In March, manufacturing and help-supply services (temporary help) posted large employment losses, which combined with below-average gains in most service industries to cause a net decrease of 86,000 in total nonfarm payrolls.

Manufacturing continues to struggle mightily; it shed another 81,000 jobs in March, bringing its losses to 451,000 since June. Similarly, help-supply services decreased by 86,000 jobs in March, for total losses of 273,000 jobs in the last six months. Labor conditions in both industries are considered leading indicators and may portend more widespread employment declines. The large job losses in help-supply services, as well as in retail trade, more than offset gains in other industries, such as health services (23,000) and computer services (11,000); as a result, service-producing industries posted a rare overall monthly employment decline.

Other labor market indicators also deteriorated slightly in March. The unemployment rate edged up 0.1% to 4.3%; since last October, when it reached a 30-year low of 3.9%, it has risen 0.4%. The employment-to-population ratio fell 0.1% to 64.3%. The percent of the civilian labor force unemployed for 15 weeks or longer recently increased, albeit slightly. Similarly, the percent of the civilian labor force that recently has lost a job or completed a temporary job rose slightly. While variations in these series are common, even during periods of robust economic growth, their recent simultaneous movements seem atypically strong and suggest that first-quarter economic activity slowed considerably.