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Statement of

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Nonfarm payroll employment rose by 157,000 in May to 137.8 million. The unemployment rate was unchanged at 4.5 percent. Job growth continued in a number of service-providing industries, while employment declined in manufacturing. In the first 5 months of 2007, payroll job growth averaged 133,000 per month, compared with 189,000 per month in 2006.

Food services and drinking places added 35,000 jobs in May and 361,000 over the year. Over the month, health care employment grew by 25,000, with gains in hospitals and ambulatory health care services. Employment in social assistance continued to rise; the industry added 32,000 jobs over the last 3 months.

Within professional and technical services, employment increased in computer systems design and in architectural and engineering services. Elsewhere in the service-providing sector, employment continued to trend up in wholesale trade, information, and private education. Employment in financial activities was essentially unchanged over the month, reflecting offsetting movements in its component industries.

Manufacturing employment continued to decline in May (-19,000), reflecting a large job loss in motor vehicles and parts (-10,000) and smaller declines in other industries. Over the year, manufacturing lost 164,000 jobs; nearly half were in the motor vehicle and parts industry. Average weekly hours and overtime in factories each fell by 0.1 hour in May to 41.0 and 4.1 hours, respectively.

Construction employment was unchanged in May. Since its recent peak in September, construction employment has decreased by 54,000. Elsewhere in the goods-producing sector, mining employment continued its upward trend in May.

Average hourly earnings for private production and nonsupervisory workers rose by 6 cents (0.3 percent) to

\$17.30 in May. Over the year, average hourly earnings increased by 3.8 percent.

Results from the survey of households showed that both the unemployment rate, at 4.5 percent, and the number of unemployed, at 6.8 million, were unchanged over the month. The unemployment rate has ranged from 4.4 to 4.6 percent since last September. The proportion of the overall population that was employed in May--63.0 percent--was unchanged from April; the rate is down from its recent high of 63.4 percent in December. The number of persons who worked part time for reasons such as slack work or the inability to find full-time work was about unchanged over the month but has risen by 332,000 over the year.

In summary, nonfarm payroll employment rose by 157,000 in May, and the unemployment rate held at 4.5 percent.