Nonfarm payroll employment fell again in July, although the loss of 42,000 is much smaller than the 93,000 posted in June. Job losses were heaviest in goods-producing industries, where employment fell 47,000 in July, while service-producing industries showed a small net employment gain of 5,000. Industries with no significant net employment loss are now showing very little growth.

The most disturbing changes occurred in durable goods manufacturing and services, which lost 47,000 and 23,000 employees, respectively, in July. Services, a steady source of employment growth over past decades, has shown no net gain since March. Since service-sector output is an intermediate input in other industries, such as manufacturing, its employment losses reflect continued weakness in other sectors. Nondurable goods showed no employment change this month, an interesting departure from consistent month-to-month losses.

Unemployment held steady in July at 4.5%, a rate that has been relatively unchanged since April, while the employment-to-population ratio increased slightly to 63.9%.

Mass layoff events in June increased across all industries, mostly as a result of seasonal factors (production cycles, agriculture). However, the increase in layoff events in July approached 50% for all industries except government. In that sector, mass layoffs increased 473% because public school teachers had recently completed a school year.