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Statement of

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Commissioner
Bureau of Labor Statistics

before the

Joint Economic Committee

UNITED STATES CONGRESS

Friday, May 7, 2004

Mr. Chairman and Members of the Committee:

I appreciate this opportunity to comment on the labor market data that we released this morning.

Nonfarm payroll employment rose by 288,000 in April, on the heels of an even larger job gain in March (337,000). Since August 2003, payroll employment has risen by 1.1 million. In April, job growth was widespread for the second consecutive month. Employment increased substantially in several service-providing industries, construction employment continued to expand, and there was a noteworthy job gain in durable goods manufacturing. The

unemployment rate, at 5.6 percent in April, was little changed over the month.

Among the goods-producing industries, construction employment continued to trend upward in April (18,000). Since March 2003, the industry has added 213,000 jobs, bringing construction employment slightly above its most recent peak in March 2001.

Following a protracted period of job decline, factory employment edged up over the past 3 months. I would note that data for both February and March were revised slightly upward into positive territory. The recent improvement in manufacturing employment has occurred largely in the durable goods component. In April, durable goods employment rose by 20,000, with notable job gains in both fabricated metals (10,000) and machinery (4,000).

A number of service-providing industries added jobs over the month. Employment in professional and business services increased by 123,000 and has risen by about a half million since March 2003. Roughly half of the over-the-month gain in this diverse sector occurred in employment services, where the temporary help industry added 35,000 jobs. Employment in temporary help has grown by 261,000 over the past year. In April, employment increased by 7,000 in architectural and engineering services and by

8,000 in management consulting. In addition, employment in businesses that supply services to buildings and dwellings rose sharply (30,000), with most of the gain occurring in landscaping services.

Within education and health services, employment increased by 30,000 in health care and social assistance. Job gains occurred in hospitals and in outpatient care centers. In leisure and hospitality, the food services industry continued to add jobs in April (34,000). So far this year, employment increases in food services have averaged 28,000 a month, twice the average monthly increase for 2003.

Elsewhere in the service-providing industries, employment in retail trade edged up over the month, following a sizable increase in March. In April, building material and garden supply stores added 10,000 jobs, and employment in motor vehicle and parts dealerships rose by 6,000. Wholesale trade employment was little changed in April, but the industry has added 49,000 jobs since October. Within the financial sector, employment in credit intermediation and in real estate continued to edge up, reflecting strength in the housing market.

In April, average hourly earnings for production or nonsupervisory workers rose by 5 cents to \$15.59. Over the year, average hourly earnings grew by 2.2 percent.

Looking at some of our measures obtained from the survey of households, the April unemployment rate was 5.6 percent. The jobless rate has shown essentially no movement since last December.

In April, the labor force participation rate was 65.9 percent for the third consecutive month. Nearly 8.2 million persons were unemployed in April. The number of persons who had been jobless for 27 weeks or longer declined by 188,000, to 1.8 million.

In summary, nonfarm payroll employment increased by 288,000 in April and is up by 1.1 million since last August. The unemployment rate was little changed over the month, at 5.6 percent.

My colleagues and I now would be glad to address your questions.