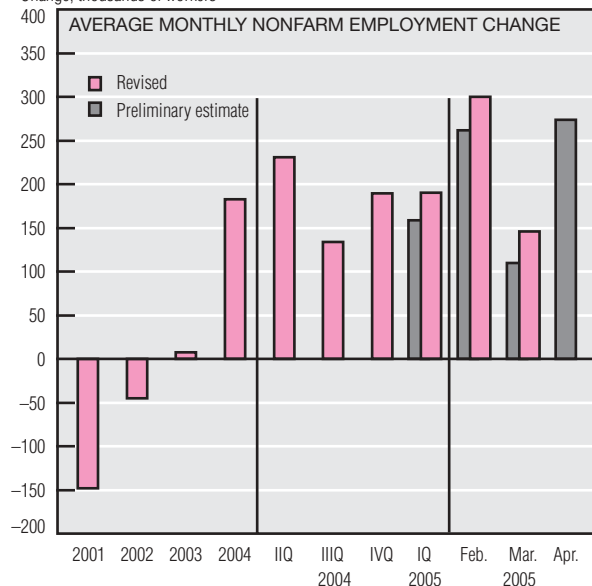


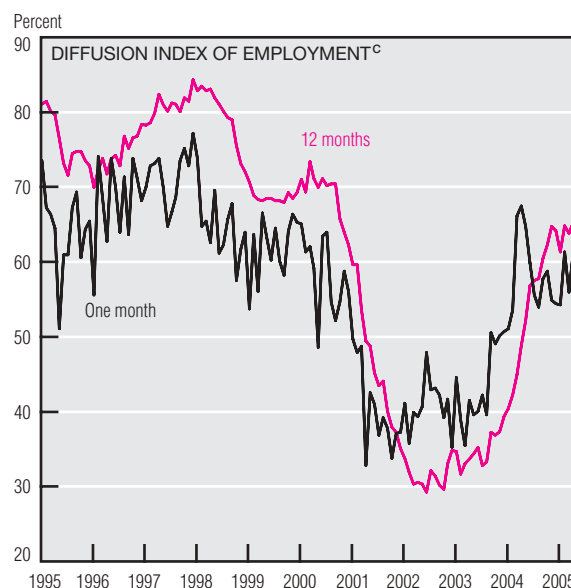
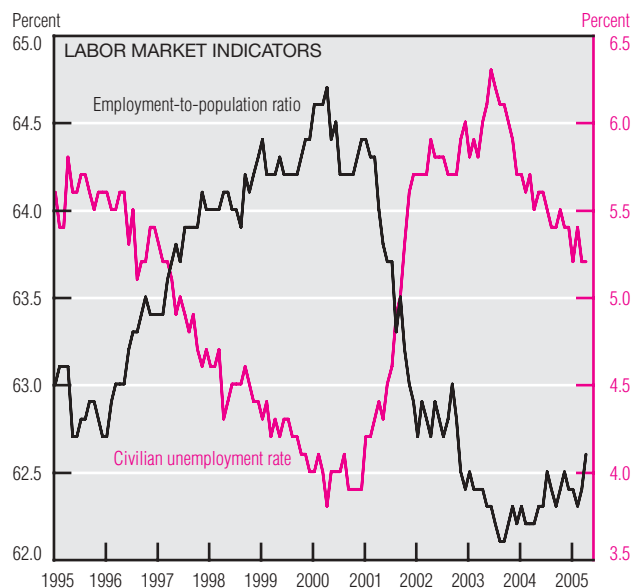
Labor Markets

Change, thousands of workers



Labor Market Conditions

	Average monthly change (thousands of employees, NAICS)				
	2001	2002	2003	2004	Apr. 2005
Payroll employment	-148	-45	8	183	274
Goods producing	-124	-76	-42	29	45
Construction	-1	-7	10	23	47
Manufacturing	-123	-67	-51	3	-6
Durable goods	-88	-48	-32	9	2
Nondurable goods	-35	-19	-19	-6	-8
Service providing	-25	30	50	154	229
Retail trade	-24	-10	-5	13	24
Financial activities ^a	8	6	7	12	17
PBS ^b	-63	-17	22	45	36
Temporary help svcs.	-37	2	12	15	11
Education & health svcs.	50	40	30	33	35
Leisure and hospitality	-1	12	18	22	58
Government	46	21	-4	12	18
	Average for period (percent)				
Civilian unemployment rate	4.8	5.8	6.0	5.5	5.2



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. Percent of total nonfarm industries with increased employment over one month (or 12 months) plus half of those with unchanged employment.

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

Total nonfarm payroll employment increased by 274,000 in April, well above the consensus estimate of 175,000 and the first quarter's monthly average of 190,000. Furthermore, February and March increases were revised up a net 93,000 jobs.

Much of April's gains took place in service-providing industries, whose 229,000 increase was almost double March's. Strong gains came from retail trade (24,000), professional and business services (36,000), education and health services (35,000), and leisure and hospitality (58,000).

In the goods-producing sector, construction payrolls grew by 47,000. The manufacturing sector, which lost 6,000 jobs, is now close to its January employment level.

The strengthening of the labor market in April was confirmed in the household report. The unemployment rate was unchanged at 5.2%, tying its lowest level since September 2001. However, the proportion of long-term unemployed—those out of work for 27 weeks or more—remained at 21.2% of the unemployed. The employment-to-population ratio

increased 0.2 percentage point to 62.6%; the participation rate (66.0%) also rose 0.2 percentage point, after holding steady at 65.8% for three months.

The diffusion index of employment—an indicator of the recovery's strength—measures the share of industries where employment growth is positive. Employment rose in 61% of industries in April, compared to 56% in March. Over the past 12 months, employment expanded in 65% of industries.