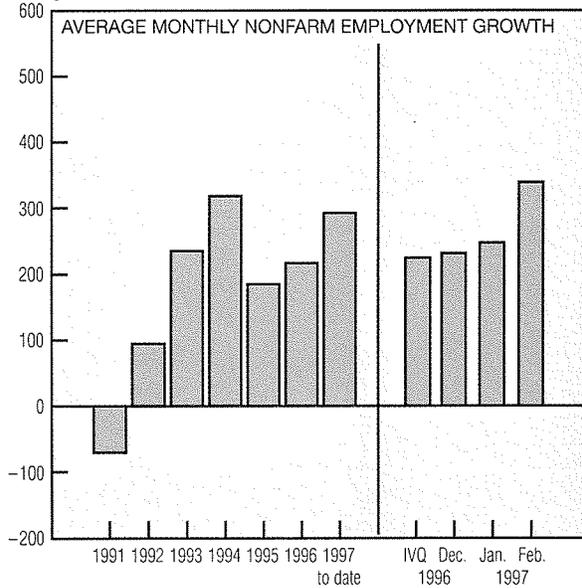
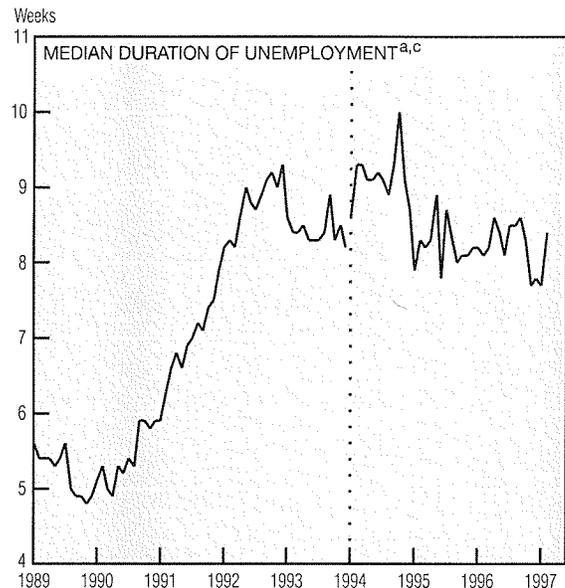
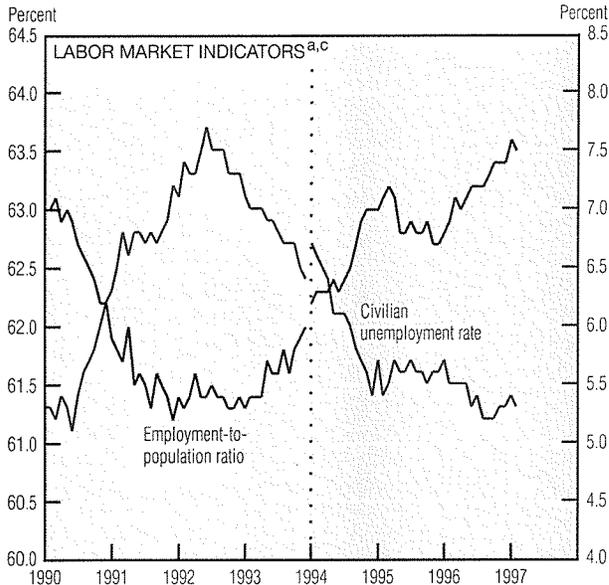


Labor Markets

Change, thousands of workers^a

Labor Market Conditions^a

	Average monthly change (thousands of employees)				
	1996		1997		
	Year	IVQ	Dec.	Jan.	Feb.
Payroll employment	216	224	231	247	339
Goods-producing	16	33	37	33	109
Manufacturing	-8	10	8	16	-2
Construction	25	24	29	15	109
Service-producing	199	191	194	214	230
Services	100	86	85	136	80
Retail trade	50	76	74	-2	49
Government	15	2	27	26	46
Household employ.	232	202	211	725	-150
Average for period					
Civilian unemploy. rate (%)	5.4	5.3	5.3	5.4	5.3
Mfg. workweek (hours) ^b	41.5	41.8	42.0	41.7	41.9



a. Seasonally adjusted.
b. Production and nonsupervisory workers.
c. Vertical line indicates break in data series due to survey redesign.
SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

U.S. labor markets continued to reflect a healthy economy in February as nonfarm payroll employment expanded by 339,000—the largest gain since May. Although much of this growth stemmed from a pickup of 230,000 jobs in the service-producing sector, employment in the goods-producing sector made a strong showing as well.

One of the primary factors driving February's advance was mild weather conditions, which resulted in a huge surge in the construction industry. In fact, with 109,000 new jobs added, this was the industry's

best performance in a year. Manufacturing payrolls fell slightly (-2,000) following four consecutive months of positive reports. Gains in the service-producing sector were buoyed by the retail trade industry, which added 49,000 workers to its payrolls. Department store employment experienced an unseasonably high increase (57,000) as fewer workers were laid off last month than normal.

The February unemployment rate also pointed to strength in the nation's labor markets, falling 0.1%, to 5.3%. The employment-to-

population ratio showed little change from January (63.6% to 63.5%).

Meanwhile, the median duration of unemployment, which has followed a slight downward trend over the current business expansion, continued its more recent uptick. The median unemployment spell rose from 7.7 weeks in January to 8.4 weeks last month. This means that half of all jobless persons wait more than eight weeks before finding work—a relatively long period by historical standards.