

**Labor Market Conditions^a**

	Average monthly change (thousands of employees)				
	1996	1997			
	Year	IQ	March	April	May
Payroll employment	212	228	182	323	138
Goods-producing	19	43	17	-7	20
Manufacturing	-5	14	14	2	-5
Construction	24	29	5	-10	23
Service-producing	192	185	165	330	118
Services	98	97	85	146	125
Business services	33	47	56	16	8
Retail trade	48	11	23	91	-4
Government	14	10	-2	33	-28
Household employment	232	440	745	209	255
Average for period					
Civilian unemployment rate (%)	5.4	5.3	5.2	4.9	4.8
Manufacturing workweek (hours) ^b	41.5	41.9	42.1	42.1	42.0



- a. Seasonally adjusted.
b. Production and nonsupervisory workers.
c. Vertical line indicates break in data series due to survey redesign.
d. Shares are adjusted for minor discrepancies in reported data.
SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

Temporary Help Services

Occupation	Share of temporary employment ^d	Average hourly earnings
Total	100	\$ 7.74
White-collar	52	9.37
Professional specialty	3	24.11
Technical	4	12.60
Executive, administrative, and managerial	1	17.22
Clerical and administrative support	41	7.96
Blue-collar	42	6.02
Machine operators, assemblers, and inspectors	11	6.26
Service	5	6.28

Nonfarm payrolls grew by 138,000 in May, a smaller-than-expected gain that masked an otherwise robust labor market. The weak performance was due in part to substantial upward revisions in the March and April employment figures. Meanwhile, the unemployment rate continued its downward trend, falling from 4.9% in April to 4.8% last month—the lowest level since October 1973. The employment-to-population ratio edged up 0.1% over the same period, to a record high of 63.9%, and average hourly earnings

rose 4 cents to \$12.19, 3.8% above last May's level.

The goods-producing sector added 20,000 new jobs in May, more than offsetting April's 7,000 loss and eclipsing March's 17,000 gain. The construction industry also fared well, picking up 23,000 jobs. Once again, however, the service-producing sector led the nation's overall employment growth, adding 118,000 new jobs in May. The most notable gain came in the narrow services category, which added 125,000 workers to its payrolls. In

contrast, government trimmed its workforce by 28,000 last month, with declines concentrated primarily at the state (-13,000) and federal (-11,000) levels.

Over the last few years, temporary help services have experienced a prolonged boom in employment. The recent tightness in the labor market appears to have turned this around, however. In April, 38,000 temporary positions were eliminated, and in May, 17,000 more were cut.