Despite a slight slowdown, the nation's labor markets remained strong in August. The smaller-than-expected gain in nonfarm payroll employment (49,000) resulted primarily from the Teamsters' strike against UPS, which caused a 153,000 decline in transportation industry jobs. Excluding transportation, private payroll employment picked up by 130,000.

Losses in the air transportation industry fueled jobs expansion in trucking and other areas, notably the U.S. Postal Service. Federal government employment saw its first gain (2,000) in eight months. The goods-producing sector also fared well, adding 55,000 new jobs—47,000 of them in manufacturing. Changes in the service-producing industries were mixed. Health services and engineering and management services both turned in strong performances (up 21,000 and 17,000, respectively), but help supply services (a subset of personnel supply services) was down by 16,000, and eating and drinking establishments lost 10,000 jobs.

Meanwhile, the unemployment rate inched up to 4.9% as the employment-to-population ratio stalled at 63.8%. Of those included in the jobless ranks, 915,000 were classified as "voluntary" (striking workers are not included in this category). This represents 13.7% of all unemployed workers and is the highest share since December 1990. Overall, the total number of jobless workers continues to drop even as the labor force expands. The reduction has been sharpest among those who have been out of work for 15 weeks or more.