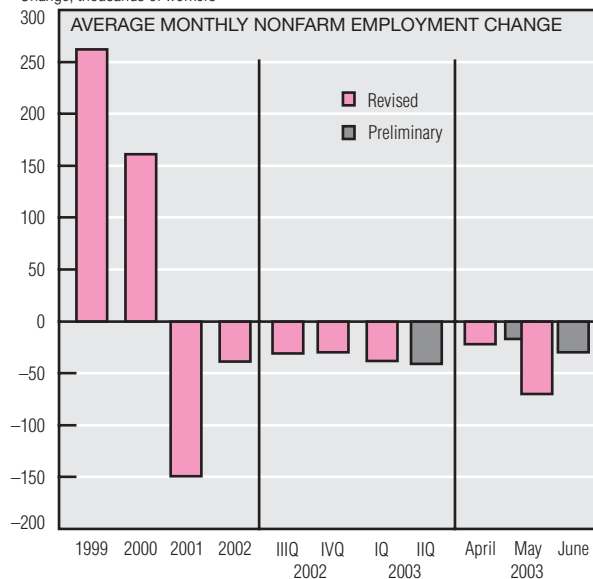


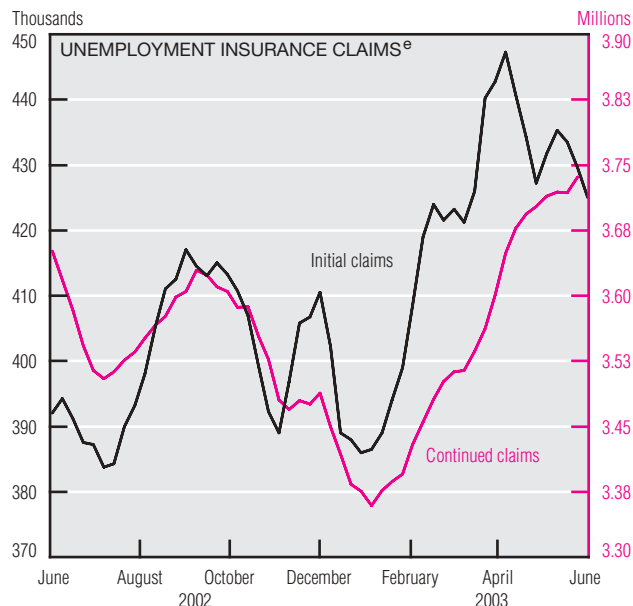
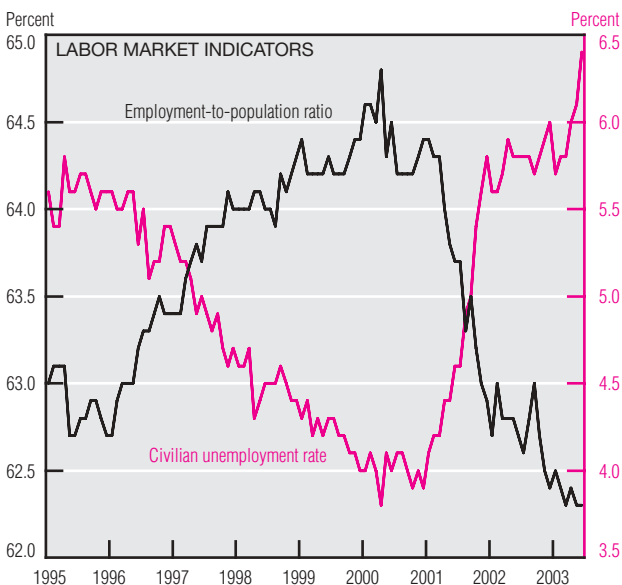
Labor Markets

Change, thousands of workers



Labor Market Conditions

	Average monthly change (thousands of employees) ^a				
	2000	2001	2002	Jan.-May 2003	June 2003
Payroll employment	161	-149	-39	-41	-30
Goods producing	-1	-124	-64	-44	-40
Construction	7	-1	-4	11	16
Manufacturing	-9	-123	-57	-54	-56
Durable goods	2	-88	-41	-40	-36
Nondurable goods	-11	-35	-16	-14	-20
Service producing	162	-25	25	3	10
Information	15	-15	-14	-12	-10
Financial activities ^b	6	7	5	17	9
Professional and business services ^c	40	-63	-10	3	-3
Education and health services	32	51	37	27	23
Leisure and hospitality ^d	22	-2	7	1	22
Government	22	46	16	-14	1
Average for period (percent)					
Civilian unemployment rate	4.0	4.8	5.8	5.9	6.4



NOTE: All data are seasonally adjusted.

a. Data are according to the North American Industrial Classification System.

b. Financial activities include finance, insurance, and real estate; and rental and leasing.

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

d. Leisure and hospitality includes arts, entertainment, and recreation; and accommodation and food services.

e. Four-week moving average.

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

Total nonfarm payroll employment fell by 30,000 jobs in June, after losing a revised 22,000 in April and 70,000 in May. (All employment figures show net changes, that is, job gains minus job losses.) The revision for May showed a loss of 70,000 jobs, four times the loss reported in the preliminary estimate.

In June, service-providing industries continued to gain jobs, while goods producers continued to lose them. Goods-producing industries posted an overall loss of 40,000 jobs. Manufacturing accounted for the highest number

of losses (56,000), which is consistent with the average monthly losses over the previous 12 months. Construction added 16,000 jobs, its fourth consecutive gain since February of this year. After posting four straight months of job losses, leisure and hospitality added 22,000 jobs in June. Education and health services, which added 23,000 jobs, was the only sector where employment has increased every month since August 1998. The information sector lost 10,000 jobs, and financial activities posted a gain of 9,000. Government employment held steady in June, adding 1,000 jobs.

June's unemployment rate rose to 6.4%, the highest level since April 1994. The entry of new job seekers into the labor force led this surge. The employment-to-population ratio remained at 62.3. The four-week moving average of initial unemployment insurance claims continued to fall in the week ending June 28, its third consecutive weekly decline from a recent peak of 435,250 claims in early June. But the number of continued claims remained high, reaching about 3.74 million in the week ending June 21.