

The October Review

This issue opens with a three-piece review of recent trends in the construction industry and its relationship to the broader economy. John P. Mullins documents the differences in the responses to the business cycle that have marked construction employment in recent recessions and recoveries. In the most recent cycle, the residential and nonresidential construction components have had very different employment trends.

Christopher Manning and Mullins document the methods used to develop measures of employment for the residential and nonresidential components of construction. The most significant challenges came in the specialty trade industries, such as electrical or plumbing contractors. Manning and Mullins find that such work is specialized by residential work versus commercial or other nonresidential as well as by trade.

Matthew Miller's visual essay puts employment growth in construction during the recent recovery in the broader economic context, especially considering the demand generated by trends in the housing market.

In other articles, Abraham Mosisa and Steven Hipple examine current trends in labor force participation.

Michael L. Dolfman, Solidelle F. Wasser, and Kevin Skelly analyze the changing role of the global sector as Manhattan's economy recovers from the 9/11 terrorist attack.

Elliot Williams discusses the motivation for calculating and publishing consumer price indexes at finer levels of reported precision. In 2007, the Bureau of Labor Statistics is planning to begin publishing Consumer Price Index *levels* to three decimal places rather than one (for example, 203.189 rather than 203.2). This proposal is designed to improve the precision of the percent changes reported each month as calculated from the index levels. Percent changes based on three-decimal-place index levels are

more precise than, and about 25 percent of the time they are different from, percent changes based on one-decimal-place index levels (the current practice).

Job tenure

The proportion of all wage and salary workers who have worked for their current employer less than 1 year is about the same as the proportion who have been employed by their current employer 10 years or more. About 24 percent of wage and salary workers age 16 and older had 12 months or less of tenure with their current employer in January 2006. The proportion of all wage and salary workers age 16 and older with at least 10 years of tenure with their current employer was 26 percent.

The short-tenured workers include new entrants and reentrants to the labor force, job losers who found new jobs during the previous year, and workers who had voluntarily changed employers during the previous year. To learn more about how long workers have held their current jobs, see "Employee Tenure in 2006," news release USDL 06-1563.

Factory productivity

Among 15 countries under comparison, 14 had manufacturing productivity gains in 2005. Denmark, which experienced no change in productivity, was the lone exception. The U.S. manufacturing productivity increase of 5.1 percent was fifth greatest among the economies compared, behind Korea, Taiwan, Canada, and Germany.

Korea and Taiwan continued to be among the leaders in the growth of manufacturing output, as they have been for the last decade. Sweden, also a leader in manufacturing output growth over the decade, had more modest output growth in 2005. U.S. manufacturing output growth, like that of most of the economies, also slowed in 2005.

Decline in total hours worked, another factor contributing to pro-

ductivity growth, was also evident in 2005. While 10 of the economies had increases in output, 14 had reductions in hours. The Netherlands had the greatest decline in hours in 2005, followed closely by the United Kingdom, Canada, and Belgium. Additional information is available in "International Comparisons of Manufacturing Productivity and Unit Labor Cost Trends, 2005," news release USDL 06-1655.

Relative pay

The pay relative averaged across all occupations for workers in the San Francisco, California, metropolitan area was 117 in 2005, meaning that pay on average was 17 percent higher in that area than in the Nation as a whole. By contrast, pay averaged across all occupations in the Brownsville, Texas, metropolitan area was 19 percent below the national average.

Pay relatives have been prepared for each of 9 major occupational groups within 78 Metropolitan Statistical Areas and have been averaged across all occupations for each area. Pay relatives averaged for workers in all occupations in San Francisco and Brownsville were, respectively, the highest and lowest among the 78 areas. To give an example for a major occupational group, the pay relative in 2005 for workers in construction and extraction occupations in San Francisco was 123. By contrast, the pay relative for workers in construction and extraction occupations in Brownsville was 72.

A pay relative is a calculation of pay—wages, salaries, commissions, and production bonuses—for a given metropolitan area, relative to the Nation as a whole. The calculation controls for differences among areas in occupational composition, establishment and occupational characteristics, and the fact that data are collected for areas at different times during the year. Learn more in "Occupational Pay Relatives, 2005," news release USDL 06-1680. □