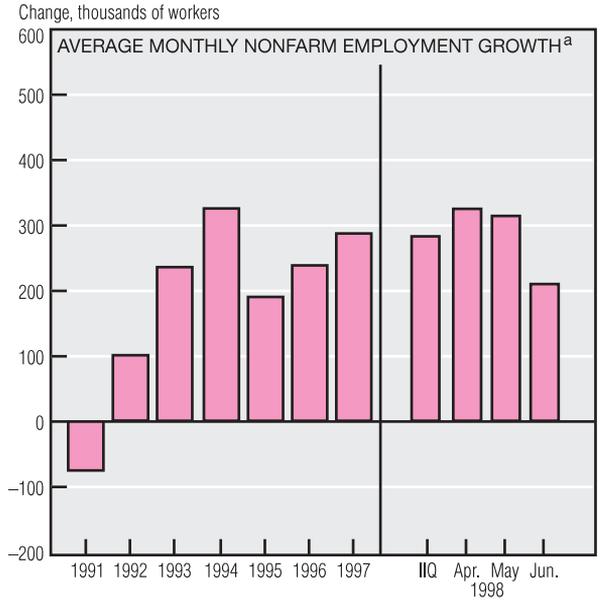
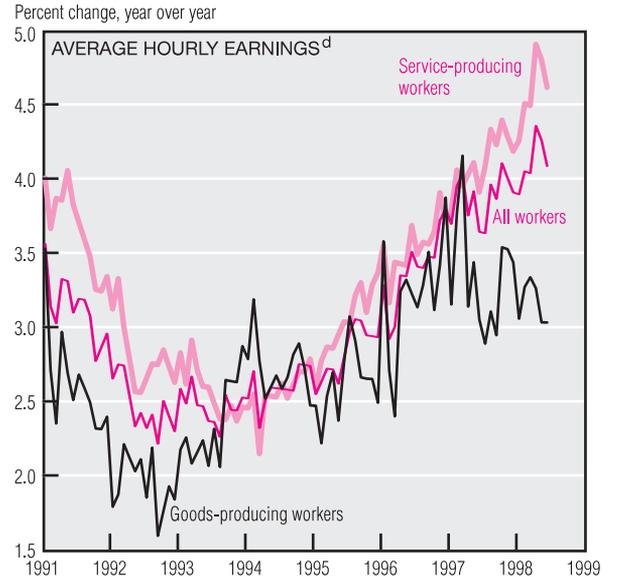


Labor Markets



	Average monthly change (thousands of employees)				
	1994	1995	1996	1997	1998 to date
Payroll employment	320	185	233	282	243
Goods-producing	57	8	31	42	16
Manufacturing	33	-1	3	21	-3
Motor vehicles	8	2	0	3	-1
Apparel	0	-7	-4	-3	-6
Electronic	5	4	2	4	0
Service-producing	264	178	202	240	227
Services	135	112	117	142	115
FIRE ^c	-3	-1	14	17	24
	Average for period				
Civilian unemployment rate (%)	6.1	5.6	5.4	5.0	4.5
Manufacturing workweek (hours) ^d	41.9	41.6	41.6	42.0	41.8



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

The pace of jobs creation slowed in June, raising the unemployment rate to 4.5% from the 28-year low of 4.3% seen in April and May. This change is probably the labor market's reaction to Asian economic conditions and the General Motors strike. Even after the increase, however, unemployment remains well below the 5.0% rate that prevailed a year ago.

Nonfarm payrolls increased 205,000 in June, compared to more than 300,000 in each of the previous two months. Even so, the number of

additional jobs created in June exceeded the average of 196,000 new jobs per month for the current expansion (since March 1991). In 1998:IIQ, payrolls increased an average of 278,000 per month, surpassing average jobs creation for the same period last year.

The number of jobs in the manufacturing sector decreased 29,000 in June, largely because of heavy competition from Asian imports such as apparel and electronics. For both these industries, moreover, June was the third straight month of payroll decreases. Motor vehicle mak-

ers cut 6,000 jobs last month, reflecting some of the effects of the June 5 strike at the GM stamping plant in Flint, Michigan, but available statistics do not yet show the strike's full impact.

Registering their smallest increase in over two years, average hourly earnings for private production workers rose just one cent, to \$12.74. Manufacturing workers' hourly pay also increased one cent, to \$14.28, while workers in service-producing industries showed a two-cent raise, to \$12.24 an hour.