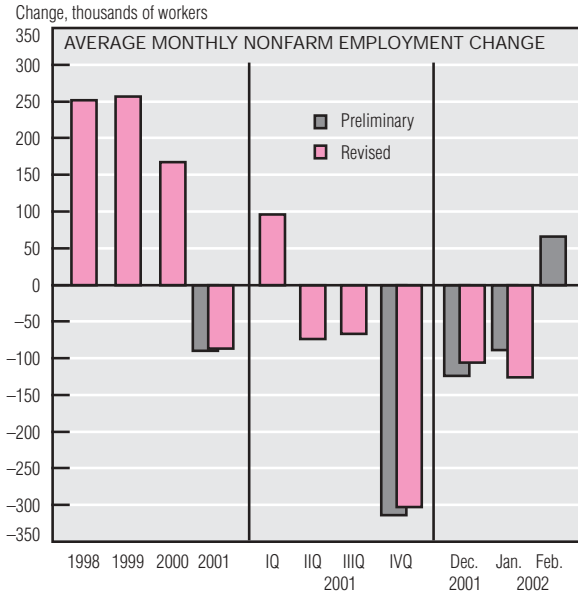


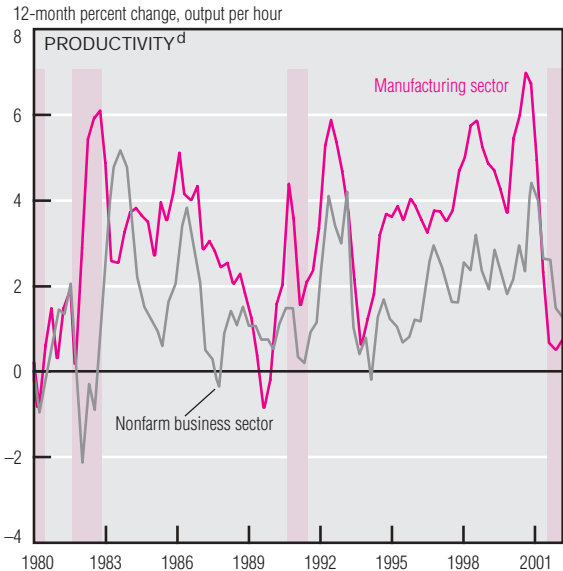
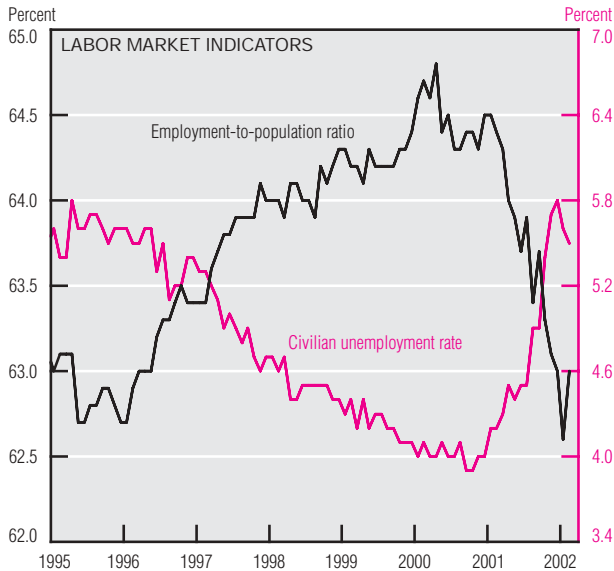
Labor Markets



Labor Market Conditions

	Average monthly change (thousands of employees)				
	1998	1999	2000	2001	Jan. 2002
Payroll employment	251	257	167	-87	66
Goods-producing	22	7	8	-103	-31
Mining	-3	-3	1	1	-6
Construction	37	26	18	5	25
Manufacturing	-13	-16	-12	-109	-50
Durable goods	-2	-5	1	-79	-26
Nondurable goods	-11	-11	-13	-31	-24
Service-producing	230	250	159	16	97
TPU ^a	20	18	14	-16	4
Wholesale and retail trade	40	59	34	-14	43
FIRE ^b	22	7	0	4	-10
Services ^c	120	131	93	5	40
Government	28	35	18	37	20

	Average for period (percent)				
	1998	1999	2000	2001	Jan. 2002
Civilian unemployment rate	4.5	4.2	4.0	4.8	5.5



NOTE: All data are seasonally adjusted.
 a. Transportation and public utilities.
 b. Finance, insurance, and real estate.
 c. The services industry includes travel; business support; recreation and entertainment; private and/or parochial education; personal services; and health services.
 d. Shaded areas denote NBER-defined recessions.
 SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

Preliminary estimates from the Bureau of Labor Statistics show that nonfarm employment gained 66,000 jobs in February, the first month of jobs growth since July 2001. The BLS revised January losses down by 37,000 jobs to 126,000 and lowered its previous estimates for 2001:IVQ.

Although employment posted a net gain in February, goods-producing industries still lost 31,000 jobs and service-producing industries gained 97,000. Even so, this is goods producers' smallest monthly employment loss since the recession began in March 2001, and the manufacturing

sector's smallest loss (50,000) since December 2000. Moreover, construction added 25,000 jobs. Growth in service-producing industries' employment made February the strongest month since May 2001. Most of that growth can be attributed to gains in the services sector and in wholesale and retail trade.

According to the Bureau of Labor Statistics' household survey, the unemployment rate fell to 5.5% in February, the second consecutive monthly decline since the most recent peak in December. The employment-to-population ratio

increased 0.4 percentage points in February to 63.0.

Worker productivity increased slightly in 2001:IVQ from the same quarter of the previous year. The 12-month percent change in the nonfarm business sector has risen steadily since the early 1990s; manufacturing productivity, however, fell sharply in the latter half of 2001 after rising rapidly throughout the 1990s. Nonfarm business sector productivity growth has held up well during the latest recession compared to the three previous episodes in the early 1980s and the early 1990s.