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Statement of

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Commissioner
Bureau of Labor Statistics

before the

Joint Economic Committee

UNITED STATES CONGRESS

Friday, June 4, 2004

Mr. Chairman and Members of the Committee:

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

Nonfarm payroll employment rose by 248,000 in May, following even larger job gains in both April and March (346,000 and 353,000, respectively). Since August 2003, payroll employment has risen by 1.4 million. In May, job growth was widespread for the third consecutive month. Employment continued to expand in manufacturing, construction, and several service-providing industries.

The unemployment rate held at 5.6 percent in May; it has shown essentially no movement since last December.

Among the goods-producing industries, employment in manufacturing rose by 32,000 in May and has increased by 91,000 since January. The over-the-month gain was concentrated in the durable goods component (26,000), which has accounted for nearly all of the recent job growth in manufacturing. The factory workweek rose by four-tenths of an hour over the month, more than offsetting declines in the prior 2 months.

The upward trend in construction employment continued in May, as the industry added 37,000 jobs. Since March 2003, the number of construction jobs has risen by 248,000. Employment growth in mining has picked up in recent months; the industry has added 18,000 jobs since January.

In the service-providing sector, employment in professional and business services increased by 64,000 in May, following an even larger gain in April. Nearly half of May's growth in professional and business services occurred in temporary help (31,000). Employment in temporary help has risen by nearly 300,000 since its recent low in April 2003.

Employment continued to increase in health care and social assistance (36,000). Job growth in this industry has accelerated in recent months.

Employment growth in leisure and hospitality was strong for the third straight month. The industry added 40,000 jobs in May, with food services and drinking places continuing to account for most of the gain (33,000). So far this year, employment increases in food services have averaged 32,000 per month.

Elsewhere among the service-providing industries, the financial sector added 15,000 jobs in May, as employment in real estate and in credit intermediation continued to expand. In retail trade and wholesale trade, employment sustained its upward trend.

One industry in which employment has continued to trend down is telecommunications. Over the month, employment declined by 5,000; since its peak in March 2001, the industry has shed 283,000 jobs.

In May, average hourly earnings for production or nonsupervisory workers rose by 5 cents, following a 4-cent increase in April. Over the year, average hourly earnings grew by 2.2 percent.

Looking at some of our measures obtained from the survey of households, the May unemployment rate was

unchanged at 5.6 percent. After trending down during the second half of last year, the jobless rate has been either 5.6 or 5.7 percent in each month since December.

In May, 8.2 million persons were unemployed. The number of persons who had been jobless for 27 weeks or longer held at 1.8 million. The labor force participation rate was 65.9 percent for the fourth consecutive month.

In summary, nonfarm payroll employment increased by 248,000 in May, by 947,000 over the last 3 months, and by 1.4 million since August. The unemployment rate was unchanged over the month, at 5.6 percent.

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