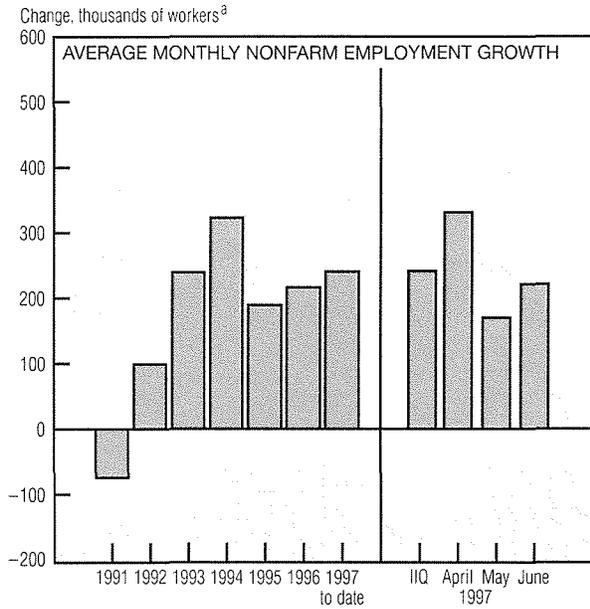
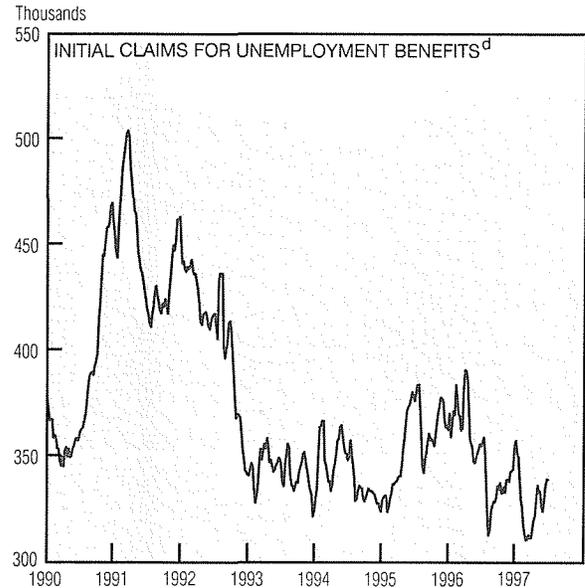
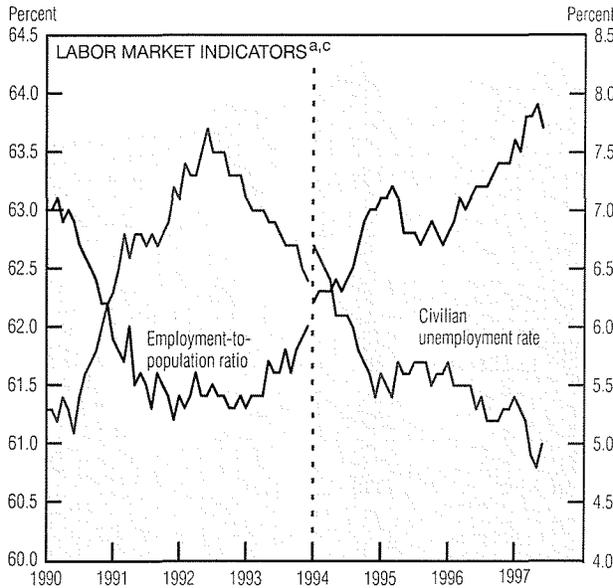


# Labor Markets



**Labor Market Conditions<sup>a</sup>**  
 (Seasonally adjusted)

	Average monthly change (thousands of employees)				
	1996	1997			
	Year	IIQ	April	May	June
Payroll employment	212	237	327	166	217
Goods-producing	19	14	-3	34	12
Manufacturing	-5	8	6	5	14
Service-producing	192	222	330	132	205
Services	99	117	158	130	63
Business services	33	19	17	13	28
Retail trade	48	44	84	-9	58
Government	14	29	34	-14	66
Local	19	31	22	-6	78
Household employment	232	63	209	255	-275
<b>Average for period</b>					
Civilian unemployment rate (%)	5.4	4.9	4.9	4.8	5.0
Manufacturing workweek (hours) <sup>b</sup>	41.5	42.0	42.1	42.0	41.9



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

Although the overall unemployment rate edged up to 5.0% in June, the most recent employment statistics continue to portray a robust labor market. Nonfarm payrolls were up a healthy 217,000 for the month, maintaining this year's vigorous average pace.

The service-producing sector accounted for the vast majority of the jobs gain, adding 205,000 new positions in June. Within that category,

education played a significant role (+49,000), partly because of shorter summer vacations and seasonal adjustment factors. Retail trade (+58,000) and local government (+78,000) were also major contributors to June's advance. In contrast, employment in the goods-producing sector slowed from May's pace.

While the payroll employment numbers for June paint a rosy picture, household survey results

show a loss of 275,000 jobs. This month-to-month divergence in the data is not unusual; over time, however, the two measures provide a consistent employment picture.

New jobless claims rose 5,000 in the week ended June 28, to 337,000. Although claims have inched up this year, the overall number of unemployed workers applying for benefits remains low.