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Statement of

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Commissioner
Bureau of Labor Statistics

before the

Joint Economic Committee

UNITED STATES CONGRESS

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Madam Chair and Members of the Committee:

Thank you for the opportunity to discuss the April employment and unemployment statistics we released this morning.

Nonfarm payroll employment changed little in April (-20,000), following job losses in the first quarter that averaged 80,000 per month. In April, employment continued to decline in construction, manufacturing, and retail trade, while jobs were added in health care and in professional and technical services. The unemployment rate, at 5.0 percent, was little changed.

Within the goods-producing sector, employment in construction declined by 61,000. Since its peak in September 2006, construction employment has fallen by 457,000. Over the

last 6 months, job losses averaged 50,000 per month, compared with an average loss of 12,000 per month from September 2006 to October 2007.

Manufacturing employment continued to decline in April. Job losses totaled 46,000 and were concentrated in durable goods manufacturing. Manufacturing hours fell from 41.2 to 40.9 hours over the month, with reductions widespread across both durable and nondurable industries. Factory overtime was down by one-tenth of an hour.

In the service-providing sector, retail trade employment continued to trend down. Since a peak in March 2007, the industry has shed 137,000 jobs. In April, job declines occurred in building and garden supply stores and in department stores.

Elsewhere in the service-providing sector, health care employment expanded by 37,000, with continued growth in hospitals, home health care, and doctors' offices. Professional and technical services added 27,000 jobs in April, following 3 months in which employment was about unchanged. Employment in food services continued to trend up over the month, although the pace of job growth has slowed in recent months.

Average hourly earnings for production and nonsupervisory workers in the private sector were up by 1 cent, or 0.1 percent, in April and by 3.4 percent over the past 12 months. From March

2007 to March 2008, the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) rose by 4.3 percent.

Turning to data from the household survey, both the number of unemployed persons (7.6 million) and the unemployment rate (5.0 percent) were little changed in April. Over the past 12 months, the jobless rate has risen by 0.5 percentage point and the number of unemployed individuals has risen by 797,000. Although the number of unemployed persons who had been searching for work for 27 weeks or more increased by 160,000, their share of total unemployment changed little. Over the month, the number of persons who were unemployed due to job loss was little changed, at 4.0 million, but was up by 698,000 from a year earlier. These job losers accounted for 53 percent of all unemployed persons in April, up from 49 percent 12 months earlier. (Other groups of unemployed persons include those entering the labor market for the first time, those re-entering after an absence, and those who voluntarily leave jobs.)

The number of persons in the labor force was about unchanged over the month, and the labor force participation rate held at 66.0 percent. In April, 62.7 percent of the population was employed, essentially unchanged from the prior month but down from a recent peak of 63.4 percent at the end of 2006. The number of persons working part time who prefer full-time employment rose by 306,000 in April to 5.2 million. Over the

past 12 months, involuntary part-time employment has increased by 849,000.

To summarize April's labor market developments, payroll employment was little changed at 137.8 million, as was the unemployment rate, at 5.0 percent.

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