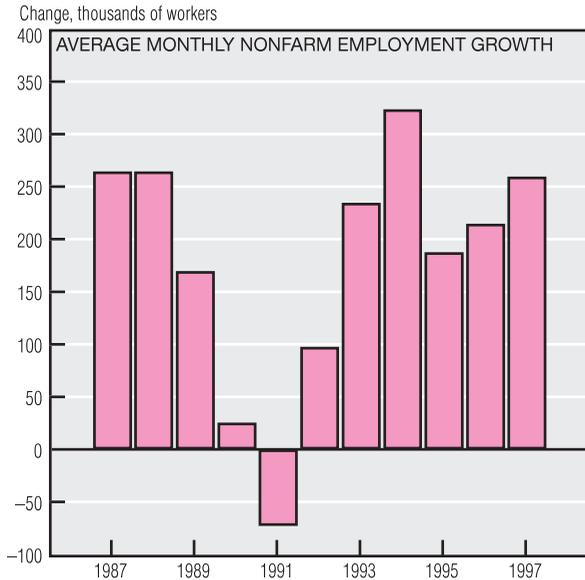
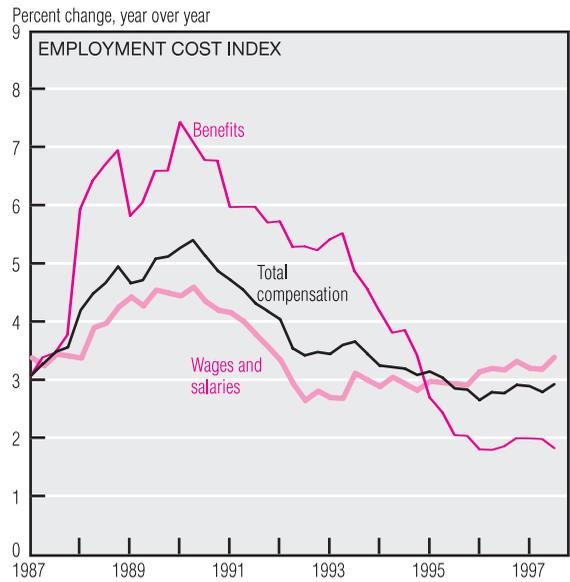


Labor Markets



	Average monthly change (thousands of employees)				
	1993	1994	1995	1996	1997 to date
Payroll employment	235	318	184	212	257
Goods-producing	28	57	7	19	32
Manufacturing	4	33	-1	-5	17
Construction	25	25	10	24	14
Service-producing	207	261	177	192	225
Services	100	134	113	98	114
Retail trade	50	70	37	48	40
Government	20	23	9	14	20
Average for period					
Civilian unemployment rate (%)	6.8	6.1	5.6	5.4	5.0
Manufacturing workweek (hours) ^b	41.5	42.0	41.6	41.5	41.9



a. Seasonally adjusted.
 b. Production and nonsupervisory workers.
 c. Vertical line indicates break in data series due to survey redesign.
 NOTE: 1997 data are through November.
 SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

With the unemployment rate hitting a 24-year low in November, the employment-to-population ratio at a historic high, and reports of scattered labor shortages on the rise, analysts are increasingly characterizing the labor market as "tight." But tightness is not apparent in the pace of labor compensation.

During the first 11 months of 1997, the U.S. economy created an average of 257,000 jobs per

month—not atypical compared with other recent expansions. In September, October, and November, however, employment gains averaged an extraordinary 330,000. The service-producing sector added the greatest number of positions in 1997, but the goods-producing sector showed strong percentage gains. Jobs growth slowed in the retail and construction industries.

In addition to overall strength in

manufacturing employment, the average workweek advanced to 42.1 hours in November from 41.7 hours one year ago.

Although gains in wages and salaries accelerated to 3.4% between 1995 and 1997:IIIQ, benefits rose a fairly stable 2%. Total labor compensation has continued to increase at a pace consistent with the underlying rate of inflation, approximately 3%.