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Statement of

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Nonfarm payroll employment rose by 112,000 in June, following 3 months of larger gains. Since August 2003, payroll employment has risen by 1.5 million. The June job gains were concentrated in health care and social assistance, professional and technical services, and transportation and warehousing. Employment in other industries was little changed over the month. The unemployment rate remained at 5.6 percent in June and has been essentially flat since December.

Within the service-providing sector, employment in health care and social assistance continued to grow in June, with a gain of 30,000. The industry added 174,000 jobs in the first half of 2004. Over the month, employment increased in ambulatory health care services (+11,000) and hospitals (+6,000). The child day care services component of social assistance added 11,000 jobs.

Professional and technical services employment increased by 23,000 in June, with small gains in several component industries. Since its recent low in August 2003, professional and technical services has added 152,000 jobs.

Transportation and warehousing added 19,000 jobs in June and has added 83,000 jobs since its recent low in August 2003. Employment in courier and messenger services was up by 6,000 in June and by 21,000 in the first half of 2004. Trucking employment continued its upward trend in June.

Elsewhere among the service-providing industries, employment in temporary help--which provides workers to other industries--continued to trend up in June (+12,000). The industry has added 306,000 jobs since its recent low in April 2003. Employment was little changed in other service-providing industries over the month.

In the goods-producing sector, manufacturing employment edged down in June (-11,000), following 4 months of small increases totaling 75,000. Employment in construction was unchanged in June; the industry added a quarter million jobs from its recent low in March 2003 through May of this year.

Average weekly hours of private production or nonsupervisory workers decreased by 0.2 hour to 33.6 hours in June. The factory workweek fell by 0.3 hour to 40.8 hours, and overtime was unchanged at 4.6 hours per week.

Average hourly earnings for private production or nonsupervisory workers were up by 2 cents over the month, following a 4-cent increase in May. Over the year, average hourly earnings grew by 2.0 percent.

According to our survey of households, the June unemployment rate was unchanged at 5.6 percent. The jobless rate has been 5.6 percent in 5 of the 6 months this year. Over the month, the number of unemployed persons held at 8.2 million, little changed since the end of last year. In June, 1.8 million people were unemployed for 27 weeks or longer. The employment-population ratio was 62.3 percent in June and has been at or near that level since early 2003.

In summary, nonfarm payroll employment increased by 112,000 in June, following larger gains in the prior 3 months. The unemployment rate held at 5.6 percent in June; it has shown essentially no movement since December.