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Statement of

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Commissioner
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Labor market conditions were little changed in July. The unemployment rate held at 5.9 percent and nonfarm payroll employment was flat at 130.8 million. Payroll employment has been essentially unchanged over the past 5 months and the unemployment rate has remained within a narrow 5.8- to 6.0-percent range since April.

The number of unemployed, at 8.3 million, was close to its May and June levels. Long-term unemployment of 15 weeks or longer edged down in July. That measure had risen continuously over the prior 13 months.

In July, approximately 4.2 million persons were involuntary part-time workers (that is, they would have preferred full-time work), an increase from June. The number of involuntary part-timers jumped significantly

following the terrorist attacks last September, but since then has not shown any clear trend.

Services industry payrolls expanded by 50,000 in July, largely due to continued growth (+29,000) in health services. Elsewhere in the services division, employment in help supply services declined in July. From February through June, this industry had added 145,000 jobs.

Construction employment fell by 30,000 on a seasonally adjusted basis in July. Job losses occurred throughout the industry.

Employment in other major private-sector industries was little changed in July. For the manufacturing industry (-7,000), July was the fourth consecutive month in which job losses were less than 30,000; they had averaged 109,000 per month in 2001. Over the month, several manufacturing industries saw some minor improvement over recent employment trends. These included rubber and plastics, printing and publishing, and electrical equipment. Motor vehicle manufacturers registered some job losses in July, and declines continued in aircraft manufacturing. The manufacturing workweek shrank by four-tenths of an hour to 40.7 hours, more than erasing the June gain. Factory overtime also declined, down by two-tenths of an hour to 4.1 hours.

Average hourly earnings for production or nonsupervisory workers on private nonfarm payrolls were up by 4 cents over the month to \$14.79. Over the year, average hourly earnings increased by 3.2 percent.

Overall, the labor market held steady again in July and has exhibited no signs of either significant deterioration or marked improvement in the past several months.