Nonfarm payroll employment recorded a net gain of only 21,000 jobs in February, compared with forecasters’ projection of a 128,000 net gain. The previous two months’ net gains were revised down by a total of 23,000. Still, nonfarm payroll employment has increased for six straight months, averaging a net gain of 61,000 jobs per month. Construction employment posted a net loss of 24,000 jobs in February, following January’s net gain of 34,000 jobs. Manufacturing lost an average of 11,000 net jobs over the past four months, after reporting a monthly average net loss of 83,000 jobs from January 2001 to October 2003. This recent slowdown in the rate of job losses has been concentrated primarily in durable goods industries, which have added 21,000 net jobs since November 2003. Over the past six months, the average number of hours per week has risen 1.0 hour for workers in durable goods manufacturing industries and 0.6 hour for those in nondurable goods. Service-providing industries added 46,000 net jobs in February, slightly more than the average monthly net gain of 40,000 jobs since January 2003. Employment in temporary help services rose by 32,000 jobs.

In February, the national unemployment rate remained at 5.6%, while the labor force participation rate fell 0.2 point to 62.2%. The average participation rate in 2003 was 62.3%. Because of differences in data sources and estimation methods, it is difficult to make point-in-time comparisons of labor market data for the U.S. versus the Fourth Federal Reserve District. However, labor market trends since 2001 in the Fourth District and in the rest of the country appear to be at least qualitatively similar.