Nonfarm payroll employment surged by 348,000 in May, about twice as high as expected, while April’s figure was revised upward from 2,000 to 163,000. Labor markets have added an average of 222,000 jobs per month this year.

The Bureau of Labor Statistics’ annual rebenchmarking and updated seasonal adjustment factors also boosted earlier figures. A total of 737,000 jobs were added to the previous employment tally—399,000 as a result of rebenchmarking that revised data collected between April 1994 and December 1995, and 338,000 due to improved seasonal adjustment methodology that was applied to data from January 1988 to February 1996.

Employment in the goods-producing sector improved slightly last month. Manufacturers posted a small net increase of 6,000, while construction added another 28,000 workers. The service-producing industries created 313,000 jobs on net, with more than half of this increase concentrated in the narrow services category (including hospitals, hotels, auto repair shops, and computer/data processing firms).

The unemployment rate edged up to 5.6% in May from 5.4% in April, due mostly to a surge of reentrants into the labor force. Nonetheless, the employment-to-population ratio (the proportion of the working-age population holding a job) edged up to 63.1%, high by historical standards.