The downward trend in payroll employment continued in April, with a net loss of 223,000 jobs. As in March, large job losses occurred in manufacturing and help supply services. In a notable departure from previous trends, however, the overall service-producing sector lost 59,000 jobs; more specifically, the services industry lost more than 120,000 jobs. Construction also sustained large employment losses.

The unemployment rate rose 0.2 percentage points in April, bringing the total increase over the last six months to 0.6 percentage points. Jobless rates for adult women (3.8%) and whites (4.0%) both registered a monthly increase, while unemployment rates for other major worker groups (adult men, teenagers, blacks, and Hispanics) remained relatively unchanged from March. Since October 2000, however, unemployment rates for all major worker groups have increased significantly.

The employment-to-population ratio declined again in April. The civilian labor force remained about constant at 141.8 million, so the labor force participation rate stayed fairly stable at 67.1%.

Initial unemployment claims, considered a leading economic indicator, continued to climb during the last week of April, with the four-week moving average (404,500) rising above 400,000 claims for the first time since August 1992. Since April 2000, when initial claims reached the lowest level in more than 25 years, there has been an increase of nearly 140,000 claims.