Nonfarm payroll employment rose 36,000 jobs in June, making 2002:IIQ monthly average employment growth equal to 13,000 jobs. Preliminary numbers show 2002:IIQ with the smallest quarterly decline in employment since it began falling in 2001:IIQ. Goods-producing industries saw only a slight decline in employment. Manufacturing employment fell by 23,000 jobs—far fewer than the 106,500 average monthly net decline between March 2001 and March 2002. Construction’s net increase in employment in June (14,000) was the largest since May 2001. Services added 33,000 jobs (net), and health services gained 34,000. Help supply services added slightly fewer (9,000) jobs than in the previous three months on average (44,000). At 5.9%, the unemployment rate was virtually unchanged over the previous two months, although the average duration of unemployment continued the increase that began in July 2001.

The most recent recession’s effect on labor markets has varied across regions. Since March 2001, the West North Central and East South Central regions saw the smallest increases in the unemployment rate and the Middle Atlantic the largest. The Mountain, Pacific, and West South Central regions experienced similar increases in the unemployment rate (1.4%). The Mountain region’s much faster increase in the number of unemployed was neutralized by its faster labor force growth. Regional and national employment statistics are compiled independently and are not necessarily consistent with each other. For example, employment in the U.S. has declined 1.0% overall, but it declined less or even increased in individual regions.