Nonfarm payroll employment registered a net increase of 288,000 jobs in April. At the same time, net gains for the previous two months were revised up a total of 66,000 jobs to 420,000. After a net increase of almost 250,000 jobs over the last four months of 2003, nonfarm payroll employment has added more than 850,000 net jobs thus far in 2004.

Services accounted for much of the employment growth in March and April, gaining about 250,000 net jobs each month. Professional and business services accounted for half of April’s employment increase in service-providing industries. Temporary help services, often a leading indicator of total employment, posted a net gain of 35,300 jobs for the month. The sector has added 260,500 net jobs over the past 12 months, the largest such gain in four years. Manufacturing gained 21,000 net jobs in April, its third straight monthly increase following 42 consecutive months of decline. Recent net job gains in the sector continued to be concentrated in durable manufacturing.

The civilian unemployment rate fell 0.1 percentage point and has largely been flat so far in 2004 after dropping 0.6 percentage point in the second half of 2003. However, the number unemployed for 15 weeks or more declined by 350,000, dropping below 3 million for the first time since September 2002. The four-week moving average of continuing unemployment claims has fallen steadily since the beginning of October, declining more than 600,000 to under 3 million for the first time since July 2001. The insured unemployment rate also began trending downward in October, three months after the civilian unemployment rate began to fall.