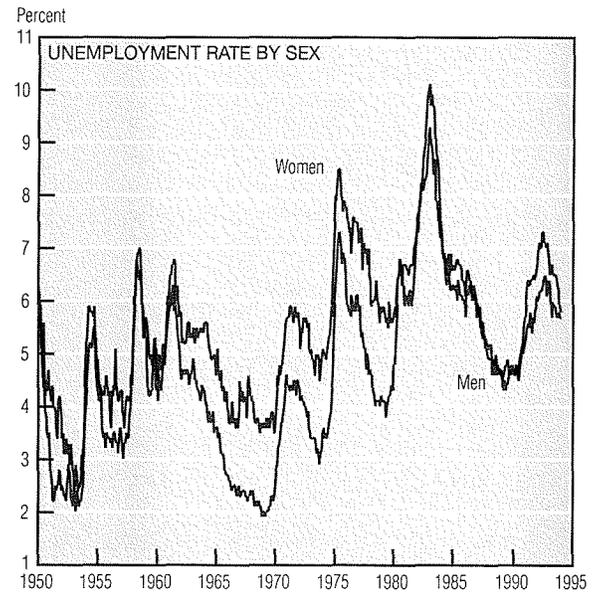
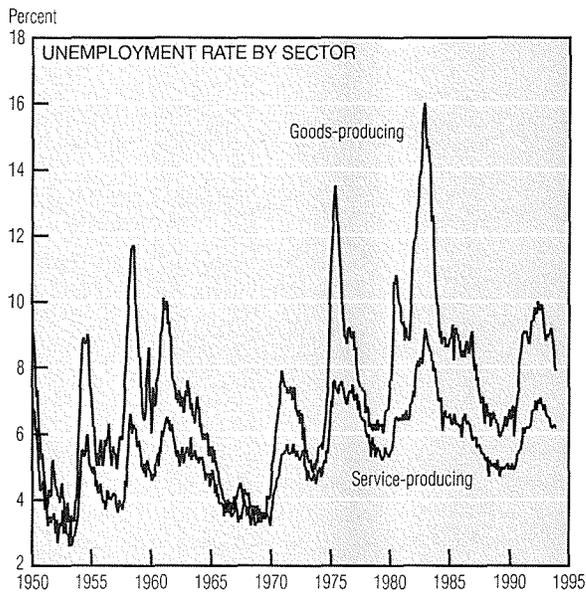
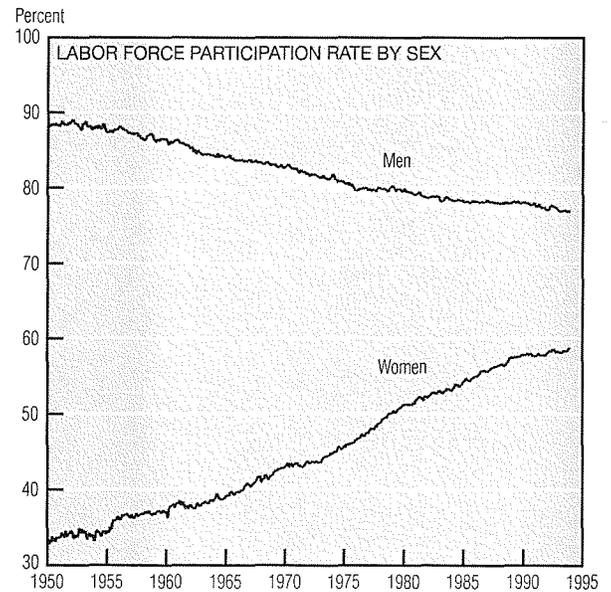
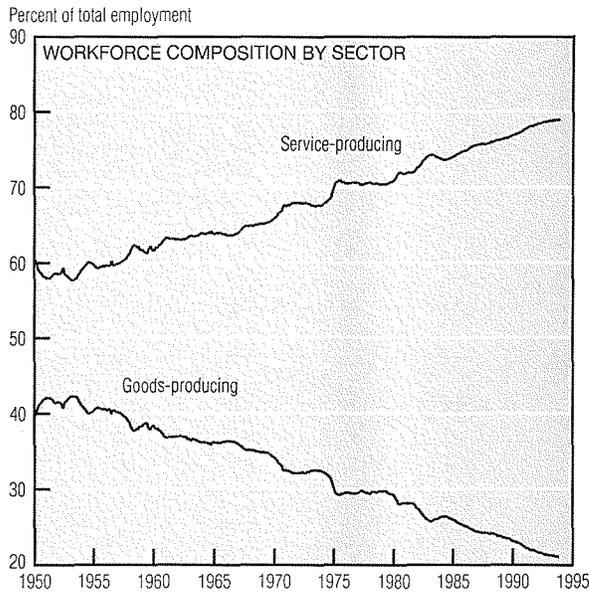


Labor Market Trends



SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

The U.S. workforce has undergone dramatic changes since World War II. The share of workers employed in the goods-producing sector has steadily declined, from 40% in 1950 to 21% in 1993. The shifts between manufacturing (the most cyclically sensitive industry in the goods-producing sector) and services have been the most pronounced.

The jobless rate in the goods-producing sector typically exceeds

that of the service-producing sector. While unemployment in the service industries demonstrates a strong cyclical pattern, its cyclical variability is less than that of the goods-producing sector.

A second fundamental labor market shift has occurred in the participation rates of males and females. Over the last 45 years, the share of women in the workforce has risen from approximately 33% to about

59%, while the fraction of men has fallen roughly 12 percentage points.

During the 1960s and 1970s, as the pace at which women entered the labor force quickened, the jobless rate for women rose above that for men. If this was part of an adjustment process, it seems to have ended. Since the early 1980s—as in the 1950s and early 1960s—the two series have tracked much more closely.