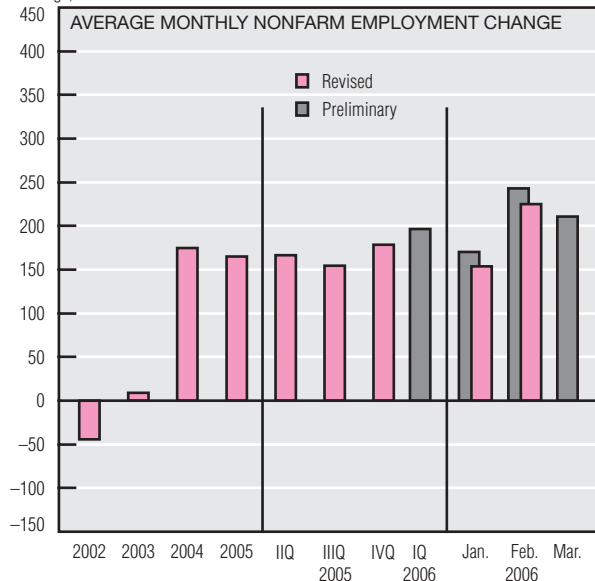


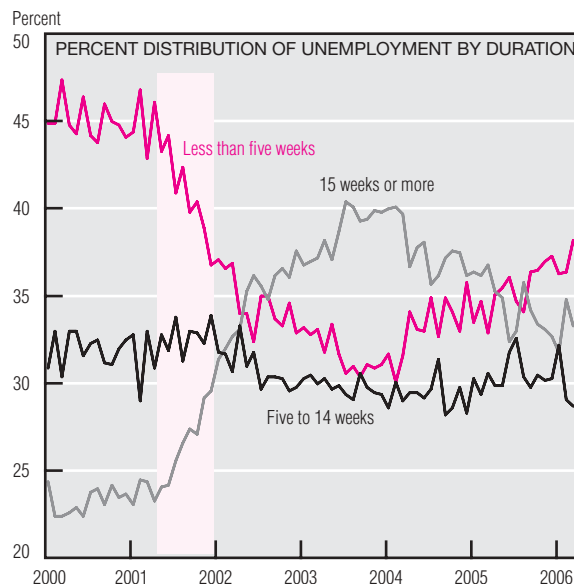
# Labor Markets

Change, thousands of workers



## Labor Market Conditions

	Average monthly change (thousands of employees, NAICS)				
	2002	2003	2004	2005	Mar. 2005
<b>Payroll employment</b>	-45	9	175	165	211
<b>Goods producing</b>	-76	-42	28	22	9
Construction	-8	10	26	25	7
Manufacturing	-67	-51	0	-6	-5
Durable goods	-48	-32	9	1	6
Nondurable goods	-19	-19	-9	-7	-11
<b>Service providing</b>	32	51	147	143	202
Retail trade	-9	-4	17	13	29
Financial activities <sup>a</sup>	6	7	8	12	16
PBS <sup>b</sup>	-17	23	40	41	52
Temporary help svcs.	2	12	13	14	16
Education & health svcs.	40	30	33	31	33
Leisure and hospitality	12	19	26	21	42
Government	21	-4	13	14	24
	Average for period (percent)				
Civilian unemployment rate	5.8	6.0	5.5	5.1	4.7



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 payrolls grew by 211,000 jobs in March, surpassing expectations of 190,000. Gains for January and February, however, were revised down by a combined 34,000 jobs. Over the last 12 months, monthly employment growth has averaged 174,000.

Service-providing industries added 202,000 jobs in March, spread over a wide range of industries. Gains were led by professional and business services (52,000), leisure and hospitality (42,000), education and health services (33,000), and retail trade (29,000). The goods-producing sector,

on the other hand, was subdued, adding 9,000 jobs over the month. After two months of strong gains, the construction industry added just 7,000 jobs. The manufacturing industry was also nearly unchanged.

The national unemployment rate was 4.7% in March, down from 4.8% one month earlier. Over the year, the unemployment rate has fallen 0.4 percentage point, down from 5.1%. The labor force participation rate (66.1%) and the employment-population ratio (63.0%) suggest that these series continue to increase slowly.

In an expanding economy, the share of the unemployed who are out of work for a short period of time is high, because it is relatively easy to find a job. At the same time, the share of those unemployed for longer durations is typically low, for the same reason. When a recession hits, those who are unemployed have difficulty finding a job, and the duration of unemployment may rise. These effects were felt in the last recession; it is only over the past few years that our economy has regained its footing and unemployment durations have fallen.