Employment showed strong growth in April (340,000 workers), following March’s upwardly revised gain of 458,000. About one-fourth of this increase reflects the hiring of temporary census takers (190,000 in the past two months). Another measure of labor market strength, the employment-to-population ratio, rose 0.2% to a record high of 64.9%. The unemployment rate fell to 3.9%, its lowest point since January 1970.

The goods-producing sector showed a net loss of 40,000 jobs in April. Construction employment alone posted a net loss of 55,000 workers last month, following an increase of 91,000 employees in March. The five weeks intervening between the February and March survey periods may have contributed to the significant gain in March and the sharp decline in April. Steady (though small) gains in durable-goods employment have given manufacturing a net gain of 16,000 employees since November. This follows a 20-month period in which manufacturing employment declined by more than 500,000 jobs.

The largest job gains for April occurred in retail trade and business services, as the service-producing sector posted a net increase of 380,000 jobs. The government also showed solid employment gains due to the temporary addition of census workers and a large increase in local education employment.

Growth in average hourly earnings of nonsupervisory workers has trended upward throughout much of the current expansion. In late 1998, however, earnings growth slowed, especially for goods-producing workers, and only recently has it begun creeping back up toward peak 1997 levels.