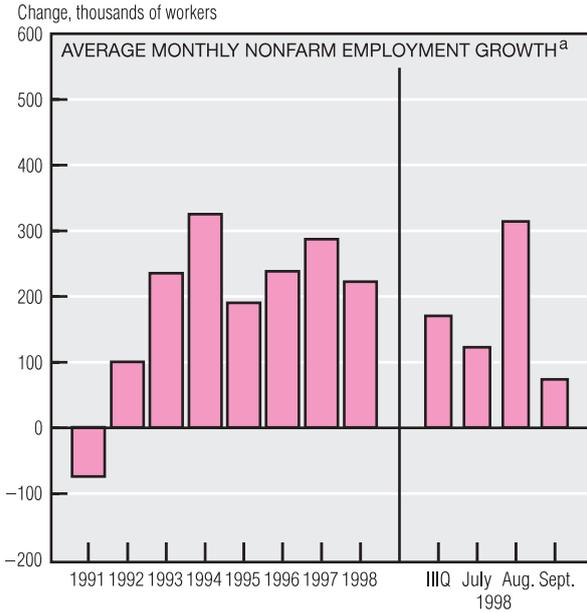


Labor Markets



	Average monthly change (thousands of employees)				
	1995	1996	1997	1998 YTD ^b	Sept.
Payroll employment	185	233	282	218	69
Goods-producing	8	31	42	3	-36
Manufacturing	-1	3	21	-13	-16
Electronic equipment	4	2	4	-3	-7
Industrial machinery	7	2	6	-2	-8
Construction	10	28	20	18	-20
Service-producing	178	202	240	215	105
Services	112	117	142	102	24
Personnel supply services	10	19	28	3	-37
	Average for period				
Civilian unemployment rate (%)	5.6	5.4	5.0	4.5	4.6
Household employment	32	232	240	110	579



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

Evidence of a moderating labor market continued to mount in September. Job growth was at its lowest level since January 1996. The unemployment rate crept upward, while weekly hours worked declined.

Nonfarm payroll employment increased just 69,000. Average monthly job growth for the year to date is off last year's pace by about 65,000 jobs. Increases in the service-producing sector did little to offset declines in the goods-producing sector. Service-sector payrolls rose just 105,000 for September, com-

pared to an average monthly increase of 228,000 for the first eight months of 1998. In the goods sector, employment declined in both manufacturing and construction. Two trade-sensitive manufacturing industries, electronic equipment and industrial machinery, reduced their workforces.

The unemployment rate inched up one-tenth of a percentage point to 4.6%, a level not seen for six months. The rate has been increasing gradually since hitting a 28-year low of 4.3% in April and May. The

share of the population employed grew to 64.1%, nearing the expansion high of 64.2% reached earlier this year.

The average workweek shortened to 34.4 hours from 34.6 hours in August. Even with this most recent decline, hours per week are hovering around their expansion average of 34.5. Average hourly earnings increased 1 cent to \$12.86, the smallest monthly increase in 2½ years. Even with last month's slight decrease, earnings are 4% above last year's level.