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Statement of

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Nonfarm payroll employment rose by 132,000 in June, and the unemployment rate held at 4.5 percent. The June employment increase followed gains of 122,000 in April and 190,000 in May, as revised. In the first half of 2007, job growth averaged 145,000 per month, compared with an average monthly gain of 189,000 in 2006. In June, employment increased in several service-providing industries, while manufacturing employment continued to decline.

Within education and health services, health care added 30,000 jobs in June; over the past year, employment in health care has grown by 371,000. Over the month, employment continued to trend up in private education and in social assistance. Recently, job growth has picked up

in social assistance; the industry has added 46,000 jobs in the 4-month period since February.

Employment in food services and drinking places expanded by 35,000 in June. Thus far in 2007, job gains in the industry have averaged 31,000 per month, essentially the same as the average monthly increase in 2006.

Elsewhere in the service-providing sector, government employment continued to trend higher in June (+40,000). Wholesale trade also continued to add jobs (+20,000), with gains in both the durable and nondurable components. Retail trade employment edged down by 24,000 over the month. Employment in department stores was down by 7,000, and smaller losses occurred among other retail industries. In June, employment was flat in financial activities and in information. Employment in professional and business services was little changed in June. During the first 6 months of 2007, job growth in the industry averaged 13,000 per month compared with an average of 42,000 per month in the last half of 2006.

In the goods-producing sector, manufacturing employment continued to decline in June (-18,000). Job gains in machinery and in beverages and tobacco products were more than offset by job losses in primary metals, computer equipment, wood products, and textile mills. The

factory workweek lengthened by 0.2 hour to 41.3 hours, and overtime rose by 0.1 hour to 4.3 hours.

Construction employment was little changed in June. Since its most recent peak in September 2006, employment in the industry has declined by 44,000.

Average hourly earnings for private production and nonsupervisory workers increased 6 cents in June to \$17.38, a gain of 0.3 percent. Over the year, average hourly earnings were up by 3.9 percent.

In June, most labor market measures from our survey of households showed little or no change. The unemployment rate was 4.5 percent for the third consecutive month and the third consecutive quarter. The labor force participation rate, at 66.1 percent, was little changed over the month. The employment-population ratio was 63.1 percent in June, also little changed over the month. However, the ratio was 0.3 percentage point below its recent high of 63.4 percent in December 2006. The number of discouraged workers--persons not in the labor force because they believed no jobs were available--declined from a year earlier.

In summary, nonfarm payroll employment rose by 132,000 in June, and the unemployment rate was unchanged at 4.5 percent.