

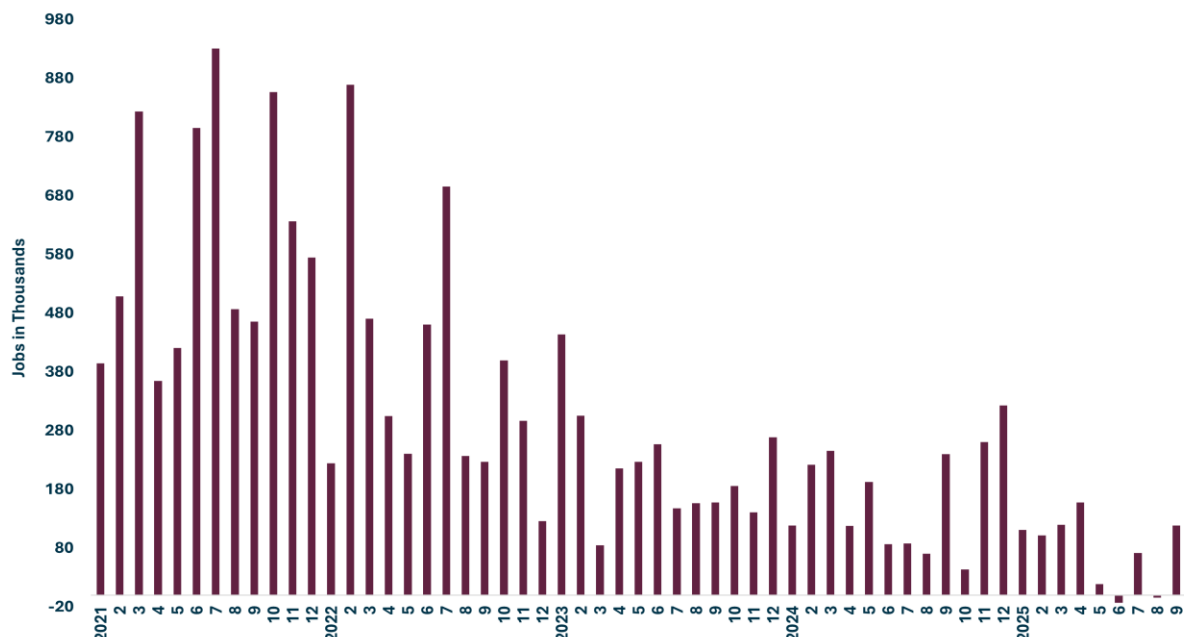
THE LONG-AWAITED, BUT SHAKY SEPTEMBER 2025 JOBS REPORT

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November 20, 2025

The [Bureau of Labor Statistics](#) (BLS) finally was able to publish the September jobs report. The federal government “shutdown” that began on October 1st delayed this report, which was originally scheduled for publication on October 3rd. Even though the two surveys that constitute the monthly [jobs](#) report had been fully collected and processed, no one outside of BLS could see the results. Thus, policymakers and market watchers speculated endlessly about the direction of job and unemployment changes in September.

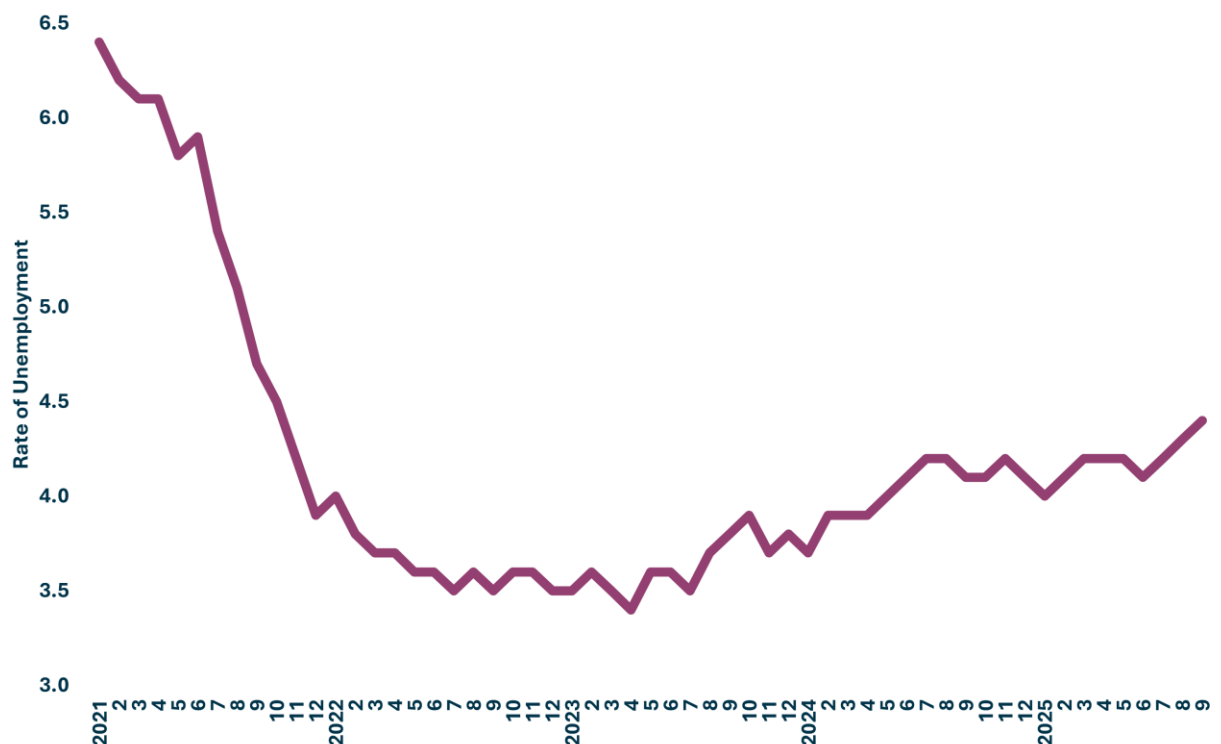
Now we know. Total non-farm employment rose by a seemingly healthy 119,000. However, BLS revised down the previous two months: July dropped from 79,000 to 77,000 jobs, and August fell from 22,000 to -4,000. The direction of these revisions suggests that the September number may also fall over the next two months as more survey data from businesses become available. The [August](#) negative number also may change, as the estimate for that month is subject to yet an additional revision.

Monthly Change in Non-Farm Payroll Employment
January 2021 - September 2025
(Seasonally Adjusted)



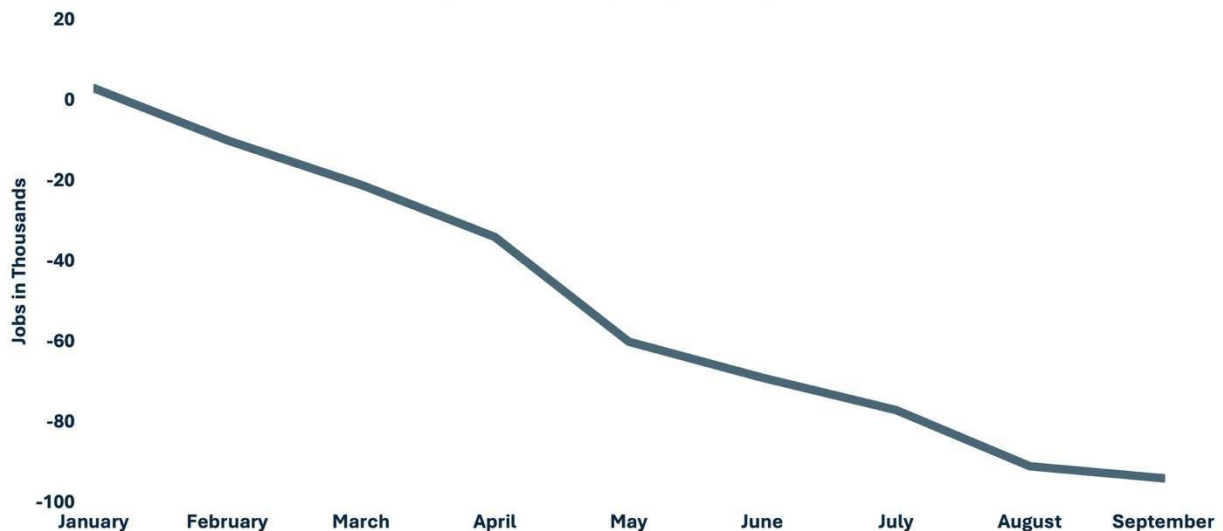
Another reason to believe that the initial estimate for September will be revised downward is the direction of the unemployment rate, which rose by 0.1 of a percent to 4.4 percent. The rate of job growth that keeps the unemployment rate steady is about 85,000 jobs per month. That said, the 119,000 increase in September is accompanied by an increase in unemployment. That rate increase may be due to people entering the labor force to look for work. These re-entry individuals would be counted as unemployed, and they numbered 65,000 (re-entrants plus new entrants). That said, the population of unemployed individuals grew by an estimated 219,000. Thus, the seemingly healthy initial jobs estimate may settle down somewhere south of 85,000 as more September survey returns are counted over the next two months.

The National Unemployment Rate January 2021 - September 2025 (Seasonally Adjusted)



Within the total non-farm employment increase, three sectors accounted for all the gain: health care added 43,000; food and drinking places gained 37,000 jobs; and employment in social assistance increased by 14,000. Two sectors declined significantly: transportation and warehousing dropped by 25,000 jobs in September, and employment in the federal government continued to contract: a drop of 3,000 which brings the total decline since January to 97,000.

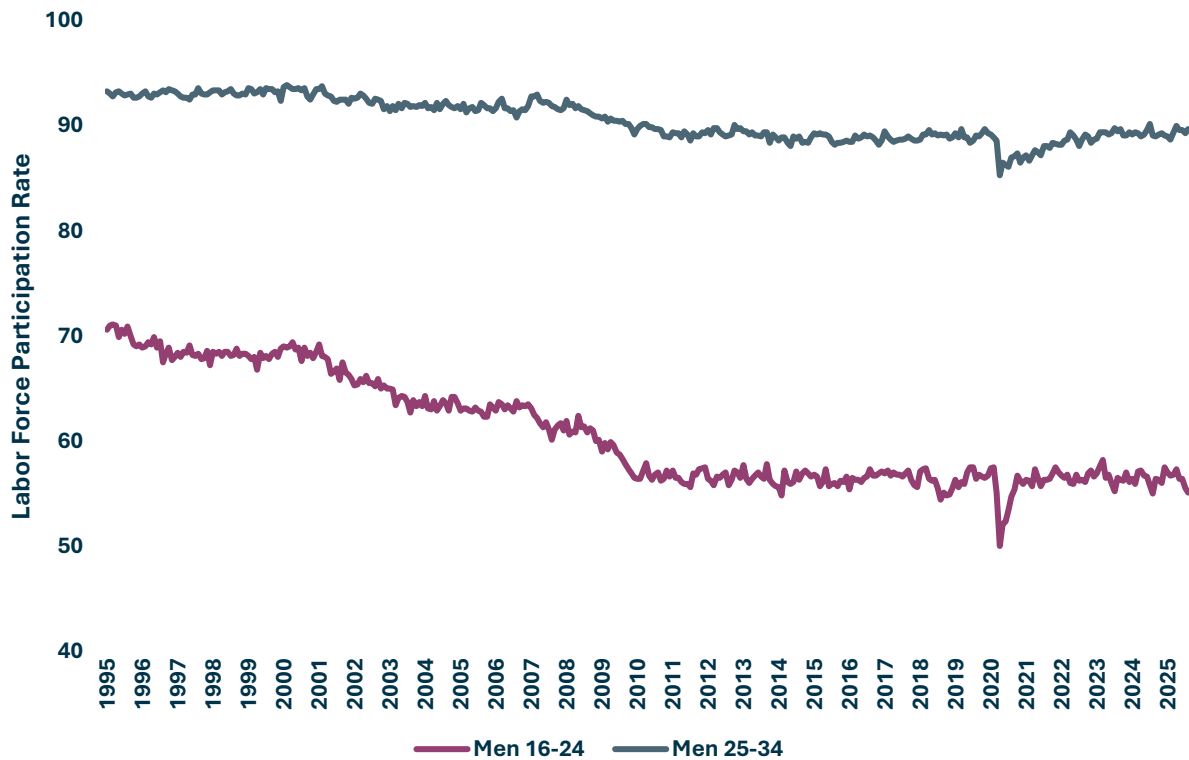
Cumulative Change in Federal Government Employment January 2025 to September 2025 (Seasonally Adjusted)



Policymakers have been closely watching the changes in labor force engagement (employed or looking for work), which is reflected in two BLS statistics: the labor force participation rate and the employment-population ratio. Both metrics showed little change from their August readings (each of them increased by 0.1 percentage point). That said, the labor force participation rate for men aged 20 and above continued to slide down: 70.3 percent in September compared to 71.4 a decade ago.

While that may appear to be a fairly stable engagement rate with the labor force, the real problem remains with younger men, whose connection to work has sharply declined. Since 1995, the participation rate of men aged 16 through 24 has dropped from 71 percent to 55 percent. Along with all of the other social pathologies associated with increasing loneliness, time online, and disengagement from social groups, the decline in labor force connection promises more social and economic problems.

Labor Force Participation Rates for Males 16 - 34 Years of Age January 1995 through August 2025



BLS also announced that it would not publish labor force estimates for October, when BLS was completely shuttered. This decision likely reflects a careful discussion of how problematic asking households about the labor force characteristics a full 30 days later than BLS usually would survey its respondents. Recall bias is a very real thing in survey work. This decision, however, is unfortunate. October 2025 will be the first month since 1948 not to have a published unemployment rate.

In sum, the September jobs report points to continued labor force growth, but the trend looks shaky: we could see continued growth in the months ahead, but the case for uncertainty also can be made from the September 2025 data finally presented by BLS.