

Employment up, unemployment stable in the first half of 1986

Moderate job growth continued, but only in the service-producing sector and in construction; the level and rate of unemployment were about unchanged, as employment increases matched labor force expansion

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Employment rose at a steady, though unspectacular, pace in the first 6 months of 1986. However, as the economy moved into the fourth year of recovery following the 1981–82 recession, the number of unemployed persons and the unemployment rate were little changed. Civilian employment increases slowed during 1985 and the first half of 1986 from the very robust gains evident in the 2 years immediately after the recession trough. Similarly, the civilian jobless rate, which had dropped sharply during the first 2 years of the recovery, declined only moderately in 1985 and then leveled off at about 7 percent in early 1986.

Job gains during the first half of 1986 took place entirely in the service-producing sector and construction. In contrast, manufacturing employment declined, and the number of mining jobs dropped precipitously—due mainly to the steep fall in oil prices and the consequent layoffs in oil and gas extraction. Most of these developments represented a continuation of the patterns evident during 1985 and reflected both the long-term trend toward the service-producing sector and cyclical developments. The weakness in the goods-producing sector has been especially pronounced in the 1980's, as employment has declined in absolute numbers, augmenting the longer-term decline in relative terms. This sector failed to regain all the jobs lost during the 1980–82 recessions, and its second quarter 1986 employment level (25 million) was about 1.7 million below the July 1979 all-time high.¹

This article summarizes labor market developments in the

first half of 1986 and compares them to earlier periods in the current economic expansion, as well as to long-term trends. The data are from two sources: household interviews and employer reports.² Changes during the first half of 1986 refer to movements in seasonally adjusted data from the fourth quarter of 1985 to the second quarter of 1986. References to the last 3½ years cover the period from fourth quarter 1982 to second quarter 1986, and the last 1½ years pertain to 1985 and the first half of 1986.

Employment

Only three of the previous seven economic expansions in the post-World War II period lasted as long as the current one (43 months as of June 1986). The growth rate for civilian employment in the first 3½ years of this expansion was 10 percent, substantially more than the increases during comparable periods after the 1948–49 and 1960–61 recessions, but less than the nearly 13-percent rise following the 1973–75 recession. The robust employment increase in the late 1970's was unusual, because it accelerated in the third and fourth years after the recession. The more typical pattern has been for employment to rebound sharply in the first 1½ to 2 years following a recession trough and then to show moderate growth in subsequent quarters.³

The current expansion adhered to the usual pattern of a strong initial rebound followed by slower but steady job growth. In the first half of 1986, the number of employed persons rose by about 900,000 (after allowance for the revisions introduced into the household survey in January 1986),⁴ proportionately less than the gains posted earlier in the recovery. At 109.2 million in the second quarter of 1986, civilian employment had expanded by just about

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10 million from the recession trough in the fourth quarter of 1982—with 7 million of the increase occurring in the first 2 years of the recovery and about 3 million coming in the last 1½ years.

Age and sex. Virtually all of the employment increase during the first 6 months of 1986, as well as throughout the current expansion, has been among adults. (See table 1.) Over the 3½ years since the end of the recession, employment rose by about 5 million each for adult men and adult women, while teenage employment was essentially flat. (However, the teenage employment-population ratio rose in the recovery, offsetting declines in their population.) During the first 2 years of recovery, employment gains for men outpaced those for women, as male employment rebounded strongly from the very sharp job cutbacks experienced during the recession. However, in the past 1½ years, the employment increase for women exceeded that for men (2.1 versus 1.2 million).

Occupation. Consistent with overall movements, employment increases for most major occupational groups slowed in 1985 and 1986. Moreover, the composition of the job movements by occupation changed markedly.⁵ Nonfarm manual occupations registered very strong gains in the early phase of the economic rebound—7.7 percent for skilled workers and 5.6 percent for semi- and low-skilled workers. The following tabulation shows the percent change in employment for major occupations based on averages for the first 6 months of 1983–86:

	1983–84	1984–85	1985–86
All occupations	4.9	2.3	2.2
Managerial and professional ..	5.6	3.7	2.5
Technical, sales, and administrative	4.3	2.6	3.0
Service	3.8	1.7	2.0
Precision production, craft, and repair	7.7	2.8	.2
Operators, fabricators, and laborers	5.6	.3	2.3
Farming, forestry, and fishing.	-3.1	-1.1	-1.7

From 1984 to 1985, the expansion was greatest for office workers, especially highly educated managerial and professional workers, while growth slowed for precision production, craft, and repair workers and almost halted for operatives, fabricators, and laborers.

Between 1985 and 1986, office occupations—particularly technical, sales, and administrative support positions—continued to register the largest increases. The small rise for skilled manual workers took place entirely in the construction trades. Similarly, the employment gain among operators, fabricators, and laborers was led by an extremely large increase for construction laborers. In contrast, the number of machine operators, assemblers, and inspectors (almost all of whom are employed in manufacturing) edged

up only slightly. The service occupations have experienced only moderate growth throughout the last 3 years, while farming, forestry, and fishing jobs have declined.

Industrial developments

The number of employees on nonagricultural payrolls averaged nearly 100 million in the second quarter of 1986. In the 3½ years since the recession trough, payroll employment has increased by about 11.0 million, with 7.3 million of the gain coming in the first 2 years of recovery and just under 4 million taking place in the last 1½ years. (See table 2.) The moderation in the pace of job growth since late 1984 occurred entirely in the goods-producing sector. The following tabulation shows the change (in millions) in nonfarm jobs in service- and goods-producing industries for selected periods:

	Total	Service- producing	Goods- producing
Nov. 1982 to May 1986	11.2	9.2	2.0
Nov. 1982 to Nov. 1984	7.3	5.3	2.0
Nov. 1984 to May 1986	3.9	3.9	.0

As shown, goods-producing employment rebounded strongly in the 2 years immediately following the recession, but then showed no net gain in the subsequent 18 months. In contrast, service-producing employment grew robustly, and at a similar rate per month, in both periods.

Service-producing industries. Throughout the current expansion, the largest absolute job gains have been in services and retail trade, although finance, insurance, and real estate also posted substantial increases. Job growth in each of these three industry divisions ranged from 17 to 20 percent over the 3½-year period of recovery, compared with less than 9 percent in the goods-producing sector. During 1985 and the first half of 1986, most service-producing industries continued to record large increases. Services (up 1.7 million) and retail trade (950,000) led the way, followed by government (550,000) and finance, insurance, and real estate (475,000).

Within the services division, business services has experienced phenomenal job growth over the last decade, especially among those firms that provide computer and data processing services and temporary help.⁶ Since the recession trough, business services employment has jumped by 1.5 million or 45 percent, with 600,000 of the increase occurring in the past 1½ years. Health services also continued its long-term job growth. Engineering and architectural services, as well as accounting, auditing, and bookkeeping, are two other industries that have registered large job increases over the 1985–86 period.

Retail trade employment continued to advance, but at a slower pace than in 1983 and 1984. Three industries—eating and drinking places, automotive dealers and service stations, and food stores—have accounted for almost all the

job growth since late 1984. In contrast, employment in general merchandise or department stores has been about unchanged over the last 1½ years, following a healthy pick-up in the first 2 years of recovery.

Finance, insurance, and real estate, while much smaller than retail trade or services, has also grown at a very brisk pace throughout the current expansion. Moreover, the rate of job growth in this division has accelerated in the last 1½ years, compared with 1983 and 1984. Much of the recent strength has been in finance, reflecting greater activity

among mortgage lenders in response to increased demand for new and refinanced home loans at lower interest rates.

Goods-producing industries. Employment trends within the goods-producing sector differed dramatically during the first half of 1986. Construction employment continued to advance strongly, but mining jobs dropped off sharply, and manufacturing employment edged down.

Construction employment has jumped by 1.1 million, or 30 percent, during the current economic expansion—the

Table 1. Selected labor force indicators by sex, age, race, and Hispanic origin, seasonally adjusted quarterly averages, 1982-86

[Numbers in thousands]

Characteristic	1982 IV	1984 IV	1985				1986	
			I	II	III	IV	I	II
Total								
Civilian labor force	110,926	114,235	115,024	115,206	115,468	116,158	117,027	117,671
Percent of population	64.1	64.5	64.8	64.7	64.7	64.9	65.1	65.3
Employed	99,135	105,959	106,618	106,804	107,200	107,996	108,768	109,225
Agriculture	3,475	3,325	3,319	3,259	3,077	3,093	3,227	3,182
Nonagriculture	95,660	102,634	103,298	103,545	104,123	104,903	105,541	106,043
Employment-population ratio	57.3	59.8	60.1	60.0	60.1	60.4	60.5	60.6
Unemployed	11,791	8,276	8,406	8,402	8,268	8,162	8,259	8,446
Unemployment rate	10.6	7.2	7.3	7.3	7.2	7.0	7.1	7.2
Men, 20 years and over								
Civilian labor force	58,340	59,981	60,063	60,217	60,278	60,542	61,221	61,216
Percent of population	78.7	78.2	78.2	78.1	78.0	78.0	78.3	78.1
Employed	52,552	56,234	56,305	56,439	56,597	56,909	57,516	57,421
Employment-population ratio	70.9	73.4	73.3	73.2	73.2	73.4	73.6	73.2
Unemployed	5,788	3,747	3,757	3,778	3,681	3,633	3,705	3,795
Unemployment rate	9.9	6.2	6.3	6.3	6.1	6.0	6.1	6.2
Women, 20 years and over								
Civilian labor force	44,115	46,366	46,900	47,123	47,363	47,749	47,923	48,440
Percent of population	52.9	54.0	54.5	54.6	54.7	54.9	55.0	55.4
Employed	40,139	43,280	43,744	43,947	44,210	44,716	44,829	45,331
Employment-population ratio	48.2	50.4	50.8	50.9	51.0	51.5	51.4	51.8
Unemployed	3,976	3,086	3,156	3,176	3,153	3,033	3,094	3,109
Unemployment rate	9.0	6.7	6.7	6.7	6.7	6.4	6.5	6.4
Both sexes, 16 to 19 years								
Civilian labor force	8,471	7,888	8,061	7,866	7,828	7,867	7,883	8,015
Percent of population	54.3	54.1	55.2	54.2	54.2	54.4	54.5	55.4
Employed	6,445	6,445	6,568	6,418	6,393	6,371	6,423	6,473
Employment-population ratio	41.3	44.2	45.0	44.2	44.2	44.0	44.4	44.7
Unemployed	2,027	1,443	1,493	1,448	1,434	1,496	1,460	1,542
Unemployment rate	23.9	18.3	18.5	18.4	18.3	19.0	18.5	19.2
White								
Civilian labor force	96,604	98,798	99,611	99,672	99,900	100,515	101,147	101,579
Percent of population	64.4	64.7	65.0	64.9	64.9	65.2	65.3	65.4
Employed	87,466	92,622	93,357	93,392	93,706	94,487	94,975	95,331
Employment-population ratio	58.3	60.7	60.9	60.8	60.9	61.3	61.3	61.4
Unemployed	9,138	6,175	6,254	6,280	6,195	6,028	6,172	6,249
Unemployment rate	9.5	6.3	6.3	6.3	6.2	6.0	6.1	6.2
Black								
Civilian labor force	11,500	12,242	12,299	12,351	12,340	12,464	12,583	12,758
Percent of population	61.4	62.8	62.9	63.0	62.6	63.0	63.3	64.0
Employed	9,150	10,393	10,402	10,498	10,520	10,580	10,739	10,857
Employment-population ratio	48.9	53.3	53.2	53.5	53.4	53.5	54.1	54.4
Unemployed	2,350	1,849	1,897	1,853	1,821	1,883	1,843	1,902
Unemployment rate	20.4	15.1	15.4	15.0	14.8	15.1	14.6	14.9
Hispanic origin								
Civilian labor force	6,723	7,610	7,573	7,631	7,779	7,803	7,883	8,029
Percent of population	63.6	65.4	64.4	64.3	65.0	64.6	64.7	65.3
Employed	5,693	6,815	6,794	6,825	6,956	6,966	7,024	7,173
Employment-population ratio	53.9	58.5	57.8	57.5	58.1	57.7	57.7	58.4
Unemployed	1,030	795	778	805	823	837	859	856
Unemployment rate	15.3	10.5	10.3	10.6	10.6	10.7	10.9	10.7

NOTE: Detail for race and Hispanic-origin groups will not sum to totals because data for the "other races" group are not presented and Hispanics are included in both the white and black

population groups.

largest growth rate for any major industry group. What is more, this expansion was just as robust during the 1985–86 period, when the number of construction jobs rose by about 500,000. Much of the recent strength was related to the upsurge in housing starts in the wake of sharply lower mortgage interest rates. In the initial stage of the recovery, both housing starts and the value of residential construction put in place rebounded sharply, but during 1984 they had leveled off.⁷ Also, housing starts, at 1.7 to 1.8 million per year in the 1983–85 period, were below earlier highs of more than 2 million units per year.

Much of the underlying strength in construction in 1984, 1985, and early 1986 has been in private nonresidential building—especially structures for use by service-producing firms.⁸ Between 1983 and 1985, the annual value of construction put in place rose by 76 percent for commercial structures other than office buildings. This category includes shopping malls, department stores, warehouses, banks, gas stations, and other buildings intended for use by trade and service businesses. Office building construction also grew substantially between 1983 and 1985 (by about 40 percent), but industrial construction rose by only 12 percent, reflecting the weakness in manufacturing. The value of all private nonresidential buildings increased by a healthy

35 percent between 1983 and 1985, while residential construction rose by 15 percent.

The number of mining jobs fell by approximately 130,000, or 15 percent, in the first 6 months of 1986, after trending downward more gradually since early 1982. Most of the drop took place in oil and gas extraction, which was adversely impacted by the worldwide oil glut and the subsequent collapse of oil prices. At \$15 a barrel in May 1986, the price of oil had dropped about 40 percent from the first of the year, and many marginal wells had been shut down. Between December 1985 and June 1986, the oil and gas industry lost 1 of 5 of its jobs.

Manufacturing employment edged down from 19.3 million in early 1986 to 19.2 million in the second quarter, and was considerably below its peak of 21.2 million reached in July of 1979. From that record high to the recession trough in 1982, factory employment fell by 3.1 million; during the first 2 years of recovery, it regained almost half of the jobs lost, but has shown no sustained growth since late 1984. In fact, the number of factory jobs declined during most of 1985 before leveling off in the fourth quarter. In the first half, small job losses occurred in primary metals, machinery, and motor vehicles, as well as in leather. However, small gains in lumber and wood products and stone, clay,

Table 2. Employees on nonagricultural payrolls by industry, seasonally adjusted quarterly averages, 1982–86

[In thousands]

Industry	1982 IV	1984 IV	1985				1986	
			I	II	III	IV	I	II ^p
Total	88,725	95,907	96,581	97,295	97,897	98,668	99,403	99,837
Goods-producing	22,982	24,943	24,970	24,947	24,866	24,937	25,028	24,954
Mining	1,029	958	946	943	922	907	876	793
Oil and gas extraction	651	610	600	596	581	585	538	463
Construction	3,837	4,498	4,585	4,681	4,703	4,769	4,868	4,965
General building contractors	959	1,189	1,222	1,242	1,257	1,282	1,316	1,308
Manufacturing	18,116	19,486	19,439	19,323	19,241	19,261	19,284	19,196
Durable goods	10,485	11,635	11,616	11,539	11,459	11,454	11,446	11,370
Nondurable goods	7,631	7,851	7,823	7,784	7,782	7,808	7,838	7,826
Service-producing	65,743	70,964	71,611	72,347	73,031	73,731	74,375	74,883
Transportation and public utilities	5,022	5,201	5,223	5,236	5,239	5,270	5,281	5,233
Transportation	2,735	2,965	2,984	2,999	3,004	3,037	3,052	3,038
Communication and public utilities	2,288	2,236	2,239	2,237	2,235	2,232	2,229	2,194
Wholesale trade	5,214	5,645	5,678	5,721	5,760	5,800	5,838	5,852
Durable goods	3,034	3,337	3,364	3,396	3,424	3,451	3,477	3,473
Nondurable goods	2,179	2,308	2,313	2,325	2,336	2,349	2,361	2,379
Retail trade	15,193	16,931	17,079	17,316	17,452	17,585	17,786	17,891
General merchandise stores	2,139	2,316	2,302	2,328	2,326	2,324	2,331	2,343
Food stores	2,510	2,685	2,718	2,759	2,804	2,844	2,891	2,918
Automotive dealers and service stations	1,635	1,835	1,858	1,889	1,904	1,919	1,935	1,942
Eating and drinking places	4,873	5,527	5,622	5,702	5,748	5,785	5,851	5,889
Finance, insurance, and real estate	5,356	5,779	5,841	5,913	5,989	6,068	6,155	6,253
Finance	2,664	2,890	2,920	2,957	2,998	3,039	3,081	3,134
Insurance	1,715	1,785	1,801	1,820	1,839	1,861	1,889	1,916
Real estate	976	1,105	1,120	1,137	1,152	1,168	1,185	1,203
Services	19,134	21,237	21,551	21,824	22,108	22,410	22,643	22,931
Business services	3,289	4,197	4,298	4,403	4,503	4,601	4,682	4,770
Health services	5,892	6,177	6,231	6,280	6,328	6,400	6,472	6,535
Government	15,824	16,171	16,240	16,337	16,483	16,599	16,672	16,723
Federal	2,745	2,830	2,842	2,867	2,888	2,904	2,920	2,923
State	3,641	3,773	3,801	3,829	3,861	3,900	3,922	3,934
Local	9,438	9,568	9,596	9,641	9,733	9,795	9,830	9,867

p = preliminary.

and glass products—related to the construction boom—and in food and printing partially offset the declines.

Unemployment

The number of unemployed persons and the civilian unemployment rate both showed little change during the first half of 1986.⁹ However, it is not unusual for the unemployment rate to plateau or even increase slightly following a sharp drop in the first 4 to 6 quarters after a recession. Chart 1 clearly shows this pattern in the four postwar expansions that have lasted as long as 3½ years. In the first year and a half of the current recovery, the civilian jobless rate dropped from 10.7 to 7.3 percent; it then remained at that level for a full year before edging down to 7.0 percent at the end of 1985.

Age and sex. The recent stability in overall unemployment has also been evident for most major worker groups. The 6.2-percent jobless rate for men in the second quarter of 1986 and the 6.4-percent rate for women were little changed from the rates posted in late 1985, but both were at their lowest sustained levels since early 1980. However, the rate for teenagers, at 19.2 percent in the second quarter, was slightly above the rate in evidence during most of 1985.

Although recent jobless rates for most worker groups were at or near their lowest levels in 6 years, they remained substantially above the lows recorded in 1979. The difference is most notable for adult men, who were particularly hard hit by the back-to-back recessions of 1980 and 1981–82. The jobless rate for men jumped from 4 percent in mid-1979 to a recession high of nearly 10 percent. Despite marked improvement in the subsequent 3½ years, the second quarter 1986 unemployment rate for men was half again as high as their rate 7 years earlier. The following tabulation shows unemployment rates for men, women, and teenagers, in selected quarters:

	1979-II	1982-IV	1986-II
Total, 16 years and over	5.9	10.6	7.2
Men	4.0	9.9	6.2
Women	5.7	9.0	6.4
Teenagers	16.0	23.9	19.2

The impact of the two recessions in the early 1980's was much less marked for women and teenagers. By the second quarter of 1986, jobless rates for both for these groups had dropped back to only slightly above their 1979 levels.

Race and ethnic origin. The unemployment rate for black workers, at 14.9 percent in the second quarter, was about 2½ times the 6.2-percent rate for whites, while the rate for persons of Hispanic origin—at 10.7 percent—remained in an intermediate position. Jobless rates for all three groups showed little change from late 1985 to mid-1986.

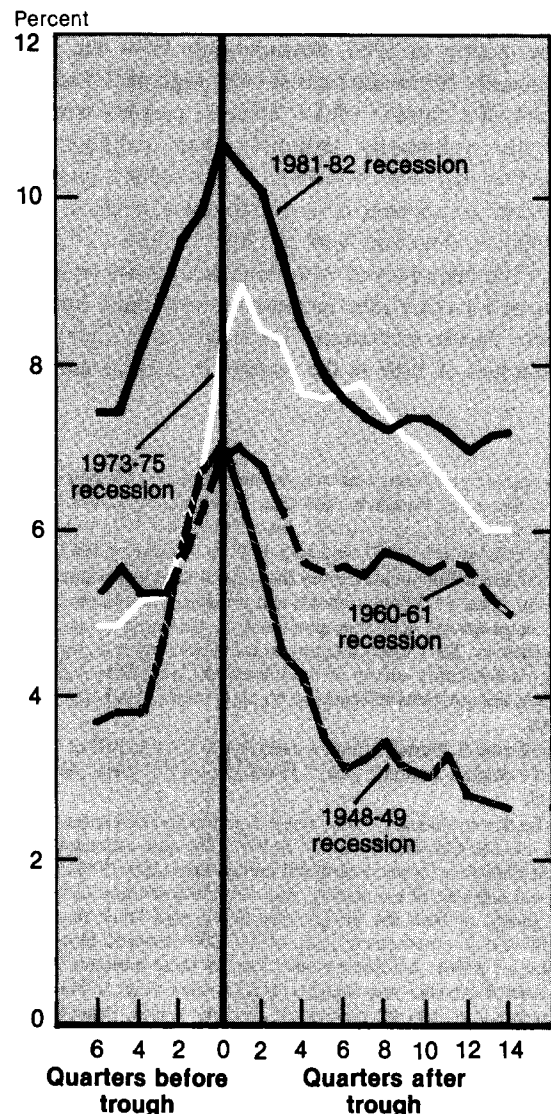
However, unemployment rates for the various race-ethnic groups displayed slightly different patterns during the 1979–

86 period. The already high black rate did not rise quite as much relatively as the white and Hispanic rates (which nearly doubled) during the 1980 and 1981–82 recessions. The following tabulation shows unemployment rates for whites, blacks, and Hispanics, selected quarterly averages:

	1979-II	1982-IV	1986-II
Whites	4.9	9.5	6.2
Blacks	12.5	20.4	14.9
Hispanics	8.2	15.3	10.7

Similarly, during the last 3½ years of expansion, the jobless rate for blacks did not fall proportionately as much as did

Chart 1. Cyclical behavior of civilian unemployment rate in four postwar expansions lasting as long as 3½ years



those for whites or Hispanics. Although there have been considerable drops in unemployment since the recession trough, jobless rates for whites, blacks, and Hispanics in mid-1986 were all about one-fourth above their 1979 lows.

Duration and reason. Although the number of unemployed persons held about steady in the first half of 1986, there were shifts in some key categories. Long-term unemployment (15 weeks or more) dipped to 26 percent of total joblessness in the second quarter of 1986, its lowest proportion since mid-1980. Most of the decrease occurred among persons who had been jobless for more than 6 months. Their proportion of total unemployment declined to about 14 percent in the second quarter from 15½ percent in late 1985. The decrease in long-term joblessness was reflected in a lower mean duration of unemployment—14.6 weeks in the second quarter of 1986, compared with about 15.5 weeks in the last 3 quarters of 1985.

The number of persons unemployed because of layoff from their previous jobs averaged about 1.1 million in the second quarter of 1986, down slightly from late 1985 and substantially below the recessionary high of 2.4 million. In contrast, the number of job leavers, persons who quit or otherwise voluntarily terminate their employment, increased to just over 1 million in the second quarter. The job-leaver component of unemployment tends to move in the opposite direction from job losers. That is, the proportion of the unemployed who voluntarily leave employment and look for other jobs increases in economic upturns and declines during recessions. There was little change during the first half of 1986 in the number of persons unemployed

because they were entering or reentering the labor force, or in the number of job losers who were not on layoff.

Discouraged workers

In the first half of 1986, there were approximately 1.1 million discouraged workers—persons who want to work but are not actively looking for jobs because they believe that they can not find one. The number was down slightly from the levels that had prevailed in the previous 1½ years. The recent decrease was evident both among persons who cite job market factors as the reason for their discouragement and among those citing personal factors. The decline was concentrated among men and whites—two groups that are underrepresented among discouraged workers. By mid-1986, men, who made up 55 percent of the civilian labor force, accounted for only 35 percent of discouraged workers; whites constituted 86 percent of the labor force, but only 66 percent of the discouraged.

THE MODERATE PACE of economic expansion evident during 1985 continued into the first half of 1986. Employment increases just about matched labor force expansion—leaving both the level and rate of unemployment about unchanged. All of the job growth in the past 1½ years has taken place in the service-producing sector—especially the services and retail trade industries—and in construction. Manufacturing employment has edged down since the end of 1985. Mining employment fell precipitously during the first half of 1986, as lower oil prices resulted in sharp reductions in the number of jobs in oil and gas extraction. □

—FOOTNOTES—

¹ Business cycle peaks and troughs are designated by the National Bureau of Economic Research. The three most recent recessions extended from the following peak-to-trough dates: November 1973 to March 1975, January 1980 to July 1980, and July 1981 to November 1982.

² The Current Population Survey (household survey) is a monthly sample survey of about 59,500 households and provides information on the labor force, employment, and unemployment by demographic and economic characteristics. The Current Employment Statistics program (establishment survey) is a monthly survey of more than 250,000 nonagricultural establishments and provides information on the number of persons on business payrolls.

³ See Susan E. Shank, "Employment rose in the first half of 1985, as the recovery entered its third year," *Monthly Labor Review*, August 1985, pp. 3–8.

⁴ Effective in January 1986, revised population estimates were introduced into the Current Population Survey. The new estimates include an explicit allowance for undocumented immigration since 1980, as well as an improved estimate of emigration. The net effect of these changes was to cause jumps in both the civilian population and labor force of about 400,000 and an employment jump of 350,000 (between December 1985 and January 1986). Adjustments are made for these breaks in series in the discussion of over-the-year changes for all civilian workers. However, with the exception of data for persons of Hispanic origin, data shown in the tables for periods prior to 1986 have not been adjusted.

⁵ Comparisons are based on unadjusted data averaged for the first 6 months of each year. Beginning in 1983, occupational data were coded and published according to the 1980 census system, which evolved from the Standard Occupational Classification. Seasonal adjustment will not be

possible until at least 5 years of data are available on the new classification system. For further information, see "Revisions in the Current Population Survey Beginning in January 1983," *Employment and Earnings*, February 1983, pp. 7–15.

⁶ See the following articles in the April 1986 *Monthly Labor Review*: Wayne J. Howe, "The business services industry sets pace in employment growth," pp. 29–36; and Max L. Carey and Kim L. Hazelbaker, "Employment growth in the temporary help industry," pp. 37–44.

⁷ See U.S. Bureau of the Census, *Construction Reports-Value of New Construction Put in Place: May 1985*, C-30-85-5, and later monthly news releases. All references to value of construction are in constant (1977) dollars.

⁸ Employment data for construction are classified differently from data on the value of construction put in place. The latter estimates are based on the type of construction or the final use of the project. Employment data are classified in two ways: first, based on the type of builder (general or special trades contractors) and second, for the general contractors on whether they construct buildings (of all types) or other projects. The most rapid employment growth in recent years has been among special trades contractors, for example, firms specializing in plumbing, painting, electrical work, or carpentry. These contractors work on all types of construction—residential and nonresidential, private and public.

⁹ On a monthly basis, the unemployment rate declined from 6.9 to 6.7 percent in January 1986, but increased in February to 7.3 percent. Both of these movements appear to have been exaggerated owing to several factors, including coding errors on a question that was reworded slightly in January and exceptionally mild weather in January that was followed by stormy weather in February.