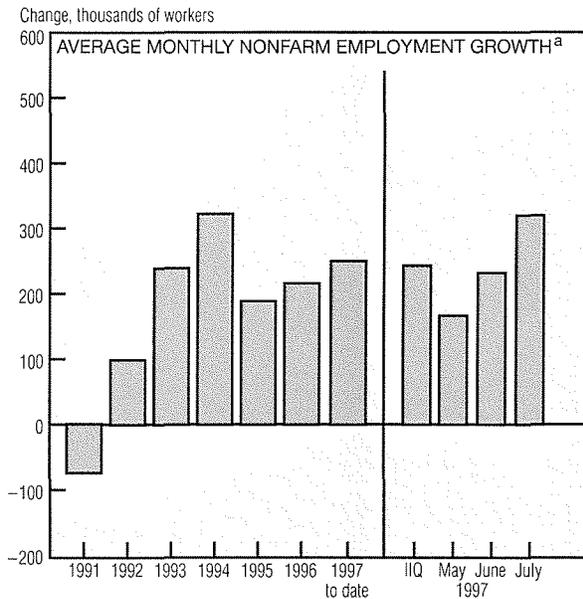


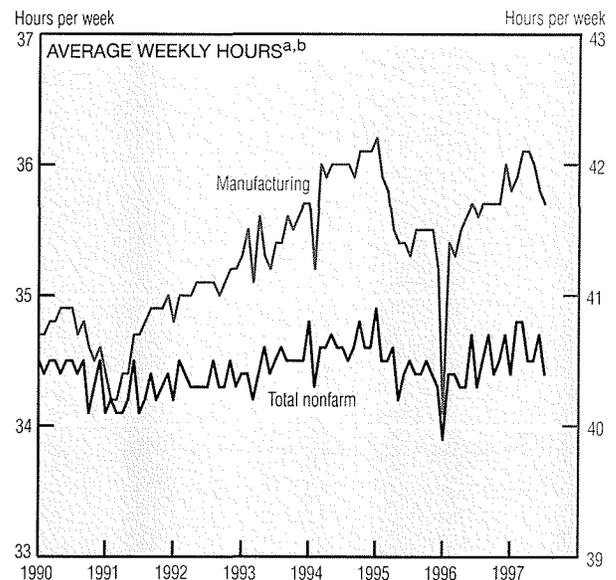
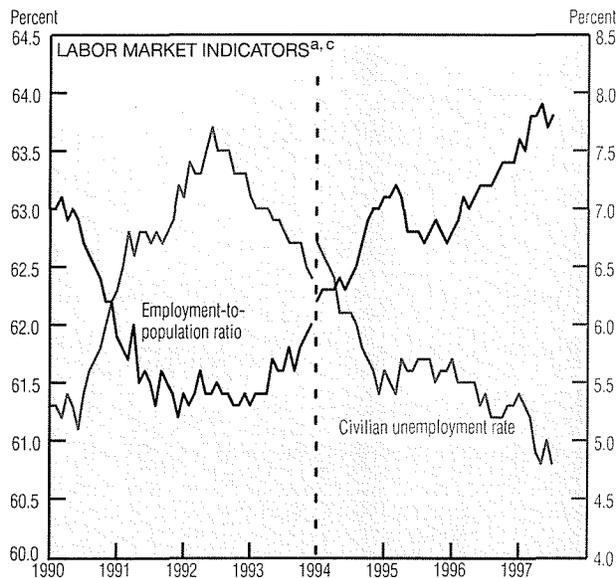
Labor Markets



Labor Market Conditions^a

Average monthly change (thousands of employees)

	1996	1997			
	Year	IIQ	May	June	July
Payroll employment	212	239	163	228	316
Goods-producing	19	17	35	18	-4
Manufacturing	-5	10	3	22	-5
Service-producing	192	223	128	210	320
Services	99	115	117	70	113
Business services	33	23	24	27	30
Retail trade	48	44	-3	51	65
Government	14	32	-14	77	56
Local government	19	33	-10	88	44
Household employ.	232	63	255	-275	344
Average for period					
Civilian unemployment rate (%)	5.4	4.9	4.8	5.0	4.8
Mfg. overtime (hours) ^b	4.5	4.8	4.8	4.7	4.6



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.

The nation's labor markets showed robust growth in July, with nonfarm payrolls posting a higher-than-expected gain of 316,000 workers. The civilian unemployment rate returned to its May level of 4.8%—the lowest since November 1973—and the employment-to-population ratio edged up 0.1% over the same period, reaching 63.8%. Meanwhile, average hourly earnings remained unchanged at \$12.23, and nonfarm employees' average workweek fell

to 34.4 hours (down 0.3 hour). Household survey data, which are more variable than establishment data, also point to strength in the labor markets—an estimated addition of 344,000 workers.

In the goods-producing sector, manufacturing showed a net employment decline for the month (down 5,000 jobs) as durable-goods payrolls added 20,000 jobs and nondurable goods lost 25,000. Average weekly hours of work and overtime hours both continued

their recent downward trends. The average manufacturing workweek stood at 41.7 hours in July, down 0.1 hour from a month earlier. Factory overtime also shortened by 0.1 hour to 4.6.

Jobs in the service-producing sector grew at a healthy clip last month. Employment in retail trade advanced 65,000, buoyed by a rise in restaurant jobs (up 35,000). Government continued to expand its payrolls, adding 56,000 workers in July.