



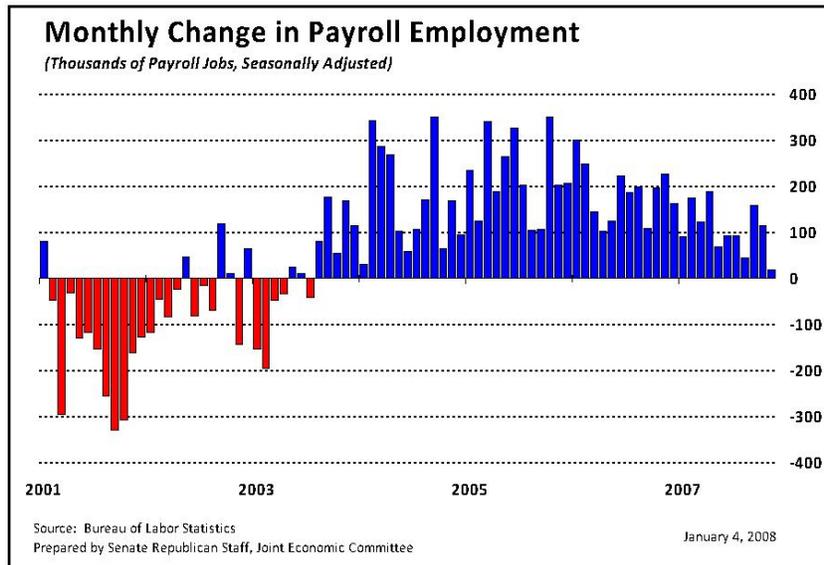
January 4, 2008

EMPLOYMENT SITUATION

PAYROLL EMPLOYMENT

The Bureau of Labor Statistics (BLS) reported that payroll employment increased by 18,000 jobs, or 0.01 percent, during December 2007 to a seasonally adjusted total employment level of 138.495 million. There have been 52 consecutive months of positive payroll job growth. During that time 8.677 million jobs have been created --- an average of 166,865 per month. In the 24 months prior to the current streak, payroll employment decreased by an average of 81,583 jobs per month. Over the past year, payroll employment has increased by 1.328 million jobs. The entire BLS release is available at <http://www.bls.gov/news.release/pdf/empsit.pdf>.

BLS revised its estimate of payroll employment change in November 2007 upwards to 115,000 from its initial estimate of 94,000. BLS also revised its estimate of payroll employment change for October 2007 downwards to 159,000 from 170,000.



Sector Performance

Private sector payrolls decreased by 13,000 jobs to a seasonally adjusted 116.107 million. Private sector payroll employment has increased in 54 of the past 60 months. Over the past year, private sector payroll employment has increased by 1.054 million jobs.

Goods-Producing Sector

Goods-producing sector payrolls decreased by 75,000 jobs to a seasonally adjusted 22.146 million. There have been 9 consecutive months of negative goods-producing sector payroll job

growth. During that time 351,000 goods-producing sector jobs have been lost --- an average of 39,000 per month. In the 36 months prior to the current streak, goods-producing sector payroll employment increased an average of 20,333 jobs per month. Over the past year, goods-producing sector payroll employment has decreased by 374,000 jobs.

Natural Resources and Mining

Payroll employment in the natural resources and mining sector increased by 5,000 during December 2007. The natural resources and mining sector has registered positive job growth for 13 consecutive months. During that period payroll employment in the sector has increased by 39,000. Over the past year, payroll employment in the natural resources and mining sector has increased by 33,000.

Construction

Payroll employment in the construction sector decreased by 49,000 during December 2007. Payroll employment in the construction sector has registered negative growth for 6 consecutive months. During that period payroll employment in the sector has decreased by 176,000. Over the past year, payroll employment in the construction sector has decreased by 195,000.

Manufacturing

Payroll employment in the manufacturing sector decreased by 31,000 during December 2007. Payroll employment in the manufacturing sector has registered negative growth for 18 consecutive months. During that period payroll employment in the sector has decreased by 319,000. Over the past year, payroll employment in the manufacturing sector has decreased by 212,000.

Service-Providing Sector

Service-providing sector payrolls increased by 93,000 jobs to a seasonally adjusted 116.349 million. There have been 52 consecutive months of positive service-providing sector payroll job growth. During that time 8.229 million service-providing sector jobs have been created --- an average of 158,250 per month. In the 24 months prior to the current streak, service-providing sector payroll employment increased an average of 583 jobs per month. Over the past year, service-providing sector payroll employment has increased by 1.702 million jobs.

Trade, Transportation & Utilities

Payroll employment in the trade, transportation & utilities sector decreased by 28,000 during December 2007. Over the past year, payroll employment in the trade, transportation & utilities sector has increased by 181,000.

Information Services

Payroll employment in the information services sector decreased by 13,000 during December 2007. Over the past year, payroll employment in the information services sector has decreased by 3,000.

Financial Activities

Payroll employment in the financial activities sector decreased by 4,000 during December 2007. Payroll employment in the financial activities sector has registered negative growth for 5 consecutive months. During that period payroll employment in the sector has decreased by 59,000. Over the past year, payroll employment in the financial activities sector has decreased by 21,000.

Professional & Business Services

Payroll employment in the professional & business services sector increased by 43,000 during December 2007. Payroll employment in the professional & business services sector has registered positive growth for 6 consecutive months. During that period payroll employment in the sector has increased by 220,000. Over the past year, payroll employment in the professional & business services sector has increased by 314,000.

Education & Health Services

Payroll employment in the education & health services sector increased by 44,000 during December 2007. Payroll employment in the education & health services sector has registered positive growth for 39 consecutive months. During that period payroll employment in the sector has increased by 1,640,000. Over the past year, payroll employment in the education & health services sector has increased by 564,000.

Leisure & Hospitality

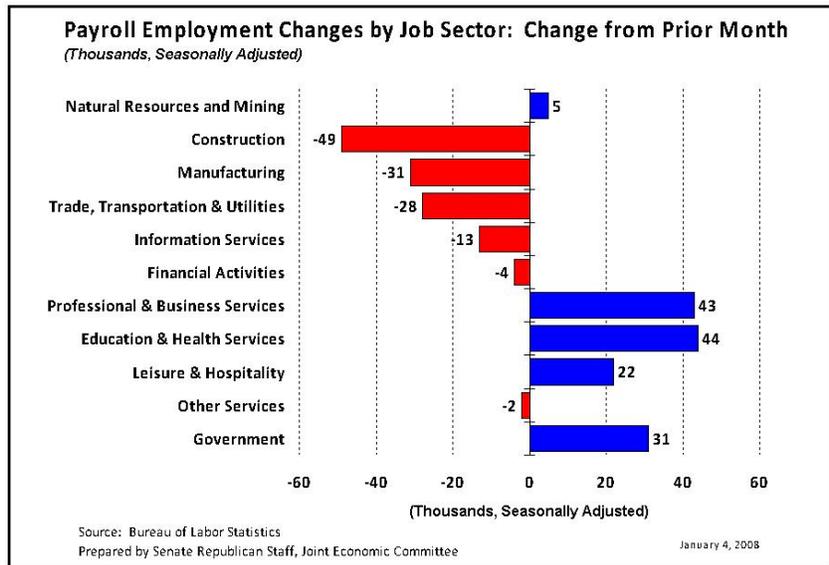
Payroll employment in the leisure & hospitality sector increased by 22,000 during December 2007. Payroll employment in the leisure & hospitality sector has registered positive growth for 26 consecutive months. During that period payroll employment in the sector has increased by 887,000. Over the past year, payroll employment in the leisure & hospitality sector has increased by 361,000.

Other Services

Payroll employment in the other services sector decreased by 2,000 during December 2007. Over the past year, payroll employment in the other services sector has increased by 32,000.

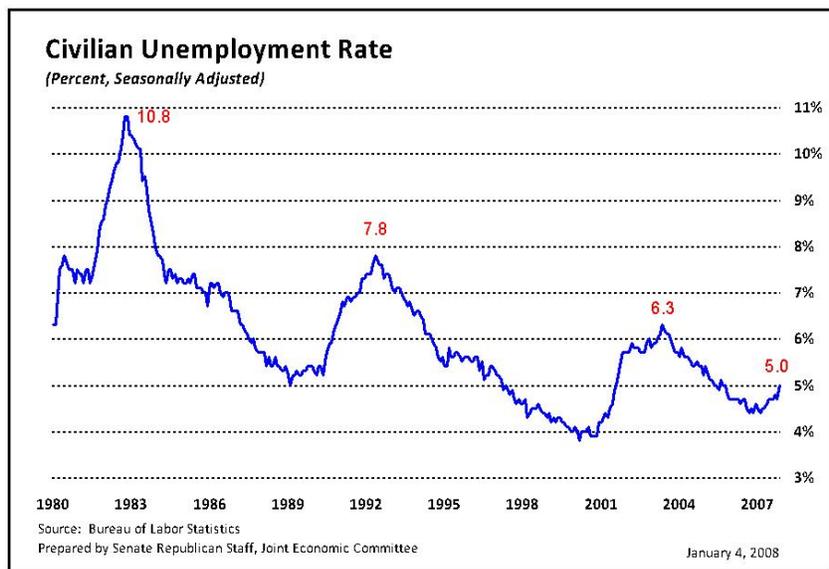
Government

Payroll employment in the government sector increased by 31,000 during December 2007. Payroll employment in the government sector has registered positive growth for 5 consecutive months. During that period payroll employment in the sector has increased by 178,000. Over the past year, payroll employment in the government sector has increased by 274,000.



UNEMPLOYMENT

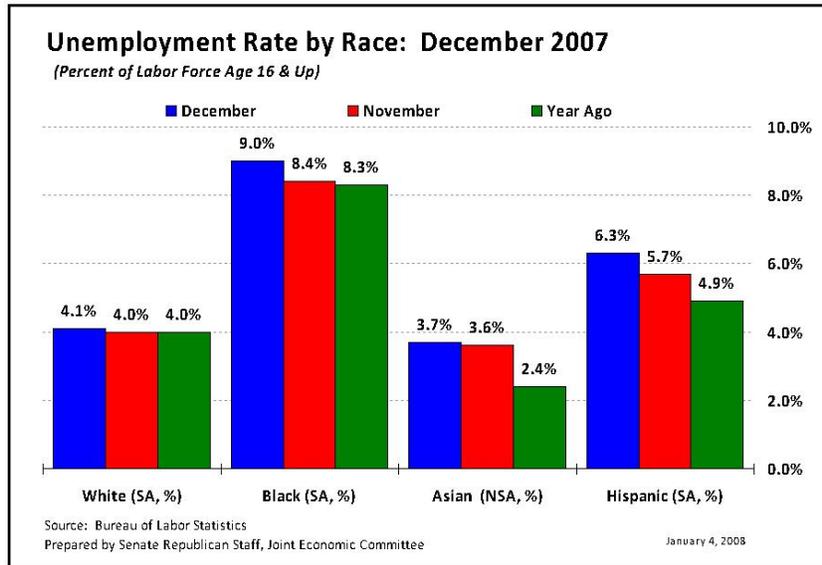
BLS reported that the unemployment rate increased in December 2007 to 5 percent from 4.7 percent in November 2007. One year earlier (December 2006) the unemployment rate stood at 4.4 percent. At 5 percent, the unemployment rate is below the five year average of 5.17 percent. The current rate is above the ten year average of 4.91 percent. In December 2007 the number of persons classified as unemployed rose by 474,000 to 7.655 million from 7.181 million in November 2007. The number of persons classified as unemployed rose by 895,000 over the past year.



Unemployment Rate By Race

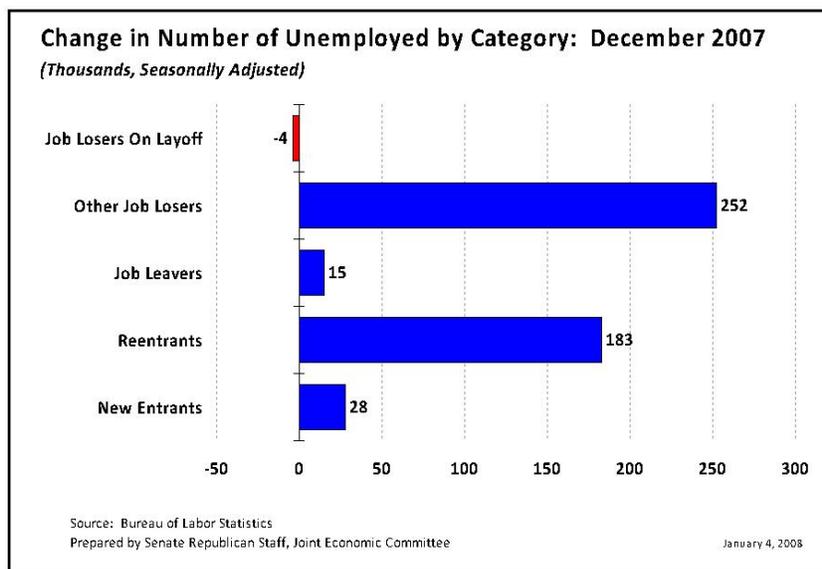
The unemployment rate among White workers was 4.1 percent in December 2007 compared to 4.0 percent a month earlier and 4.0 percent a year earlier. For Black workers the unemployment rate was 9.0 percent compared to 8.4 percent a month earlier and 8.3 percent a year earlier. The unemployment rate among Asian workers was 3.7 percent in December compared to 3.6 percent a month earlier and 2.4 percent a year earlier. Among Hispanic

workers the December 2007 unemployment rate was 6.3 percent compared to 5.7 percent a month earlier and 4.9 percent a year earlier. The unemployment rate for White, Black and Hispanic workers is published on a seasonally adjusted basis; the rate for Asian workers is not seasonally adjusted.



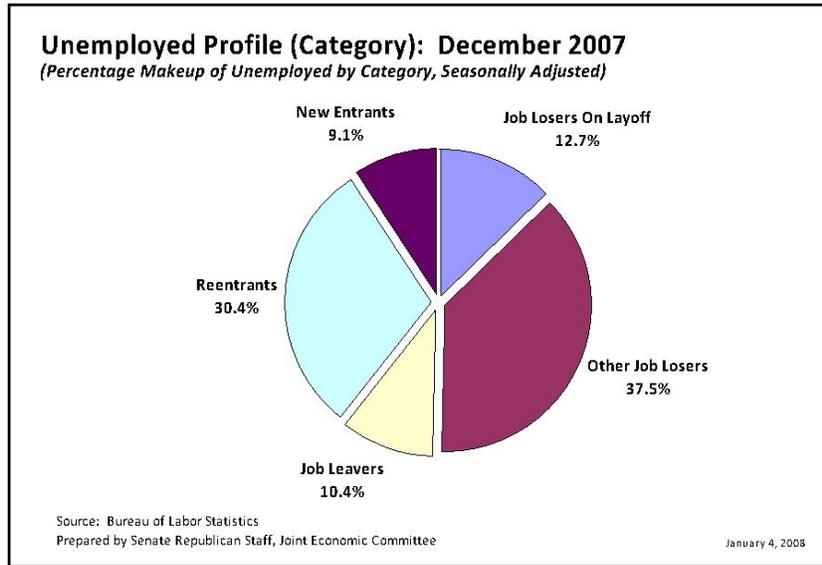
Profile of the Unemployed

During the month, the number of unemployed persons classified as job losers increased by 248,000 to 3.857 million. Among job losers, the number of unemployed persons classified as job losers on layoff declined by 4,000 to 975,000, while the number of other job losers increased by 252,000 to 2.882 million. The number of job leavers counted among the unemployed increased by 15,000 to 798,000. Unemployment among reentrants increased by 183,000 to 2.343 million, while the number of new entrants classified as unemployed increased by 28,000 to 697,000.



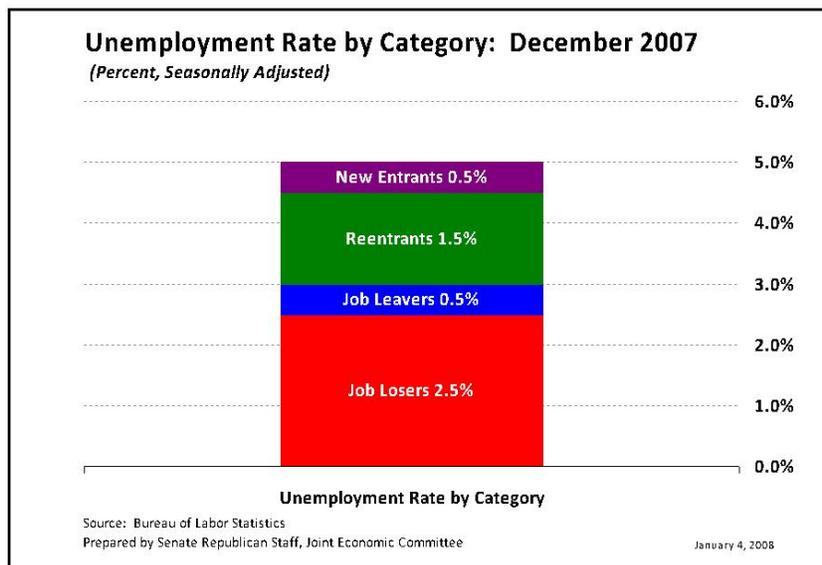
Job losers accounted for 50.1 percent of the unemployed; job losers on layoff were 12.7 percent of the total, while other job losers were 37.5 percent of the total. Job leavers

accounted for 10.4 percent, new entrants 9.1 percent, and reentrants 30.4 percent of the unemployed.



Unemployment Rate Composition

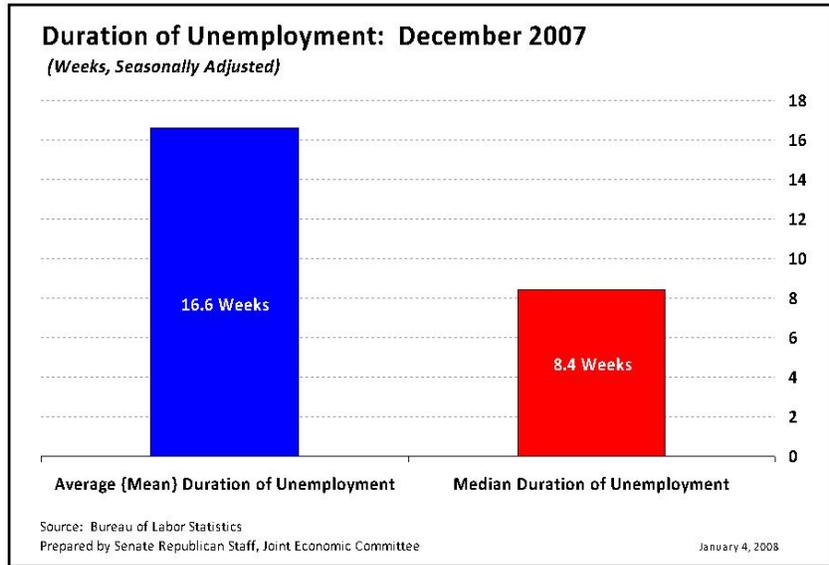
Job losers accounted for 2.5 percent of the 5 percent national unemployment rate; job leavers accounted for 0.5 percent, reentrants accounted for 1.5 percent, and new entrants accounted for 0.5 percent. Percentage makeup of the unemployed and percent contribution to the national unemployment rate may not add up to 100 percent and 5 percent, respectively, due to rounding.



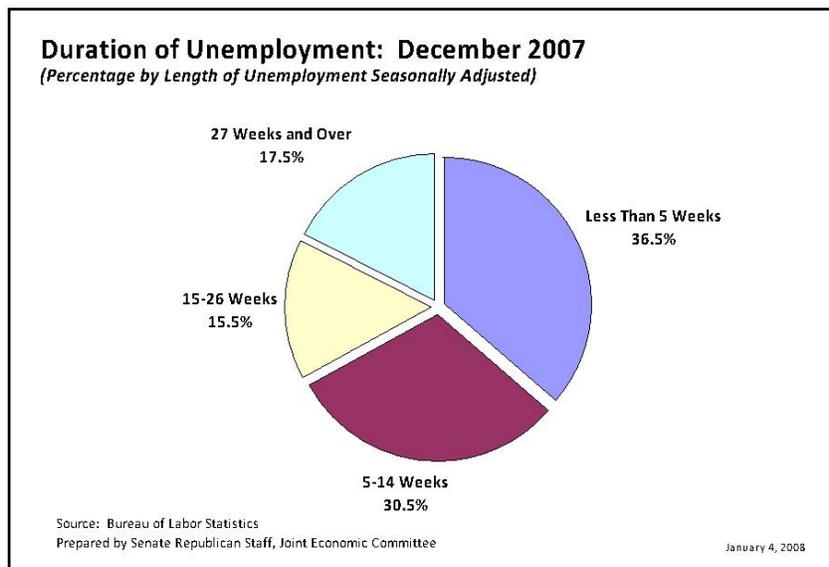
Duration of Unemployment

The average {mean} duration of unemployment decreased in December 2007 to 16.6 weeks from 17.2 weeks the preceding month. One year ago (December 2006) the average {mean} duration of unemployment was 16.1 weeks. The median duration of unemployment decreased

in December 2007 to 8.4 weeks from 8.7 weeks the preceding month. One year ago (December 2006) the median duration of unemployment was 7.5 weeks.



In December 2007 the number of persons unemployed for 27 weeks and over decreased by 46,000 to 1.338 million from 1.384 million. Those unemployed for 27 weeks and over accounted for 17.5 percent of the unemployed. The number of persons unemployed for 15-26 weeks increased by 168,000 to 1.182 million from 1.014 million. Those unemployed for 15-26 weeks accounted for 15.5 percent of the unemployed. The number of persons unemployed for 5-14 weeks increased by 173,000 to 2.33 million from 2.157 million. Those unemployed for 5-14 weeks accounted for 30.5 percent of the unemployed. The number of persons unemployed for less than 5 weeks increased by 160,000 to 2.793 million from 2.633 million. Those unemployed for less than 5 weeks accounted for 36.5 percent of the unemployed.



NOTES ON SURVEY DATA

The employment situation is derived from two separate surveys, the household survey and the establishment survey. Both surveys produce sample-based estimates of employment and have strengths and weaknesses. The information in this update draws data from both surveys. The section dealing with payroll employment utilizes data from the establishment survey, while the section on unemployment utilizes data from the household survey.

The establishment survey provides a better measure of month to month changes in employment because of its much larger sample and smaller margin of error. An over-the-month employment change of 104,000 is statistically significant in the establishment survey. The threshold for a statistically significant change in the household survey is approximately 400,000.

The household survey has a broader scope than the establishment survey. The establishment survey measures payroll employment, while the household survey includes self-employed, unpaid family workers, agricultural workers, and private household workers. The household survey also provides estimates of employment for demographic groups.

BLS revises its published estimates in the establishment survey in each of the two months following its initial publication. The revisions are designed to improve its data series by incorporating additional information that was not available at the time of the initial publication of its estimates.

Additionally, the BLS establishment survey incorporates an annual benchmark revision that re-anchors estimates to nearly complete employment counts that are available from unemployment insurance records. The benchmark helps to control for sampling and modeling errors in the estimates.