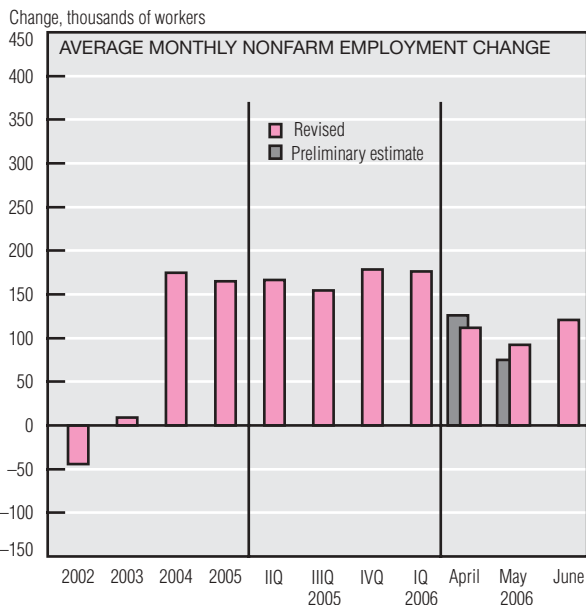
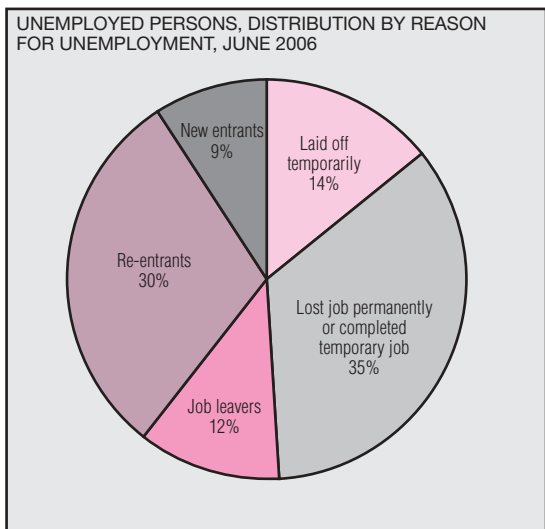


# Labor Markets



### Labor Market Conditions

	Average monthly change (thousands of employees, NAICS)				
	2003	2004	2005	Jan.-May 2006	June 2006
<b>Payroll employment</b>	9	175	165	147	121
<b>Goods producing</b>	-42	28	22	27	15
Construction	10	26	25	19	-4
Manufacturing	-51	0	-6	3	15
Durable goods	-32	9	1	9	15
Nondurable goods	-19	-9	-7	-7	0
<b>Service providing</b>	51	147	143	120	106
Retail trade	-4	17	13	-15	-7
Financial activities <sup>a</sup>	7	8	12	19	3
PBS <sup>b</sup>	23	40	41	27	25
Temporary help svcs.	12	13	14	-6	-8
Education & health svcs.	30	33	31	35	26
Leisure & hospitality	19	26	21	19	16
Government	-4	13	14	12	31
<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 muted in June, showing a net increase of only 121,000 jobs. In 2006:IIQ, payroll growth averaged 108,000 per month, less than the average monthly increase of 169,000 jobs during the previous four quarters.

Employment growth in service-providing industries was sluggish: It was up 106,000 jobs during the month, well below the average monthly growth since the beginning of this year and throughout the previous two years. Job growth

among private service-providing industries was concentrated in education and health services (up 26,000) and professional and business services, which increased by 25,000 jobs in June, only slightly less than the 27,000 average monthly gain since January and below the 41,000 average monthly gain in 2005. Job growth in temporary help services, an industry that is generally considered a bellwether of underlying job growth, fell in June and has been sluggish so far this year. Meanwhile, manufacturing

employment rose by 15,000 jobs during the month, well above its average monthly growth rate since January.

The employment-to-population ratio inched up to 63.1%, while the unemployment rate remained at 4.6% (the lowest rate in five years) for the second consecutive month. People who have lost their jobs permanently or have completed temporary jobs account for the largest share of the unemployed (35%), while re-entrants into the labor force account for 30%.