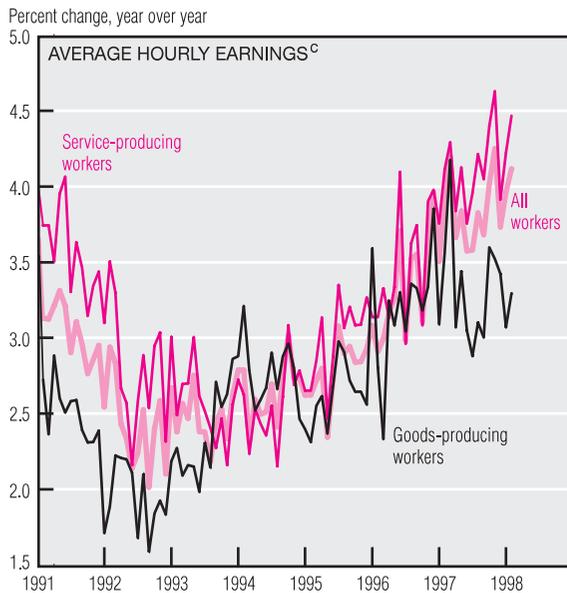
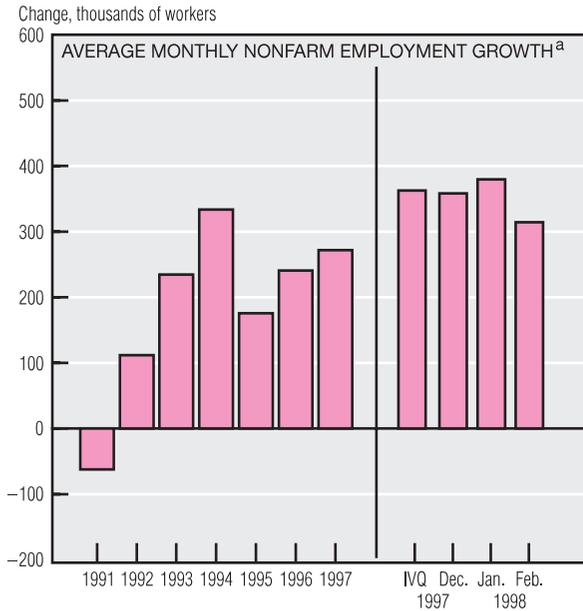


Labor Markets



a. Seasonally adjusted.
 b. Vertical line indicates break in data series due to survey redesign.
 c. Production and nonsupervisory workers on private nonfarm payrolls.
 d. Figures do not sum to 100 due to rounding.
 SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

The economy continued to strengthen in February, with nonfarm employment expanding by 310,000. Since last October, 1.76 million new jobs have been added, the best five-month posting since the middle of 1994. Leading last month's advance were the service and construction sectors, which added 273,000 and 41,000 jobs, respectively.

The service sector's strong performance was boosted by a 52,000-job increase at temporary firms, while construction's strength was attributed to storm damage on the

west and northeast coasts and unseasonably warm weather in most of the country. One sector that did not contribute to February's gains was manufacturing, which lost 2,000 jobs after growing rapidly for the past four months.

The unemployment rate fell slightly to a cyclical low of 4.6%, while the employment-to-population ratio held steady at 64.2%—a record high. The lack of available labor has put upward pressure on wages and led to shortened spells of unemployment.

Average hourly earnings of non-supervisory, nonfarm workers rose eight cents in February, up 4.1% from one year ago. The increase was driven largely by service-sector wages, which have risen 4.5% since February 1997. Wages for goods-producing workers were up 3.3%.

The average unemployment spell stood at 16 weeks in February, down one week since 1991. The largest share of jobless people (41%) have been out of work less than five weeks.