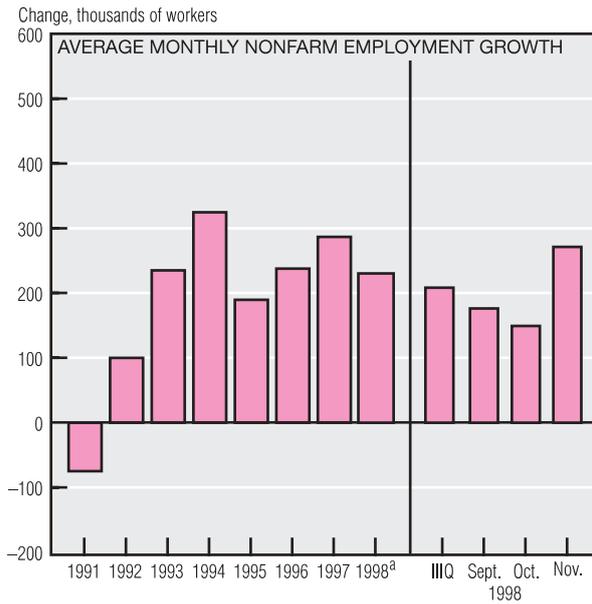
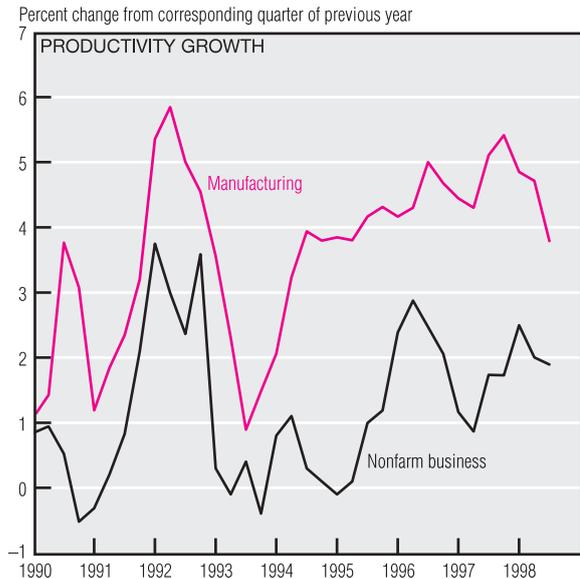
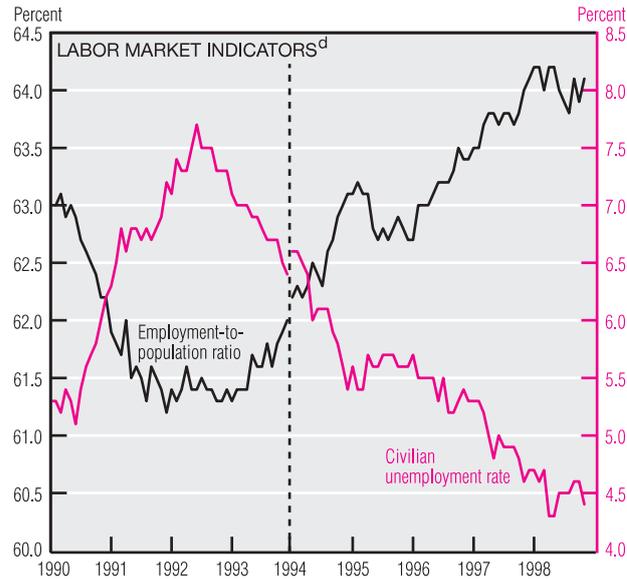


Labor Markets



Employment	Average monthly change (thousands of employees)				
	1995	1996	1997	YTD ^a	Nov. 1998
Payroll employment	185	233	282	226	267
Goods-producing ^b	8	31	42	1	-3
Manufacturing	-1	3	21	-19	-47
Construction	10	28	20	23	47
Service-producing	178	202	240	225	270
Business services	38	45	61	40	55
Retail trade	37	42	34	38	65
Department stores	2	3	5	6	19
FIRE ^c	-1	14	17	22	23
Household employment	32	232	240	125	477

	Average for period (percent)				
Civilian unemployment	5.6	5.4	5.0	4.5	4.4



NOTE: All data are seasonally adjusted.
 a. Year to date.
 b. Includes other industries not listed separately.
 c. Finance, insurance, and real estate.
 d. Vertical line indicates break in data series due to survey redesign.
 SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

Labor markets showed renewed signs of strength in November. The unemployment rate dropped to 4.4%, ending its steady increase from the 28-year low achieved in May. Nonfarm payrolls rose sharply compared to the tepid increases of September and October. Productivity for the summer was revised upward.

Businesses increased payrolls 267,000 in November, a strong gain that pushed total job creation to about 2.5 million for the year so far. A considerable increase in service-

producing jobs was offset slightly by job losses in manufacturing. Led by declines in industrial machinery and electronic equipment, manufacturing payrolls fell 47,000. Gains in service-producing jobs were led by business services, retail trade, and finance, insurance, and real estate.

Employment increased 477,000, as measured by the household survey; unemployment fell 200,000, pushing the unemployment rate down to 4.4%. For the previous two months, the rate had held steady at 4.6%. The percent of the population

employed increased to 64.1%, approaching the record high (64.2%) attained this January.

Although employment growth in the third quarter was slow, output per worker grew substantially. Nonfarm business productivity, which measures average hourly output per worker, grew at an annual rate of 3.0% in 1998:IIIQ, and by 1.9% from 1997:IIIQ. The manufacturing sector, which suffered job losses of 49,000 in 1998:IIIQ, showed a productivity increase of 3.8% from 1997:IIIQ.