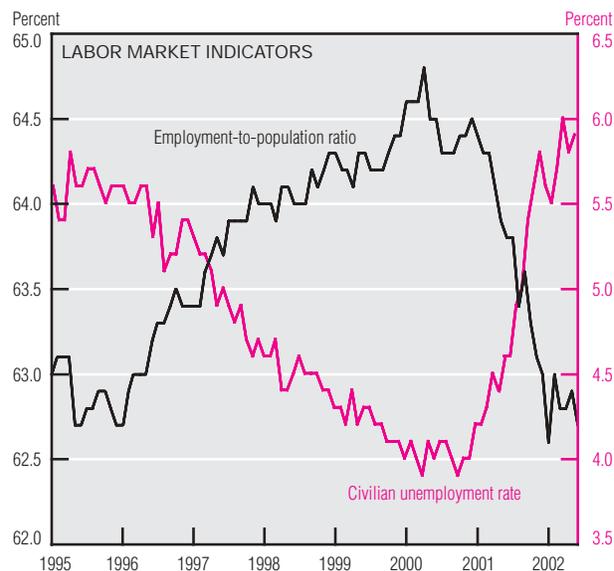
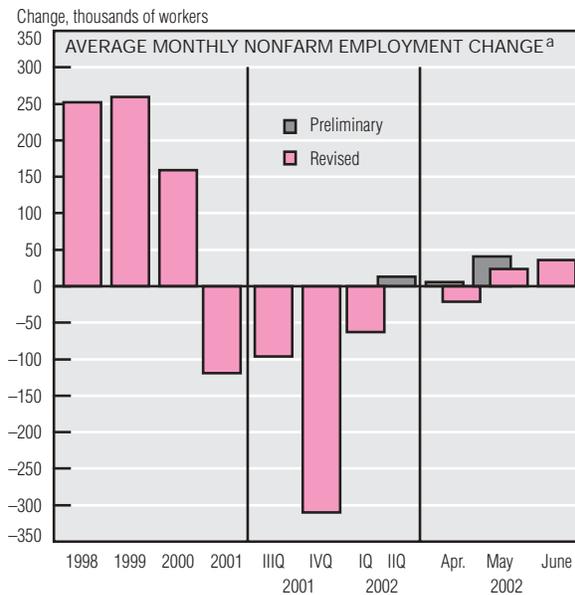


Labor Markets



a. All data are seasonally adjusted.

b. Transportation and public utilities.

c. Finance, insurance, and real estate.

d. The services industry includes travel; business support; recreation and entertainment; private and/or parochial education; personal services; and health services.

e. National estimates are based on the Current Population Survey. Regional estimates are based on several sources, including the Current Population Survey, the Current Establishment Survey, and state unemployment insurance data.

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

Nonfarm payroll employment rose 36,000 jobs in June, making 2002:IIQ monthly average employment growth equal to 13,000 jobs. Preliminary numbers show 2002:IIQ with the smallest quarterly decline in employment since it began falling in 2001:IIQ. Goods-producing industries saw only a slight decline in employment. Manufacturing employment fell by 23,000 jobs—far fewer than the 106,500 average monthly net decline between March 2001 and March 2002. Construction's net increase in employment in June (14,000) was the largest

since May 2001. Services added 33,000 jobs (net), and health services gained 34,000. Help supply services added slightly fewer (9,000) jobs than in the previous three months on average (44,000). At 5.9%, the unemployment rate was virtually unchanged over the previous two months, although the average duration of unemployment continued the increase that began in July 2001.

The most recent recession's effect on labor markets has varied across regions. Since March 2001, the West North Central and East South Central regions saw the smallest increases

in the unemployment rate and the Middle Atlantic the largest. The Mountain, Pacific, and West South Central regions experienced similar increases in the unemployment rate (1.4%). The Mountain region's much faster increase in the number of unemployed was neutralized by its faster labor force growth. Regional and national employment statistics are compiled independently and are not necessarily consistent with each other. For example, employment in the U.S. has declined 1.0% overall, but it declined less or even increased in individual regions.

Labor Market Conditions^a

	Average monthly change (thousands of employees)				
	1999	2000	2001	Jan.-May 2002	June 2002
Payroll employment	259	159	-119	-37	36
Goods-producing	8	-1	-111	-78	-10
Mining	-3	1	1	-1	-1
Construction	26	8	-3	-19	14
Manufacturing	-16	-11	-109	-58	-23
Durable goods	-5	1	-79	-40	-18
Nondurable goods	-11	-12	-30	-18	-5
Service-producing	252	161	-8	41	46
TPU ^b	19	17	-23	-12	6
Wholesale and retail trade	60	25	-31	-3	-19
FIRE ^c	7	5	10	-2	3
Services ^d	132	92	-2	42	33
Government	35	22	39	16	14
Average for period (percent)					
Civilian unemployment rate	4.2	4.0	4.8	5.7	5.9

Regional Labor Market Conditions^e

	Unemployment rate		Percent change: March 2001–May 2002			
	March 2001	May 2002	Increase, March 2001–May 2002			
			Unemployed	Labor force	Employed	
New England	3.2	4.2	1.0	32.5	1.7	0.7
Middle Atlantic	4.2	5.8	1.6	40.0	1.7	0.0
East North Central	4.5	5.8	1.3	29.0	0.4	-0.9
West North Central	3.8	4.2	0.4	12.3	1.5	1.1
South Atlantic	4.1	5.2	1.1	29.3	1.6	0.5
East South Central	4.8	5.5	0.7	16.7	1.4	0.6
West South Central	4.5	5.9	1.4	36.1	2.5	0.9
Mountain	4.0	5.4	1.4	38.2	3.1	1.7
Pacific	5.0	6.4	1.4	29.0	1.2	-0.3
United States	4.2	5.8	1.6	41.8	0.8	-1.0