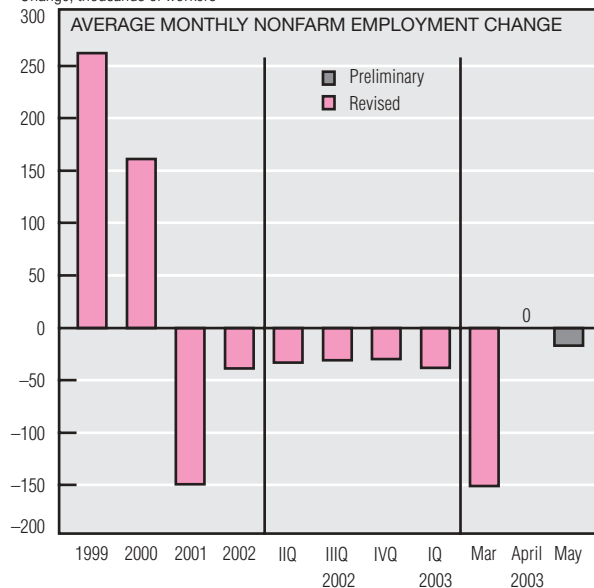


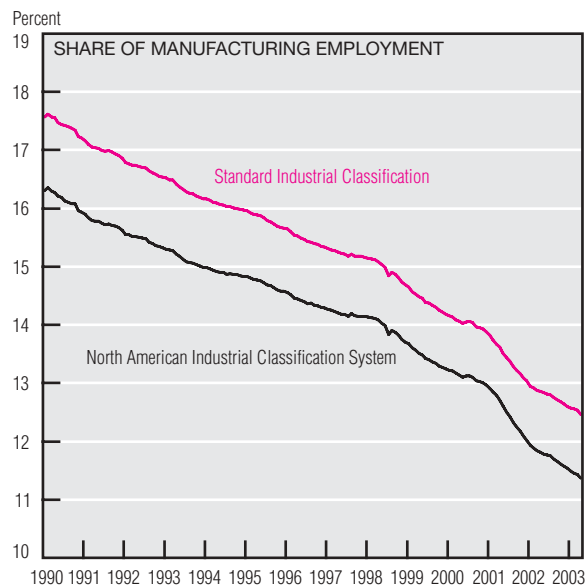
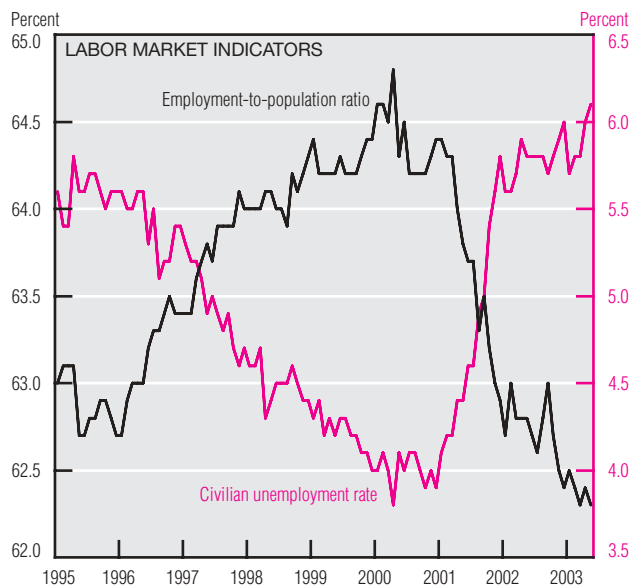
Labor Markets

Change, thousands of workers



Labor Market Conditions

	Average monthly change, NAICS (thousands of employees)				
	2000	2001	2002	Jan.-Apr. 2003	May 2003
Payroll employment	161	-149	-39	-29	-17
Goods producing	-1	-124	-64	-55	-29
Construction	7	-1	-4	7	26
Manufacturing	-9	-123	-57	-59	-53
Durable goods	2	-88	-41	-44	-37
Nondurable goods	-11	-35	-16	-15	-16
Service producing	162	-25	25	26	12
Information	15	-15	-14	-12	-6
Financial activities ^a	6	7	5	16	12
Professional and business services ^b	40	-63	-10	2	48
Education and health services	32	51	37	31	18
Leisure and hospitality ^c	22	-2	7	6	-9
Government	22	46	16	-3	-25
Average for period (percent)					
Civilian unemployment rate	4.0	4.8	5.8	5.8	6.1



NOTE: All data are seasonally adjusted.

a. Financial activities include finance, insurance, and real estate plus rental and leasing.

b. Professional and business services include professional, scientific, and technical services; management of companies and enterprises; administrative and support plus waste management and remediation services.

c. Leisure and hospitality includes arts, entertainment, and recreation plus accommodation and food services.

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

Nonfarm employment posted a net loss of 17,000 jobs in May. Consistent with the average monthly decline in the previous 12 months, job losses were mainly concentrated in manufacturing (53,000). Manufacturing's drop was partly offset by gains in construction (26,000). Employment in service-producing industries grew by 12,000 in May, with the biggest gains posted in the professional and business category (48,000). The information sector fell slightly (6,000 jobs); since its peak in March 2001, this sector has lost 417,000 jobs. In May, education and health services continued adding

jobs (18,000), bringing the total increase since March 2001 to about a million jobs.

May's unemployment rate jumped to 6.1%, 0.1 percentage point higher than April's. The employment-to-population ratio inched down by 0.1 percentage point to 62.3.

May's employment release replaced the 1987 Standard Industrial Classification (SIC) code with the 2002 North American Industrial Classification System (NAICS) code. NAICS recognizes more industries to reflect their nature more accurately. It divides the economy into 20 sectors; of these, five

are primarily goods producers, and the remaining 15 are entirely service producers.

The shift from SIC to NAICS has affected individual industries. For example, some industries, like publishing and logging, previously reported under manufacturing (SIC), have moved into information (service producing) and natural resources (goods producing), respectively. The trend in the manufacturing employment share is the same using either SIC or NAICS, although the levels are lower with NAICS measures.