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Statement of

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Commissioner
Bureau of Labor Statistics

before the

Joint Economic Committee

UNITED STATES CONGRESS

Friday, April 2, 2004

Mr. Chairman and Members of the Committee:

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

Nonfarm payroll employment rose by 308,000 in March. This follows revised gains of 159,000 in January and 46,000 in February. Since August 2003, payroll employment has risen by 759,000. The unemployment rate was 5.7 percent in March, little changed over the month.

Job growth was fairly widespread in March, with gains in both the goods-producing and service-providing sectors of the economy. Among the goods-producing industries,

construction employment increased by 71,000 over the month. This unusually large gain followed a decline of 21,000 in February. Employment in construction has been trending upward over the past year; 201,000 jobs have been added over the period.

Manufacturing employment was unchanged in March at 14.3 million. Factory employment had been declining for some time, although the rate of job loss began to moderate late last summer. This abatement in job losses has been concentrated among durable goods manufacturers. The manufacturing workweek was down in March to 40.9 hours. Since July 2003, however, the factory workweek is up by eight-tenths of an hour.

Several of the major service-providing industries added jobs in March. Retail trade employment increased by 47,000. Part of this gain reflects the return to payrolls of some workers who had been on strike in food stores. Elsewhere in retail trade, employment rose over the month among motor vehicle and parts dealers and continued to trend upward in building material and garden supply stores.

In health care and social assistance, employment increased by 36,000 in March, almost entirely in health care industries. There were noteworthy job gains in

hospitals, offices of physicians, and nursing and residential care facilities.

Employment in professional and business services expanded over the month. Job gains occurred in a number of component industries, including architectural and engineering services, computer systems design, and management consulting. Elsewhere in this sector, employment in the temporary help industry was basically unchanged over the month, after an increase in February. From a longer-term perspective, the number of temporary help jobs has increased by 212,000 since April 2003.

The food services industry added 27,000 jobs over the month. Over the past year, employment in food services has expanded by 186,000. The number of jobs in transportation and warehousing edged up in March. In financial activities, employment increased by 11,000 in credit intermediation, reflecting the recent rise in mortgage refinancing activity. The job total in the information industry was essentially unchanged in March; employment in the industry appears to have leveled off recently following roughly 2 1/2 years of decline.

Moving on to the data from our household survey, the unemployment rate was little changed at 5.7 percent in March. The jobless rate has held fairly steady for several

months and remains below its recent peak of 6.3 percent in June 2003.

The labor force participation rate was unchanged in March at 65.9 percent. Total employment (as measured in the household survey) was essentially flat over the month, and the employment-population ratio was little changed at 62.1 percent. The number of discouraged workers--persons outside the labor force who have stopped looking for work because they believe their job search efforts would be fruitless--was 514,000 in March, not much different from a year earlier.

In summary, nonfarm payroll employment increased by 308,000 in March and is up by 759,000 since last August. The unemployment rate was little changed over the month, at 5.7 percent.

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