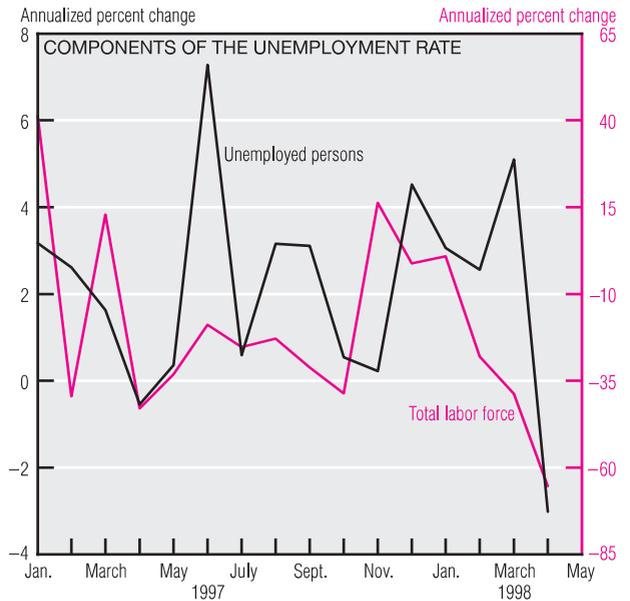
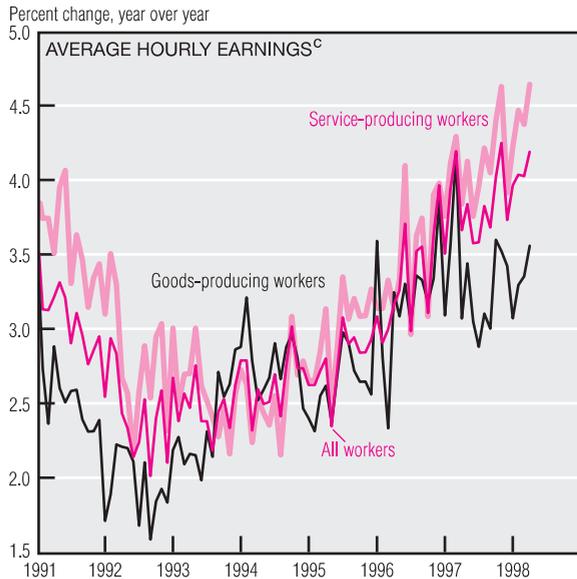


Labor Markets



a. Seasonally adjusted.
 b. Vertical line indicates break in data series due to survey redesign.
 c. Production and nonsupervisory workers on private nonfarm payrolls.
 SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

April was a record-setting month for many labor market indicators. The unemployment rate fell to levels not seen since 1970, the employment-to-population ratio matched the record high set at the beginning of this year, and hourly earnings posted the largest gain in more than a year.

The economy added 262,000 jobs in April after a slight setback the previous month. Service-producing industries accounted for most of

the gain, boosting their payrolls by 241,000. The construction sector added 35,000 more jobs, rebounding from April's 85,000 loss. So far this year, the economy has added an average 224,000 jobs per month, down somewhat from last year's 267,000 posting.

The unemployment rate, which measures the number of unemployed workers relative to the total labor force, fell to 4.3% in April, a

28-year low. Both components declined, but the 2½% drop in the labor force was not enough to offset a substantial contraction in the number of jobless persons. The employment-to-population ratio returned to 62.4%.

Average hourly earnings rose to a record \$12.68—the largest year-over-year increase since the beginning of 1997. Average weekly earnings fell, however, the result of a decline in average hours worked.