Nonfarm payroll employment rose 248,000 in May. The net job gain for April was revised up 58,000 to 346,000, bringing the total increase in nonfarm employment over the past three months to nearly 950,000. Since declining by 2.7 million jobs from March 2001 to August 2003, nonfarm payroll employment has increased by more than 1.4 million over the past nine months.

Goods-producing industries added 72,000 net jobs in May, 32,000 of them in manufacturing. Since bottoming out in January, manufacturing employment has increased by 91,000, with most of the gain coming from durable goods industries. Service-providing industries added 176,000 net jobs in May after gaining more than 250,000 in each of the previous two months. Within the sector, professional and business services, education and health services, and leisure and hospitality each had substantial job gains for the third consecutive month. Both the unemployment rate of 5.6% and the employment-to-population ratio of 62.2% remained at their previous levels in April. After falling 0.6% in the second half of 2003, the unemployment rate has been fairly stable in 2004 so far. The labor force participation rate remained at 65.9%, its lowest level since 1988.

Since 1990, manufacturing’s share of employment has declined 5.3 percentage points in the U.S. and 5.8 percentage points in Fourth District states, with more abrupt drops occurring around recessions. In the years between the last two recessions, Kentucky’s share of employment in manufacturing fell 1.5 percentage points. During the same period, the share for the other Fourth District states and the U.S. as a whole fell between 2.5 and 3.75 percentage points.