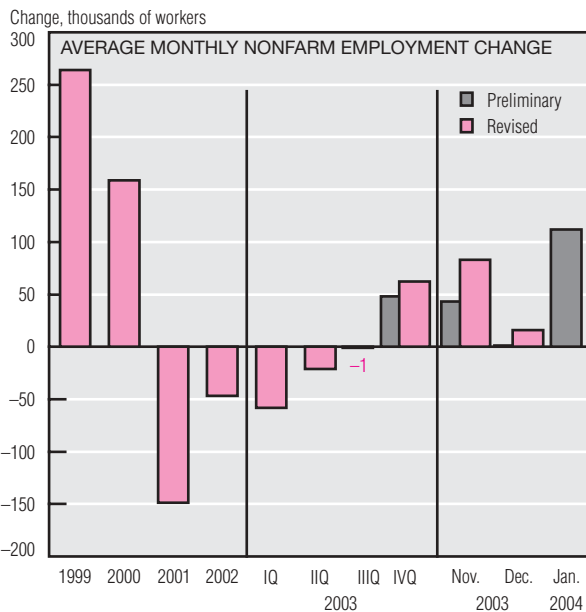
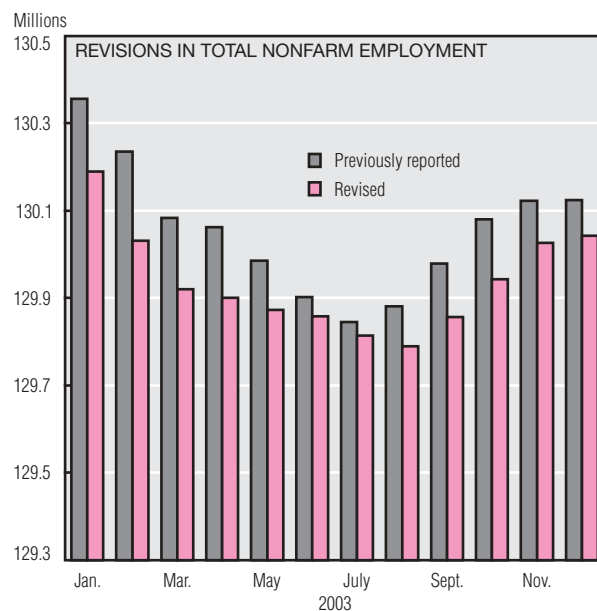


Labor Markets



Labor Market Conditions

	Average monthly change (thousands of employees)				
	2000	2001	2002	2003	Jan. 2004
Payroll employment	159	-149	-47	-4	112
Goods producing	-1	-124	-76	-42	7
Construction	7	-1	-8	7	24
Manufacturing	-9	-123	-67	-49	-11
Durable goods	2	-88	-48	-31	3
Nondurable goods	-11	-35	-19	-18	-14
Service providing	159	-25	29	37	105
Information	15	-15	-19	-10	-10
Financial activities ^a	6	8	6	6	2
PBS ^b	40	-63	-17	23	-22
Education and health	32	50	40	28	22
Leisure and hospitality ^c	22	-1	11	8	21
Government	22	46	21	-5	-13
	Average for period (percent)				
Civilian unemployment rate	4.0	4.8	5.8	6.0	5.6



NOTE: All data are seasonally adjusted

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

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

c. Leisure and hospitality include arts, entertainment, and recreation, as well as accommodations and food service.

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

Nonfarm payroll employment posted a net gain of 112,000 jobs in January 2004, its fifth consecutive monthly gain. The employment increase for December 2003 was revised to 16,000. Total payroll has increased by 366,000 jobs since last September.

Construction remained strong, making a net gain of 24,000 jobs in January, which brought the sector's increase to 147,000 jobs since March 2003. Employment in health and education services continued to grow, rising by 22,000 jobs in January and bringing its gain to an impressive 1.5 million jobs over the last three years.

Manufacturing employment continued to fall, but much more slowly than before; it was down 11,000 jobs in January, compared to its average monthly loss of 49,000 in 2003. Information services posted a net loss of 10,000 jobs in January 2004; the sector's employment decreased by 117,000 in 2003. Professional and business services declined by 22,000 jobs in January 2004, after an increase of 45,000 jobs the month before.

The household unemployment rate in January 2004 decreased 0.1 percentage point to 5.6%—a significant drop from its peak of 6.3% in June 2003.

The employment-to-population ratio rose to 62.4%, continuing the upward trend that began in October 2003.

Effective February 2004, the Bureau of Labor Statistics implemented revisions in the establishment-based employment series to reflect the annual benchmark adjustments; it also updated the seasonal adjustment factors. The revisions lowered the employment numbers for the reference month, March 2003, by about 122,000. Incorporating the new seasonal adjustment factors has smoothed the 2003 employment growth pattern.