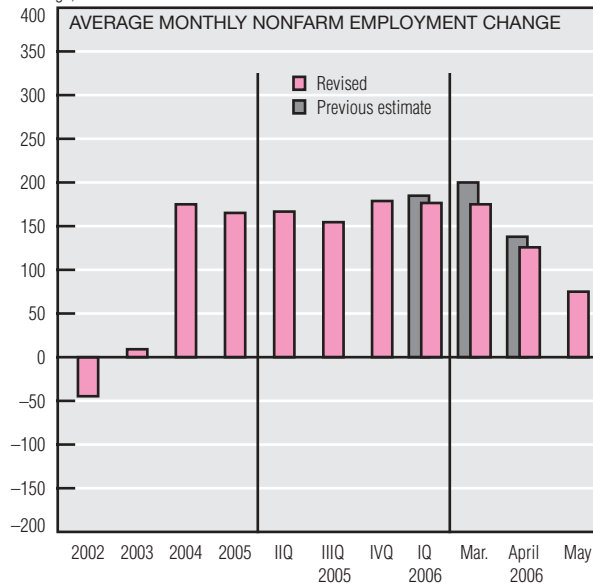


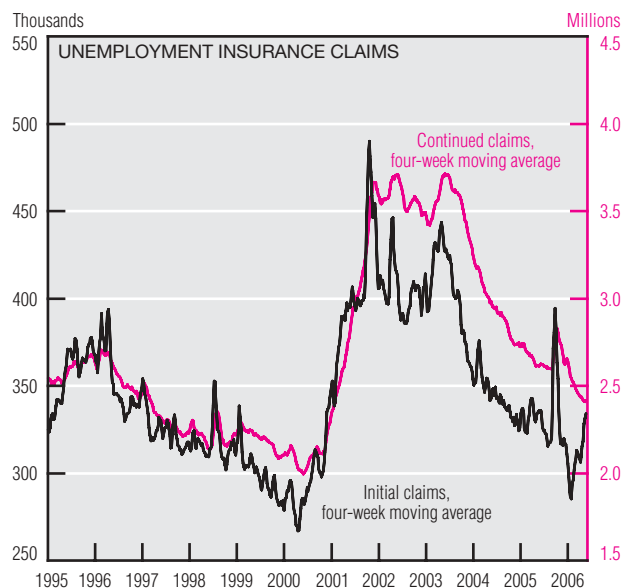
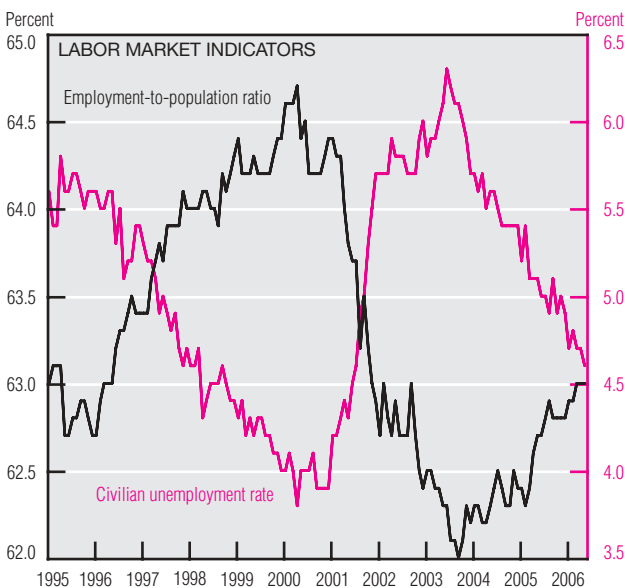
# Labor Markets

Change, thousands of workers



## Labor Market Conditions

	Average monthly change (thousands of employees, NAICS)				
	2003	2004	2005	Jan.- Apr. 2006	May 2006
<b>Payroll employment</b>	9	175	165	164	75
<b>Goods producing</b>	-42	28	22	36	-10
Construction	10	26	25	24	1
Manufacturing	-51	0	-6	6	-14
Durable goods	-32	9	1	12	-9
Nondurable goods	-19	-9	-7	-6	-5
<b>Service providing</b>	51	147	143	128	85
Retail trade	-4	17	13	-9	-27
Financial activities <sup>a</sup>	7	8	12	22	12
PBS <sup>b</sup>	23	40	41	24	27
Temporary help svcs.	12	13	14	-7	-3
Education & health svcs.	30	33	31	38	41
Information	-11	-6	-1	1	-13
Government	-4	13	14	8	8
	<b>Average for period (percent)</b>				
Civilian unemployment rate	6.0	5.5	5.1	4.7	4.6



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 payroll growth was 75,000 in May, the third straight month it slowed. Net job gains in March and April were revised down a combined 37,000, to 175,000 and 126,000, respectively.

Manufacturing employment declined 14,000 in May after rising 19,000 in April. Much of the decline was concentrated in the transportation equipment and the computer and electronic products industries. Construction employment increased only 1,000 for the second time in the last three months. For the second

straight month, the service-providing sector added fewer than 90,000 net jobs, just under half of them in education and health services. Professional and business services employment increased 27,000, despite the fourth decrease in temporary help services in the last five months. Retail employment fell 27,100 in May following a 43,500 decline in April.

May's employment-to-population ratio was 63.0% for the third straight month. The unemployment rate declined 0.1 percentage point to 4.6% because jobs growth from the household survey used to determine the

rate was stronger than the more commonly cited measure of employment growth from the payroll survey. Notwithstanding recent declines in the unemployment rate, the four-week moving average of initial unemployment insurance claims rose from just under 300,000 in late January and early February to 333,500 in the week ending May 27. Weekly initial claims remained well below 400,000, an often-cited bellwether of recession. Furthermore, the downward trend in continued claims has been sustained so far this year.