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Statement of

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Nonfarm payroll employment increased by 155,000 in December, and the unemployment rate was unchanged at 7.8 percent. In 2012, job gains averaged 153,000 per month, the same as in 2011. In December, employment rose in health care, food services and drinking places, construction, and manufacturing.

Health care employment increased by 45,000 over the month, with gains in ambulatory health care services (+23,000), in hospitals (+12,000), and in nursing and residential care facilities (+10,000). Health care added 338,000 jobs over the past 12 months.

Employment in food services and drinking places rose by 38,000 in December. In 2012, the industry added an average of 24,000 jobs per month, essentially the same as in 2011.

Construction employment rose by 30,000 in December, with gains in construction of buildings (+13,000) and in residential specialty trade contractors (+12,000).

In December, manufacturing employment grew by 25,000, with small gains in a number of component industries. In 2012, manufacturing added 180,000 jobs; most of the growth occurred during the first quarter of the year.

Within retail trade, employment in clothing and accessories stores fell by 19,000 in December, following gains that totaled 55,000 over the prior 3 months. In December, employment continued to trend up in automobile dealers and in food and beverage stores.

Average hourly earnings of all employees on private nonfarm payrolls rose by 7 cents in December to \$23.73. Over the past 12 months, average hourly earnings have risen by 2.1 percent. From November 2011 to November 2012, the Consumer Price Index for All Urban Consumers (CPI-U) increased by 1.8 percent.

Most major indicators from the survey of households showed little or no change in December. The unemployment rate held at 7.8 percent; the rate has been at or near that level since September. In December, the number of unemployed persons was little changed at 12.2 million. Among the unemployed, 39.1 percent had been jobless for 27 weeks or more. The employment-population ratio, at 58.6 percent, also was essentially

unchanged over the month, and the labor force participation rate held at 63.6 percent.

Among persons who were neither working nor looking for work in December, 2.6 million were classified as marginally attached to the labor force, about unchanged from a year earlier. These individuals 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 little changed in December from a year earlier at 1.1 million.

Data users are reminded that seasonal adjustment factors for the household survey are updated each year with the release of the December data. Seasonally adjusted estimates going back 5 years--to January 2008--were subject to revision.

In summary, nonfarm payroll employment rose by 155,000 in December, and the unemployment rate held at 7.8 percent.