

Total employment decreased by 190,000 jobs in October, bringing the total loss since the peak in December 2007 to 7.3 million jobs. Including estimated pending benchmark revisions, the total decline since the recession began probably exceeds 8 million jobs. The August and September job losses were revised to smaller declines.

Job losses were widespread across sectors in October. Employment fell the most in construction (62,000), manufacturing (61,000) and retail trade (40,000). Employment at temporary help agencies increased by 34,000 jobs, and the August and September changes were revised from small declines to small increases. The October increase was the first since December 2007, which in turn was the first since December 2006. Changes in the strength of labor markets are believed to appear first in demand for temporary workers, who can be hired and dismissed with less cost than permanent employees.

The unemployment rate increased by 0.4 percentage points to 10.2% – up 5.8 percentage points from the low in March 2007 and the highest level since March 1983. The broadest measure of unemployment, which includes marginally attached workers and workers employed part-time because they cannot find a full-time job, increased to 17.5%. Marginally attached workers are neither employed nor actively searching for a job but indicate that they would like to work.

In addition to the large increase and high level of unemployment, the duration and composition of unemployment emphasize the severity of the downturn. The median duration of unemployment increased to 18.7 weeks in October – a new record high. The median duration of unemployment averaged 7.1 weeks during 1967-2007 and had never been higher than the 12.3 week duration recorded in May 1983.

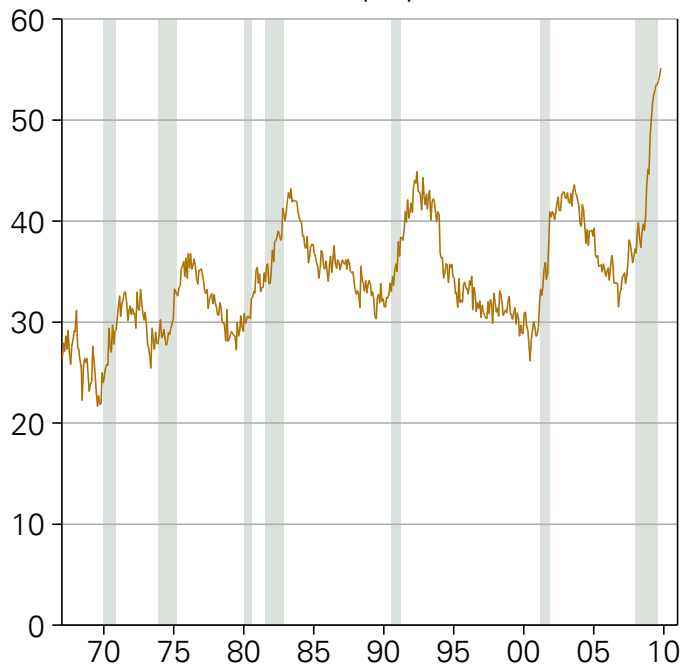
Likewise, job losses in the 2007-09 recession have resulted to a far greater degree than in the past from permanent job eliminations. The percentage of those unemployed in October who were not on temporary layoff was a record high 55.1%. The figure averaged 33.9% during 1967-2007 and had never been higher than the 44.9% level reached in May 1992.

Employment fell by 190,000 jobs in October and the unemployment rate increased to 10.2%. Recovery is at hand, but unemployment is severe.

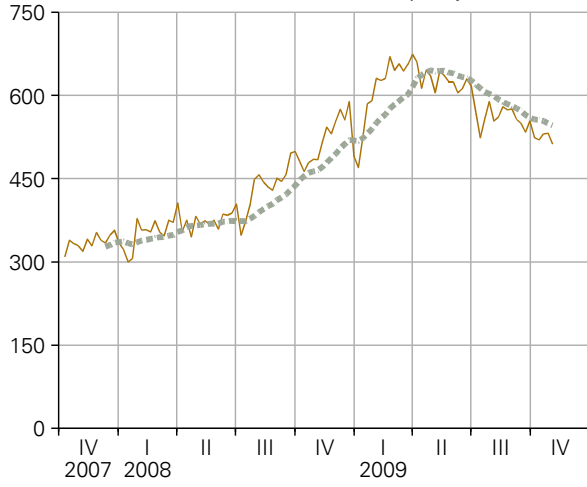
The length of the private sector workweek remained at the all-time low of 33.0 hours in October. The length of the manufacturing workweek rose to 40.0 hours, and the length of the September workweek was revised up from 39.8 hours to 39.0 hours. Overtime hours increased to 3.2 hours in October, and September overtime hours were revised higher from 2.8 hours to 3.0 hours. Employers typically respond to improved demand by lengthening the workweek before calling back or hiring new employees. Total hours worked decreased 0.3% in October to 2.4% at an annual rate below the third quarter level.

Jim Coons

Unemployed Not On Temporary Layoff
As a % of Total Unemployed



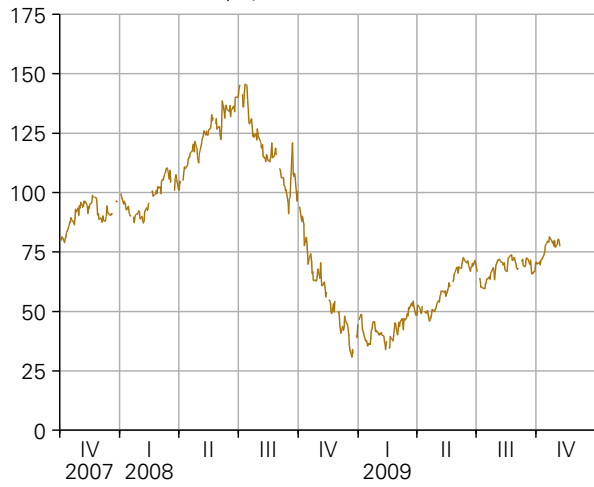
Initial Claims for Unemployment Insurance
Thousands Per Week, Seasonally Adjusted



U. S. Dollar Exchange Rate
FRB Major Currency Index, 1973 = 100



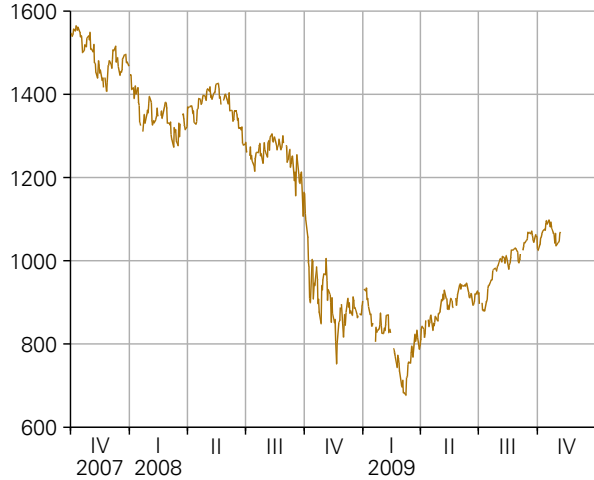
Price of Oil
West Texas Int, \$/bbl



Price of Gold
London PM Fixing, \$/oz



S&P 500 Stock Prices
Daily Close, Index 1941-43 = 10



Mortgage Loan Originations
MBA Purchase Index 3/16/90=100 SA

