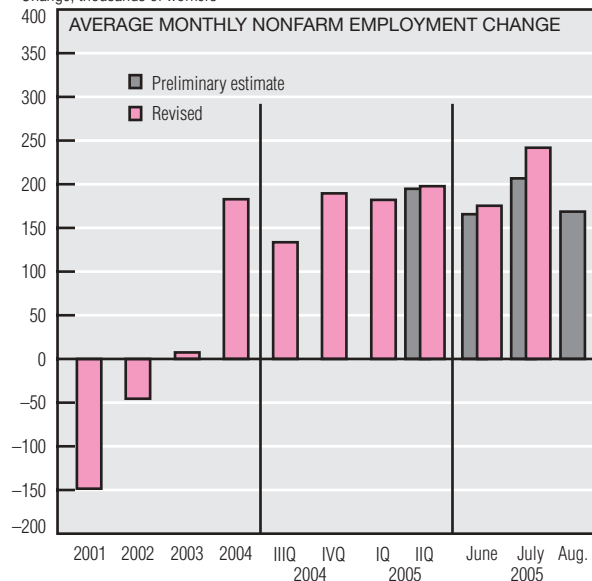


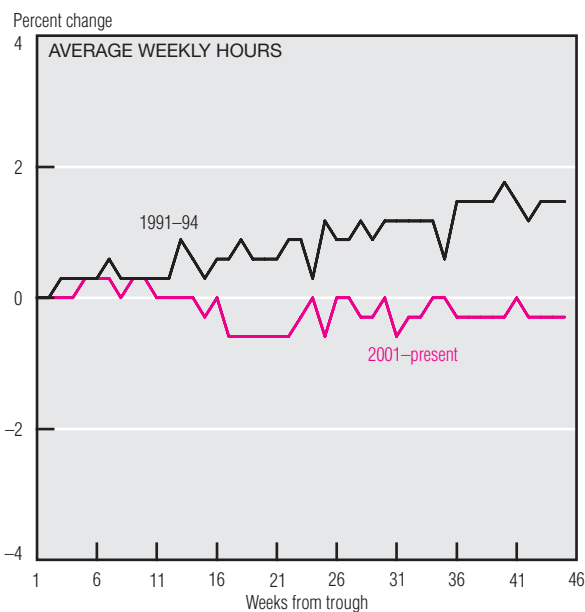
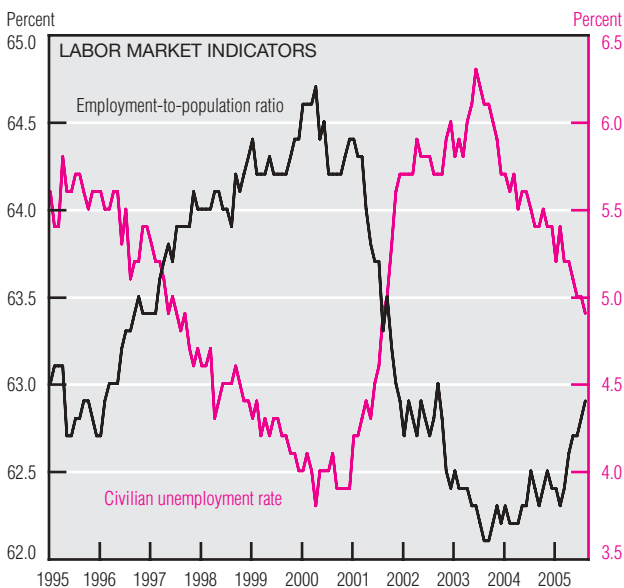
Labor Markets

Change, thousands of workers



Labor Market Conditions

	Average monthly change (thousands of employees, NAICS)				
	2001	2002	2003	2004	Aug. 2005
Payroll employment	-148	-45	8	183	169
Goods producing	-124	-76	-42	29	13
Construction	-1	-7	10	23	25
Manufacturing	-123	-67	-51	3	-14
Durable goods	-88	-48	-32	9	-4
Nondurable goods	-35	-19	-19	-6	-10
Service providing	-25	30	50	154	156
Retail trade	-24	-10	-5	13	12
Financial activities ^a	8	6	7	12	15
PBS ^b	-63	-17	22	45	29
Temporary help svcs.	-37	2	12	15	7
Education & health svcs.	50	40	30	33	43
Leisure and hospitality	-1	12	18	22	34
Government	46	21	-4	12	15
	Average for period (percent)				
Civilian unemployment rate	4.8	5.8	6.0	5.5	4.9



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.

Total nonfarm payroll employment increased by 169,000 in August. Although the month's gains were below the consensus estimate, the economy's average monthly job gain of 195,000 over the last three months remains strong. June and July payrolls were revised up by a combined 44,000.

Gains in August were fairly widespread across sectors, with the exception of manufacturing. Notable increases were in construction (25,000), accommodations and food

services (26,700), and health care (26,300). Manufacturing employment fell by 14,000 jobs in August, its third consecutive monthly decrease. Employment by motor vehicle and parts manufacturers fell by 8,000 jobs; this sector has accounted for almost half of all manufacturing jobs lost since August 2004.

The household survey, from which the unemployment rate is derived, continued to show an improving economy. The unemployment rate

dropped to a four-year low of 4.9%, down $\frac{1}{2}$ percentage point since February. The employment-to-population ratio rose to 62.9%, having risen 0.6 percentage point over the past six months.

One interesting aspect of the current business cycle is the pattern of average weekly hours. When compared to the previous "jobless" recovery of the early 1990s, the most recent recovery has brought little change in average weekly hours.