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Statement of

Erica L. Groshen  
Commissioner  
Bureau of Labor Statistics

Friday, June 3, 2016

The unemployment rate declined by 0.3 percentage point to 4.7 percent in May, and nonfarm payroll employment changed little (+38,000). Job gains occurred in health care, while mining employment continued to decline. Information employment declined due to a strike.

Incorporating revisions for March and April, which reduced nonfarm payroll employment by 59,000, monthly job gains have averaged 116,000 over the past 3 months. In the 12 months prior to May, employment growth averaged 219,000 per month.

Health care employment increased by 46,000 in May. Ambulatory health care services (+24,000), hospitals (+17,000), and nursing care facilities (+5,000) added jobs over the month. Employment in health care has increased by 487,000 over the year.

Employment in professional and business services changed little in May (+10,000), after increasing by 55,000 in April. Within the industry, professional and technical services added

26,000 jobs in May, in line with average monthly gains over the prior 12 months. Temporary help services employment was little changed in May (-21,000) but is down by 64,000 thus far this year.

Within leisure and hospitality, employment changed little in food services and drinking places (+22,000). Job gains in this industry have averaged 19,000 per month in 2016, compared with average monthly gains of 30,000 in 2015.

In May, employment in construction changed little (-15,000) for the second month in a row. Monthly job growth had averaged 25,000 over the 12 months ending in March.

Mining employment continued to decline in May (-10,000). The industry has lost 207,000 jobs since a recent peak in September 2014. Three-fourths of the job losses over this period have been in support activities for mining.

In the information sector, employment fell by 34,000 in May, reflecting a strike by about 35,000 telecommunications workers.

Within manufacturing, employment declined by 18,000 in durable goods in May. Job losses occurred in machinery (-7,000) and in furniture and related products (-3,000). Employment in durable goods manufacturing has declined by 80,000 over the year.

Average hourly earnings of all employees on private nonfarm payrolls rose by 5 cents in May to \$25.59. Over the past 12 months, average hourly earnings have risen by 2.5 percent. From April 2015 to April 2016, the Consumer Price Index for All Urban Consumers (CPI-U) increased by 1.1 percent (on a seasonally adjusted basis).

Turning now to data from our survey of households, the number of unemployed persons fell by 484,000 to 7.4 million in May, and the unemployment rate declined by 0.3 percentage point to 4.7 percent. Both measures had shown little movement from August to April.

In May, the number of long-term unemployed--those who had been looking for work for 27 weeks or more--declined to 1.9 million. These individuals accounted for 25.1 percent of the unemployed.

The labor force participation rate decreased by 0.2 percentage point over the month to 62.6 percent. The rate has declined by 0.4 percentage point over the past 2 months, offsetting gains in the first quarter. The employment-population ratio was unchanged at 59.7 percent in May.

Among the employed, individuals working part time for economic reasons increased by 468,000 to 6.4 million in May, after showing little movement since November. (These individuals, also referred to as involuntary part-time workers,

would have preferred full-time employment but were working part time because their hours had been cut back or because they were unable to find full-time work.)

Among people who were neither working nor looking for work in May, 1.7 million were classified as marginally attached to the labor force, little different from a year earlier. The number of discouraged workers, a subset of the marginally attached who believed that no jobs were available for them, was 538,000 in May, also little different from a year earlier. (The marginally attached are individuals who had not looked for work in the 4 weeks prior to the survey but wanted a job, were available for work, and had looked for a job within the last 12 months.)

In summary, the unemployment rate declined to 4.7 percent in May, and nonfarm payroll employment changed little (+38,000).