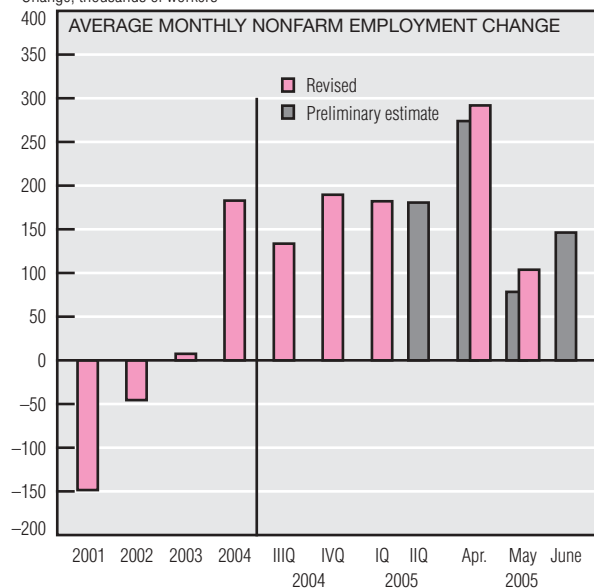


Labor Markets

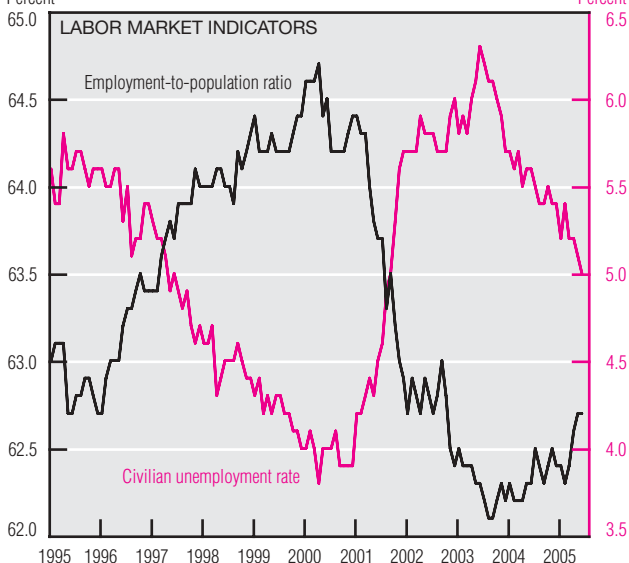
Change, thousands of workers



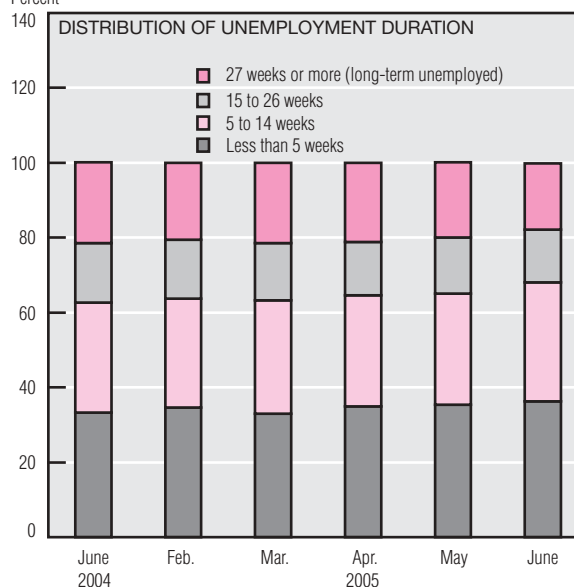
Labor Market Conditions

	Average monthly change (thousands of employees, NAICS)				
	2001	2002	2003	2004	June 2005
Payroll employment	-148	-45	8	183	146
Goods producing	-124	-76	-42	29	-4
Construction	-1	-7	10	23	18
Manufacturing	-123	-67	-51	3	-24
Durable goods	-88	-48	-32	9	-12
Nondurable goods	-35	-19	-19	-6	-12
Service providing	-25	30	50	154	150
Retail trade	-24	-10	-5	13	2
Financial activities ^a	8	6	7	12	16
PBS ^b	-63	-17	22	45	56
Temporary help svcs.	-37	2	12	15	9
Education & health svcs.	50	40	30	33	38
Leisure and hospitality	-1	12	18	22	19
Government	46	21	-4	12	2
	Average for period (percent)				
Civilian unemployment rate	4.8	5.8	6.0	5.5	5.0

Percent



Percent



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.

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

Nonfarm employment increased by 146,000 jobs in June, exactly half the gains posted in April (292,000) but about 50% more than in May (104,000). June's gains were below consensus, but the April and May numbers were revised upward by a combined 44,000 jobs. The second quarter averaged a monthly increase of 181,000 jobs.

Job gains materialized in professional and business services, education and health services, financial activities, and construction. Manufacturing lost 24,000 net jobs, its worst drop in

five months. Losses were especially severe in motor vehicles (-17,900) and transportation equipment (-14,300). By contrast, computer and electronic products employment rose by 7,400 jobs.

The unemployment rate fell 0.1 percentage point to 5.0%, its lowest level since the end of the 2001 recession. The rate for men older than 20 dropped to 4.3%, and the rate for women the same age remained at 4.6%. The unemployment rate for those aged 16 to 19 was 16.4%, down from 17.9% in May.

The employment-to-population ratio (62.7%) and the participation rate (66%) were virtually unchanged. In the course of a year, the employment-to-population ratio increased 0.4 percentage point.

The fraction of long-term unemployed (those jobless for 27 weeks or longer) was also reduced, from 20.1% in May to 17.8% in June. The average duration of unemployment was 17.1 weeks, 1.7 weeks less than in May and 2.7 weeks less than a year earlier.