, will continue to be available at www.bls.gov/covid19/effects-of-covid-19-pandemic-and-response-on-the-employment-situation-news-release.htm.

Looking at supplemental pandemic-related measures from the household survey (these supplemental data are not seasonally adjusted), the share of employed people who teleworked because of the pandemic was 11.1 percent in December, little changed from November. These data refer only to employed people who teleworked or worked from home for pay at some point in the last 4 weeks specifically because of the pandemic; they do not include all instances of telework.

In December, the number of people who reported that they had been unable to work because their employer closed or lost business due to the pandemic--that is, they did not work at all or worked fewer hours at some point in the last 4 weeks due to the pandemic--declined by 539,000 in December to 3.1 million. Among those who reported in December that they were unable to work because of pandemic-related closures or lost business, 15.9 percent received at least some pay from their employer for the hours not worked, little different than the prior month.

Among those not in the labor force in December, 1.1 million people were prevented from looking for work due to the pandemic, little changed from November. (To be counted as unemployed, by

definition, individuals must either be actively searching for work or on temporary layoff.)

Following our regular annual practice, seasonal adjustment factors for the household survey data have been updated with the release of December data. Seasonally adjusted estimates going back 5 years--to January 2017--were subject to revision.

In summary, nonfarm payroll employment increased by 199,000 in December, and the unemployment rate declined to 3.9 percent.