Payroll employment growth slowed unexpectedly in May. After two successive monthly increases, each exceeding 400,000 jobs (revised estimates), the net employment gain last month was only 231,000 jobs. Although this tops the averages for both the current expansion (212,000) and the previous 30-year period (167,000), nearly all of May’s employment gains resulted from the hiring of temporary census takers (357,000 workers). In fact, private-sector payroll employment actually declined 116,000 workers during the month. For the year to date, monthly employment growth has averaged 323,000 workers, compared with 229,000 for 1999. However, the impact of Census Bureau hiring is evident in these estimates too, as average private nonfarm employment growth is slightly lower in 2000 than in 1999—182,000 versus 202,000.

Outside the government sector, employment fell in almost every major employment category, the exceptions being service industry employers and durable-goods manufacturers. The net gain for the service industry was 17,000 workers in May; however, this is much lower than the average monthly gain of 103,000 jobs for the year to date. Durable-goods manufacturers made no net additions to their payrolls in May.

The unemployment rate, after falling to 3.9% in April, returned to a reading above 4% in May. As in February and March, it again stands at 4.1%. The employment-to-population ratio is the highest in March and April, but in May, it declined to 64.5%.