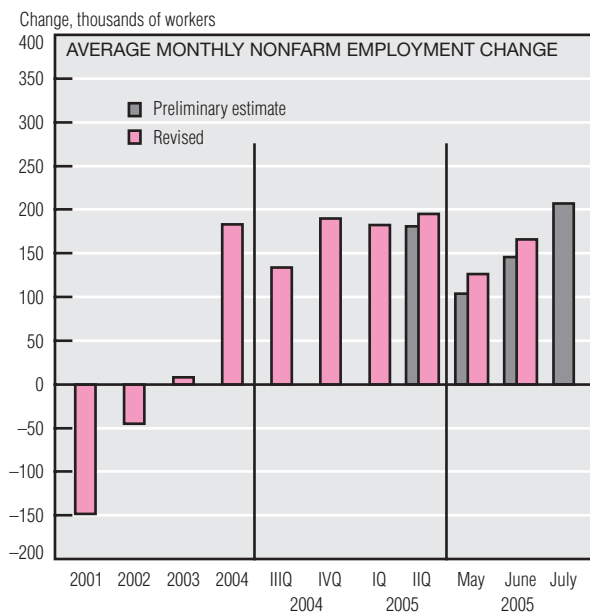
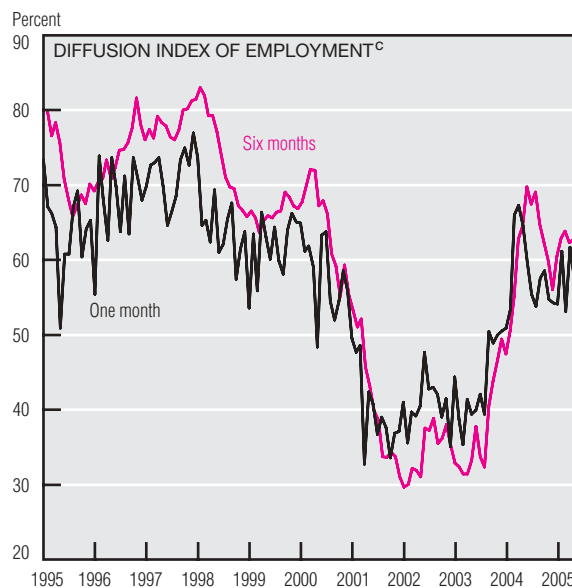
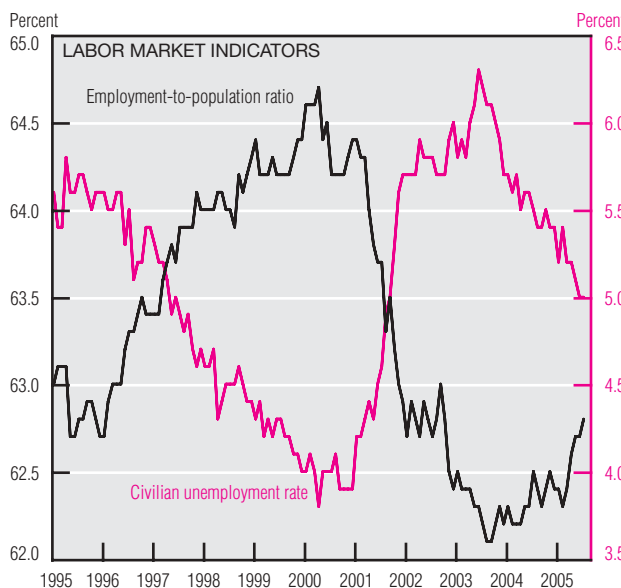


# Labor Markets



## Labor Market Conditions

	Average monthly change (thousands of employees, NAICS)				
	2001	2002	2003	2004	July 2005
<b>Payroll employment</b>	-148	-45	8	183	207
<b>Goods producing</b>	-124	-76	-42	29	4
Construction	-1	-7	10	23	7
Manufacturing	-123	-67	-51	3	-4
Durable goods	-88	-48	-32	9	-7
Nondurable goods	-35	-19	-19	-6	3
<b>Service providing</b>	-25	30	50	154	203
Retail trade	-24	-10	-5	13	50
Financial activities <sup>a</sup>	8	6	7	12	21
PBS <sup>b</sup>	-63	-17	22	45	33
Temporary help svcs.	-37	2	12	15	-2
Education & health svcs.	50	40	30	33	21
Leisure and hospitality	-1	12	18	22	33
Government	46	21	-4	12	26
	<b>Average for period (percent)</b>				
Civilian unemployment rate	4.8	5.8	6.0	5.5	5.0



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 three months (or six months) plus half of those with unchanged employment.

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

Labor markets continued to improve in July. Nonfarm payroll employment rose by 207,000, slightly above the average monthly gain of 188,000 jobs in first half of the year. Job growth in May and June was revised upward by a combined 42,000 jobs, and average monthly job gains in 2005:IIQ was revised upward to 195,000.

Service-providing industries, which accounted for nearly all employment gains in July, added 203,000 jobs. Nearly one-quarter of these were in the retail sector, which posted the largest monthly gain in more than

five years. Leisure and hospitality added 33,000 jobs, as did business services. Temporary help services, which some consider an indicator of future hiring, fell by 2,000 jobs. After adding 28,000 jobs in February (its strongest month this year), temporary help services added a mere 17,000 jobs over the past five months. Manufacturing employment continued to decline, falling by 4,000 jobs and bringing its losses since the beginning of the year to 31,000.

The employment-to-population ratio continued to inch upwards to

62.8%, whereas the unemployment rate was unchanged at 5.0%, its lowest level since August 2001.

The Diffusion Index of Employment measures the share of industries in which employment rose over a given period. The six-month index continued to trend upward from December 2004, reaching 64.9%, and the one-month index reached its highest level in more than a year, reflecting continued improvement in the labor market.